

LUXURY TRAVEL STUDY

How Payment Solutions Could Open New Vacation Opportunities

The Luxury Travel Study is based on survey responses from more than 2,000 U.S. consumers who took and paid for luxury vacations last year, plan to take them next year or took and paid for luxury vacations in the past and plan to do so in the future. We considered several factors — including age and income — to understand how they pay for their travels, the factors that prevent them from going on trips and what could enable them to take more luxury vacations in the future.



The Luxury Travel Study was done in collaboration with Flywire, and PYMNTS is grateful for the company’s support and insight. [PYMNTS.com](#) retains full editorial control over the following findings, methodology and data analysis.

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INTRODUCTION

Luxury travelers from the United States spent \$1.1 trillion on their vacations last year. The market is projected to further expand, too, with an estimated 139 million people — more than half the nation's adult population — planning to take luxury vacations next year. Many luxury trips can run aground without innovative and effective payment solutions to help these travelers meet and manage associated costs, however.

Luxury travelers are willing to spend big on their unique brand of excursions, which can go far beyond beach trips or amusement park outings. Those who embark on luxury vacations are willing to shell out large sums on their getaways, with 50.6

percent spending up to \$5,000 per trip, 28.9 percent spending between \$5,000 and \$7,500 and 20.4 percent paying more than \$7,500 for their travels.

These luxury travelers more often pursue unique, exotic and adventurous trips like family vacations to Naples, Italy, or going hiking in Costa Rica. A total of 92.1 million U.S. adults took such luxury vacations last year alone, with approximately 25.4 million of them reportedly going sightseeing at exotic locales. Another 15.1 million went mountain climbing, hiking or camping, while 8.4 million spent their time at amusement parks and 6.3 million hit the seas on cruise ships.

The luxury travel market's growth is partly being driven by a relatively small but fast-growing cohort of consumers who take their luxury vacations with a pinch of adventure. These travelers — who represent 13.6 percent of the broader luxury travel market — often look for activities such as heli-skiing, bungee jumping, canoeing, hunting, extreme kayaking and parasailing, or trips to exotic locales like Antarctica, for example. These adventure travel vacationers also appear willing to spend more on such thrill-packed excursions.

Consumers express significant interest in taking both adventure and other luxury travel vacations, but several factors

can cause them to delay or reconsider their plans. Cost leads here, with 50.7 percent of other luxury travelers indicating price is a significant barrier they must overcome before they can book their vacations. Twenty-two percent of all other luxury vacationers say it will be “very” or “somewhat” difficult to obtain the funds needed for such trips in the near future, and 16.1 percent say it was “very” or “somewhat” difficult to do so for their previous excursions.

Such cost concerns are especially prevalent among cash-strapped younger consumers, with 24.5 percent of those from Generation Z and 18.1 percent of millennials indicating it is difficult to obtain

vacation funds. Given the greater likelihood that younger travelers will struggle to pay for luxury trips, it is perhaps not surprising that they express the highest interest in tapping innovative payment solutions that offer more flexibility when covering such expenses. These payment options can even allow multiple users

to pay others for costs related to luxury vacations, enable automatic payment plans, allow travelers to contribute funds at their convenience and provide mobile- and desktop-friendly interfaces. These services could see significant adoption in the luxury travel market, as 46.8 percent of adventure travelers and 38.1 percent of

other luxury travelers express high levels of interest in using innovative payment solutions to fund their future vacations.

The Luxury Travel Study, a PYMNTS and Flywire collaboration, analyzes the survey responses of 2,141 consumers who either took and paid for luxury vacations within the past year or plan to do so

within the next. Our research highlights the barriers that both cost and access to payment solutions create for those pursuing such trips.

The report generated several interesting key findings about luxury travelers' preferences.



