



Q4 2021

How the high-net-worth and mass-affluent will travel in 2022 and beyond

Capitalize on these luxury travel trends to increase customer lifetime value

TEN



Ever since the global pandemic caused its first waves across the globe, the world of travel and luxury spending – even among the most affluent – has been rocked. Harnessing exclusive data from our pool of millions of high-net-worth (HNW) and mass affluent members, we’ve monitored the effects of this industry upset to reveal significant changes in their behavior and spending power, tracking back to 2019 as the initial rumblings of the pandemic were felt.

From private jets and vacation rentals to wellness staycation and ‘bleisure’ travel, we’ve used this data to define current and future travel trends.

What’s more, we’ve identified how you can capitalize on these changes to increase customer lifetime value from engagement, spend or assets under management and retention.

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Luxury spending in a post-pandemic world



Luxury spending is a global affair: 20-30% of industry revenues are generated by consumers making international purchases [1]. So the introduction of travel restrictions during the pandemic hit this sector hard, halting the previous 15 years of growth within the luxury market – with estimates indicating it has shrunk back to its 2015 value of \$1.2 trillion [2]. However, while the world dealt with a global emergency, pandemic stimulus designed to keep economies afloat entered financial markets – allowing the wealthy to become even wealthier [3].



12%

Growth of HNWI wealth
in 2020 in the US



6.3%

Growth of the global
population of HNWIs
in 2020 [4]

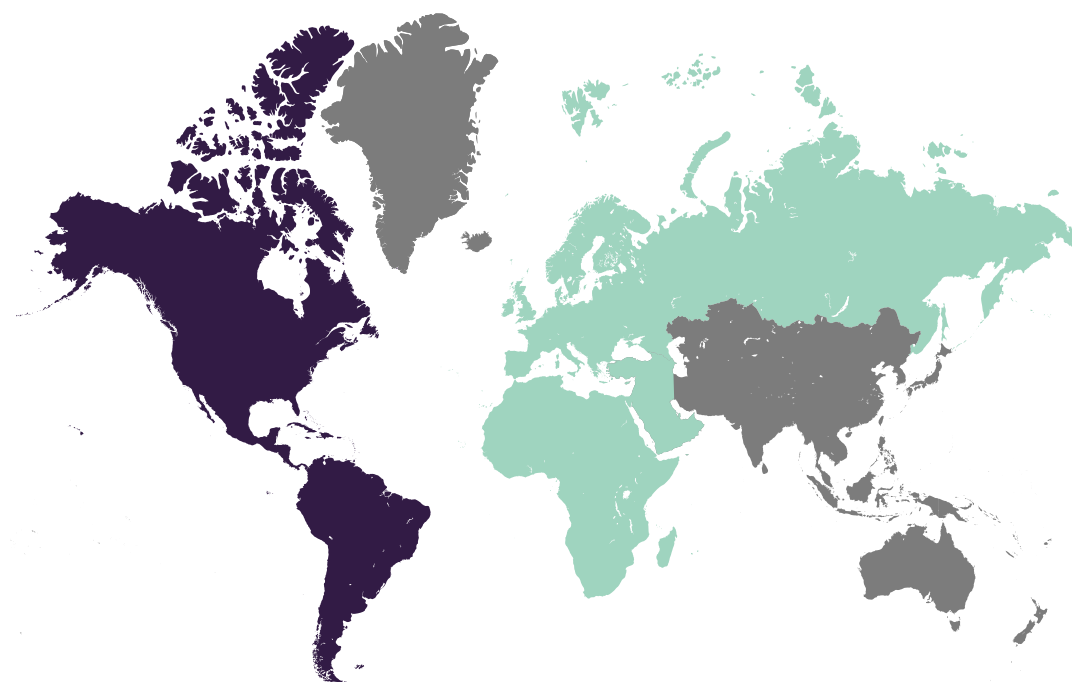
After 18 months of amassing wealth without being able to spend it, our data indicates that high-net-worth individuals (HNWIs) are ready to travel and see the world again, with bookings and spend from June to August 2021 above 2019 levels.

Our data is in line with reports from others in the luxury market: aviation service VistaJet, which reported a 320% increase in new memberships in July 2020 compared to 2019 [5], commented that partners across the sector are refocusing their efforts toward an HNW target group, following predictions of rapid recovery to pre-pandemic levels.

Banks are also anticipating a return of consumers to travel, with major players already moving to create a relevant proposition to appeal to both current and new customers – take JPMorgan Chase for example, which, betting on the rebound of leisure travel, purchased a travel and rewards business in late 2020 [6].

Member hotel bookings and average transaction value (ATV):

June - August 2021 vs June - August 2019



Global trends:



36.6% increase in hotel bookings



0.77% increase in ATV

EMEA:



25.5% increase in hotel bookings



18.34% increase in ATV

Americas:



36.4% increase in hotel bookings



4.9% decrease in ATV*

**likely due to the decrease in international flight bookings.*





‘People across the globe want to vacation and travel again, and hopefully that will become a reality for many in the near future. Acquiring the travel and rewards businesses... will provide enhanced experiences to our millions of Chase customers once they are ready, comfortable, and confident to travel.’ – Marianne Lake, head of JPMorgan Chase consumer lending business [7].



Travel trends

Luxury travellers are ready to start exploring the world. Here's how they want to do it:



Expert support

We expect expert-organised leisure travel to rebound back to pre-pandemic levels in 2022 and 2023 – but with a higher number of HNW customers (both repeat and first-time users) valuing expert support from their concierge service as opposed to finding their own options or using an alternative travel agent. Many will want a return to the excitement of travel, but in the knowledge that it's to a safe destination with an effective healthcare system and low virus levels (such as Portugal, Greece, the UAE, and Canada), with all necessary precautions taken.



‘Thank you for your tremendous help in rescuing our travel arrangements around France following our failed attempt to acquire rail tickets for the several journeys through our French bank. The whole exercise was completed in under two days, very politely and efficiently, and I now feel that I was given all the correct reservations at the right prices. I hope we do not need to contact you again on this matter, but we will certainly use [our bank concierge] in future.’



‘Jason and Angela had the most wonderful weekend. In their words, it was magical and more than they could ever have expected. They had a room upgrade and the most beautiful bouquet in the room. Thank you so much for everything. It’s very much appreciated.’





Last-minute bookings

Last-minute, complex bookings will remain for at least 24 months as global government restrictions keep changing, with countries opening and closing borders and the still-pertinent threat of contracting the virus.



Private jets

Private jets and upgrades of leisure travellers to business and first class are gaining popularity as they allow passengers to travel with minimal interaction with other people (a passenger on a commercial flight will encounter 700 points of contact on every flight, compared to 20 on a private jet [5]) and enable efficiency, safety, and comfort.



Private vacation rentals

Private vacation rentals took off during the pandemic [7] as consumers started working remotely and many quickly realized they could be based anywhere. This is still a strong trend among our members, especially those booking longer trips to avoid potential travel complications, and to have increased privacy and security. Upwork has announced that the number of US remote workers is likely to grow to 36.2m by 2025 [8], so we predict this trend is here to stay.



Wellness trips

Global lockdowns gave many HNWIs unexpected time for self-reflection and wellbeing. This trend is now seeping into travel plans, with trips that enrich both mind and body becoming increasingly popular in the luxury tourism market.



Bleisure travel

‘Bleisure’ – you might cringe at this portmanteau, but it’s one of the travel sector’s hottest buzzwords right now. Predictions indicate that, due to the pandemic’s forced transition to remote meetings [9], business travel will be much slower to recover than leisure. As executives are being asked to reduce business travel, the length of trips is increasing to fit more meetings into one trip. We’ve noticed that, to make the most of this return to travel, executives then often extend the trip further to include leisure time.





Staycations

The staycation trend continues unabated, despite the rise in cost (increasing by around 40% in the UK compared to August 2019 [10]). As previously stated, our travel bookings have increased above 2019 levels – but we’ve noticed a decrease in flight bookings (due to decreased business travel and COVID-19 restrictions remaining in place), indicating our members still strongly favor staycations.

Member staycation data - Percentage difference between member hotel and flight bookings June-August 2019 vs June-August 2021

55% of all hotel bookings by UK-based members were within the UK, and 77% of all hotel bookings by North American-based members were within the USA and Canada.