01 Luxury travel vacation is a booming, \$1.1 trillion market.

Luxury vacations are highly popular among all consumers, with 37 percent of the population — 92.1 million people — reportedly taking some type of one last year. The growing popularity of such trips is primarily being driven by younger consumers and high-income earners, who are the most likely to seek them out. This holds especially true for 54.9 percent of bridge millennials, a subset of millennials aged 30 to 40 who have proven to be a consumer bellwether. This share is followed by the 54.2 percent of millennials aged 22 to 37 who took and paid for luxury vacations within the past year.

Luxury travelers of all types spent an estimated \$1.1 trillion on their vacations last year, and the overall luxury vacation travel market is on track for significant growth: 55.7 percent of the U.S. adult population, or roughly 139 million people, plan to take such trips within the next year.





02 Adventure travel vacationers are younger and bigger spenders.

Some travelers want their vacations to deliver certain levels of excitement. These adventure seekers take trips that include heli-skiing, mountaineering, charter flights, helicopter rides, explorations of exotic places like Machu Picchu, safaris, bungee jumping, mountain biking, scuba diving and rafting, among other adrenaline-pumping activities.

These consumers represent 13.6 percent of the broader luxury vacation travel market, with an estimated 12.5 million of them spending \$154.8 billion on such trips last year. Travelers taking these trips tend to be younger, with an average age of 42.3 compared to 46.4 for all respondents, but spend 12 percent more on average than other luxury travelers. Most adventure travelers (92.2 percent) are planning to take and pay for such trips next year, too, with the market expected to grow by about 50.4 percent and 18.8 million people planning to take these types of vacations.

03 Cost can be a luxury vacation-killer.

Luxury vacations' final price tags weigh significantly on whether consumers can follow through on their travel plans. Our study finds 50.7 percent of respondents are most likely to cite the cost of a luxury vacation as a key factor that derailed their ability to finalize such plans.

Younger consumers are particularly concerned with the high costs of luxury vacation travel, cited by 58.5 percent of those from Gen Z. This group is followed closely by millennials, 54.4 percent of whom cite price as a deterrent. In light of this, it appears younger travelers are more likely than their older counterparts to split the costs of luxury vacations.



04 Innovative payment solutions could unlock new travel opportunities.

Having easier access to innovative payment solutions could make affording luxury vacations significantly easier for the 50.7 percent of all travelers who indicate that such trips' high costs have threatened their plans. Significant shares of both adventure and other luxury vacation travelers (59.7 percent and 57.6 percent, respectively) say they would take more trips if additional innovative payment solutions were available.

Both groups are particularly drawn to solutions that provide secure payment processing, offer automated recurring payments, track one-time and recurring payments, enable multiple participants to contribute and allow users to manage payments using desktop- or mobile-based interfaces. Interest in such solutions is highest among bridge millennials (44.9 percent), millennials (44.2 percent) and Generation X consumers (41.1 percent).

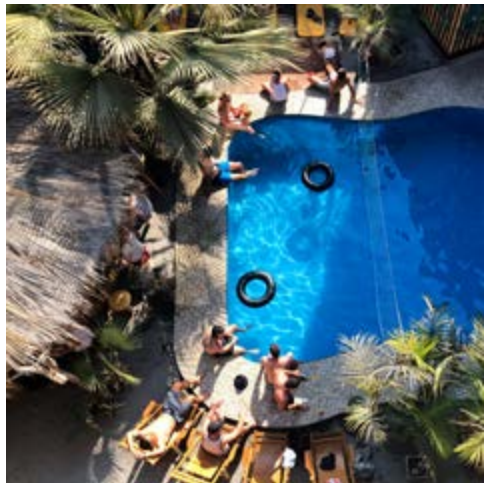
05 Luxury vacation travelers prefer splitting the costs.

Both adventure travelers and those who enjoy less-intense luxury vacation activities prefer to split the cost of trips with their fellow travelers, according to our study. It is much more common for luxury vacations to involve groups, with 38.3 percent of all respondents indicating they traveled with at least one family member, couple or other companion. Twenty-nine percent of travelers say the same when taking adventure travel trips.