United Kingdom	Regional hotels	Flights
	24% ↑	30% ↓
USA and Canada	Regional hotels	Flights
	19% ↑	13.5% ↓

Ten's post-pandemic performance



After conversations with many Ten members, one thing is clear: the HNW demographic has found the travel industry to be highly challenging in the past year. Those organizing their own holidays have struggled with continuously changing restrictions, travel requirements, and difficulty in securing refunds. Those using travel agents have also suffered on account of decreased staffing due to redundancies and furlough schemes – often resulting in decreased service levels, slower response times, and increased chances of something (particularly in more complex trips) going wrong.



Ten Lifestyle Group's experience has been vastly different. Our NPS scores* across the business have increased from pre-pandemic levels, alongside an increase in repeat bookings and first-time users. There are multiple reasons for this:

**NPS is a widely used measure of customer satisfaction and loyalty*



We offer a 24/7/365 service, with 23 offices globally – meaning our members can always contact a specialist, no matter the time of day or where they are.



We've formed strong relationships with our trade partners, so we can offer a better service with added benefits, and deliver last-minute refunds more easily.





'It was amazing – THANK YOU!! Sorry I couldn't answer when you called. I am currently on hold with [a US airline] and don't want to lose my place (one hour on hold!) I appreciate you more than you know! Thank you for always going above and beyond.'

'Julia, you have amazed me in a lot of ways, and I really enjoy working with you – you've done a remarkable job ensuring that it would be a wonderful anniversary trip. I'm so excited for this upcoming trip. Thank you so much for all the things you did to make sure I have a pleasant time. You're one of a kind. Thank you, and don't know what I would have done without you organizing this trip.'





Member money is stored in a trust account and not used for our own purposes – allowing us to refund any money we hold, on demand.



We also launched our in-house content agency, Content x Ten, during the pandemic. This service capability allows us to go above and beyond in terms of insight, inspiration, and recommendations for travel once restrictions eased. For more information, please visit [**this case study**](#), or read our insider guide to [**the best of British staycations**](#), or examples from our collection of essential guides to over 100+ destinations including [**Las Vegas**](#) and [**Tokyo**](#).



As a bank concierge service, we were protected from the worst of the instability within the travel and leisure industry throughout the pandemic, as our subscription-based business model means we don't rely on supplier revenue and commission. And while traditional travel agents continued to focus on long-haul trips due to the higher commissions in those destinations, we were able to adapt to offer our members staycations and trips to safer, short-haul destinations. For more insight, please read [**The Lions, The Tortoise and The Rabbit**](#).

Emerging stronger from the pandemic



Our current predictions indicate that travel won't recover until H2, 2022, with numbers not returning to 2019 levels until 2024.

However, with leisure travel set to recover more rapidly than business [10], and HNWI's willing to spend more than before, luxury brands will need to consider how to deliver these key trends in the current environment. They'll need to invest in online services and virtual communication to continue to offer luxury experiences and service previously delivered in person. The emotional needs of consumers should be front of mind, with a greater demand for 'intangible' luxury, as well as the luxury of time spent with family, and on personal wellbeing. Increased space and privacy will be as – if not more – important, with COVID-19-safety a main priority.

Banks and card companies should also be heavily invested in the rebound of leisure travel and the changing habits of HNW consumers. Our data shows an increase in travel bookings and card spend as members return to the vacations they missed in 2020. Banks and card issuers should capitalize on this opportunity by creating a CX strategy with a lifestyle and travel proposition – such as Ten Lifestyle Group’s concierge service. It’s the most effective mechanism for financial institutions to support HNW and mass affluent customers through this transition back to ‘normal life’, as they appreciate the support and additional benefits provided to them by a team of travel experts – increasing customer loyalty to the brand and card spend, which in turn increases customer retention and lifetime value.





'I think you guys are awesome! I tell clients to use your service. I think this is the best benefit/service offered with the card.'

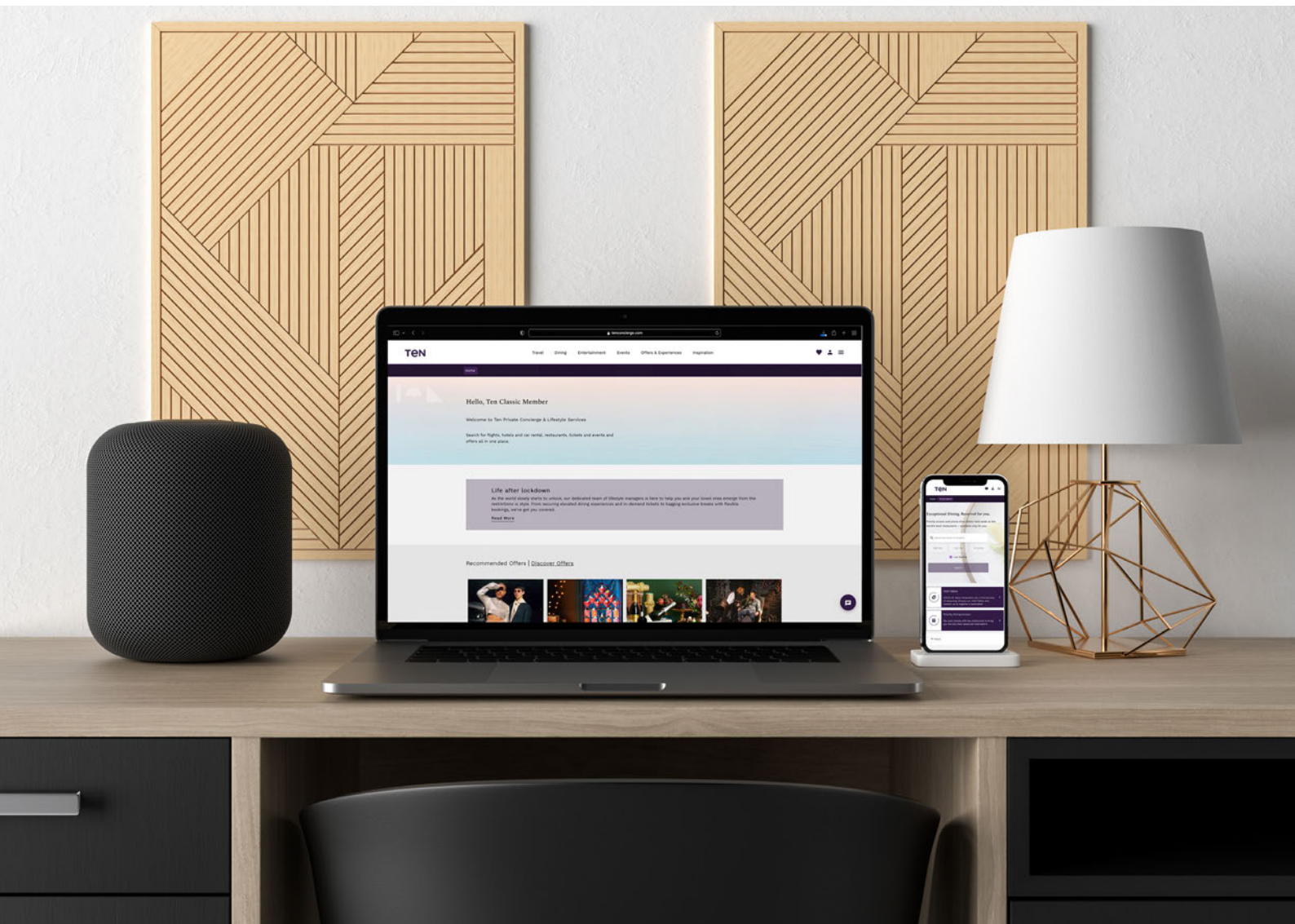


'I have been calling you guys for many years now and I absolutely love working with your team. You are the only reason that I am staying with [bank name]; to have access to your service.'



About Ten

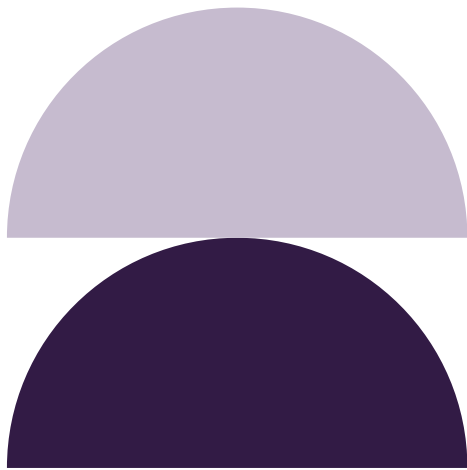
As the world's leading lifestyle management service, Ten has 20+ years of experience, a strong global team of lifestyle managers and a fully transactional digital platform. Ten works with more than 50 of the world's major banks, and wealth managers and premium brands to develop relationships with clients and their families.



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