Splitting the bill for adventure travel excursions is more common among both younger travelers and those with lower incomes, though. Gen Z and millennial travelers are the most likely to split the costs of adventure vacations at 64.6 percent and 40.3 percent, respectively. Consumers who earn less than \$50,000 per year are also more likely than others to split the costs of their trips, and to pay for their vacations using saved funds instead of incurring debt, at 61.3 percent.

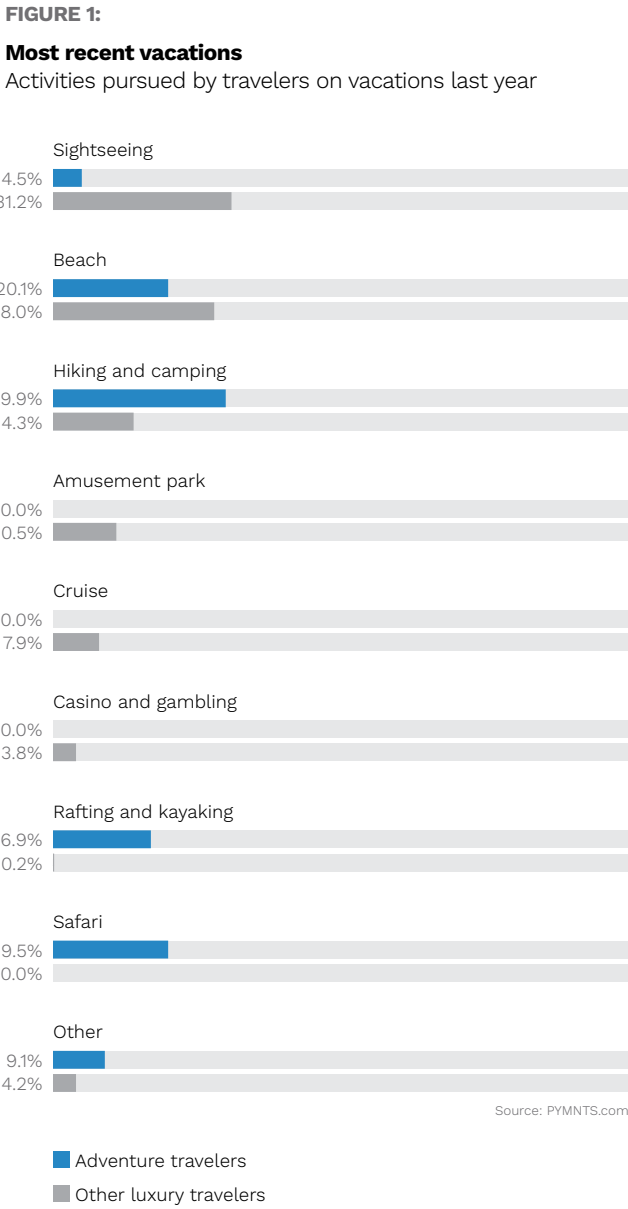
The Luxury Travel Study highlights how consumers are increasingly seeking adventure experiences in their vacations, which segments struggle the most with paying for them and how providing payment solutions could help make their travel agendas a reality.

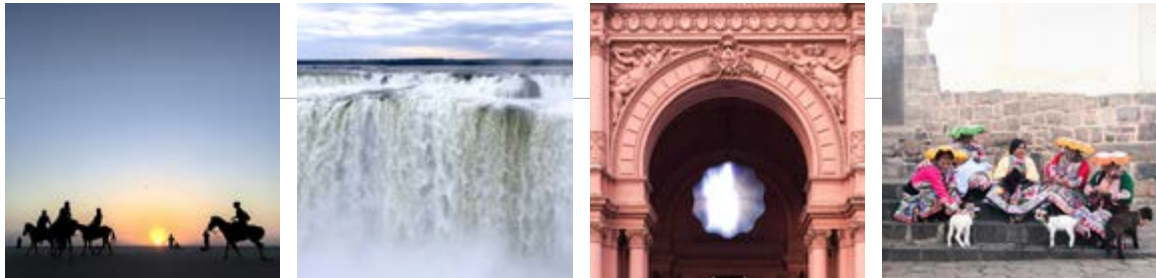
WHO TAKES LUXURY VACATIONS?



Luxury travel vacations are becoming increasingly popular among American consumers. Thirty-seven percent of them have taken and paid for such trips within the past year, and 55.7 percent say they plan to do so next year.

A subset of these vacationers, known as adventure travelers, want more excitement and thrills from their trips, however. These travelers are considerably more likely to engage in riskier activities than average luxury travelers, based on PYMNTS' findings, with outdoor activities especially popular among them. Our data shows 29.9 percent of respondents from this group indicate they went mountain climbing, hiking or camping last year — more than double the rate of other luxury travelers who say the same.





Safari outings are highly popular among adventure travelers, too, with 19.5 percent saying they took part in such activities last year. This group is also more likely to take rafting and kayaking excursions, with 16.9 percent taking such trips compared to just 0.2 percent of other luxury travelers.

Age appears to set trip seekers apart, with younger travelers being the most likely to embark on some type of luxury vacation. This is especially true for bridge millennials, 54.9 percent of whom say they took and paid for at least one

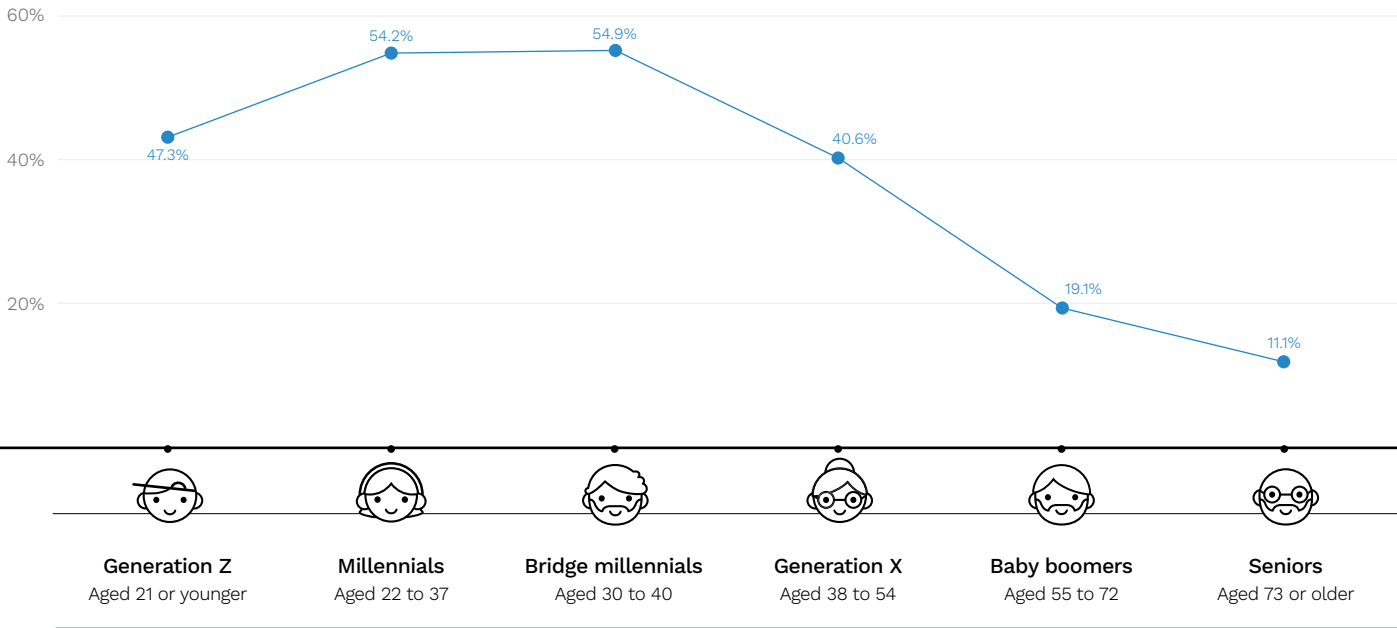
such vacation within the past year. The share of conventional millennial consumers who took at least one luxury vacation last year was similar, at 54.2 percent. That for Gen Z consumers was lower but still significant, at 47.3 percent, while those from Gen X came in at 40.6 percent.

Baby boomers (aged 55 to 72) and seniors (aged 73 and older) were the least likely to have embarked on luxury vacations in the past year. Just 19.1 percent of those in the former group and 11.1 percent of those in the latter report doing so. Those

who do travel are more likely to prefer adventure vacation types that differ from those sought out by younger respondents, though. Seniors overwhelmingly prefer excursions that involve mountain climbing, hiking or camping, with 42.1 per-

cent of them having taken such trips in the past year — a rate far greater than that of any other age group. Cruises are considerably more popular among baby boomers than respondents from other age brackets.

FIGURE 2:
A look at who takes luxury vacations
Share of those who took and paid for luxury vacations in the past 12 months, by generation



Source: PYMNTS.com

SEEKING REWARD IN ADVENTURE TRAVEL

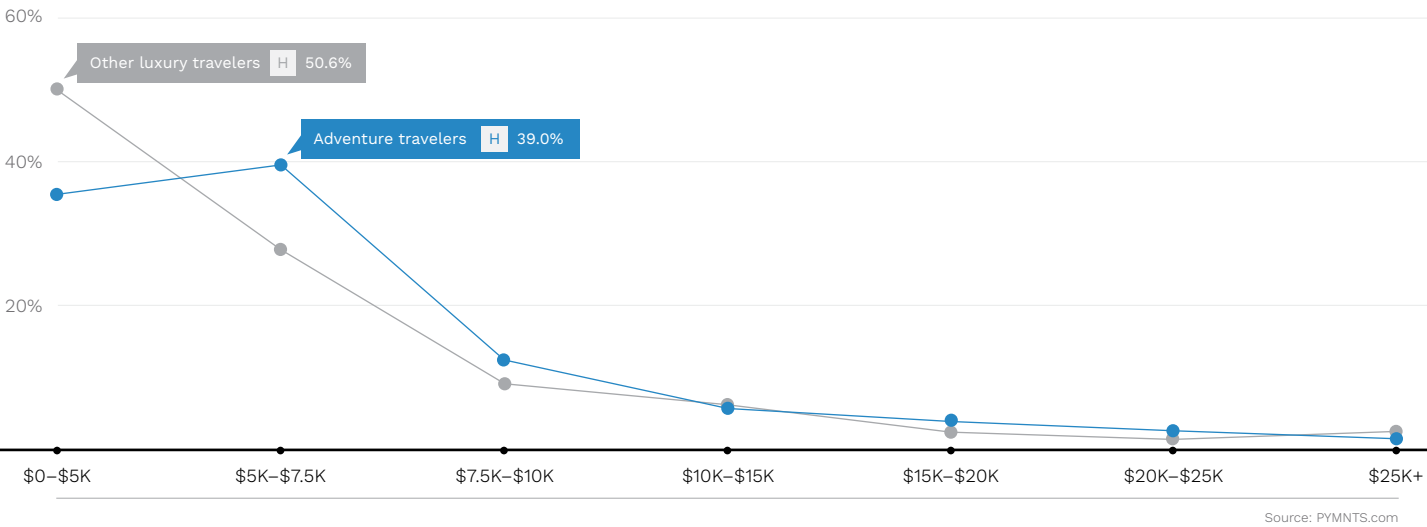


Luxury vacation travel comes in many varieties and can include everything from touring local attractions and soaking in the rays at the beach to packing up an RV for a trip off the beaten path.

Many travelers prefer experiences that come with adrenaline rushes, however. These thrill-seeking vacationers select

trips that allow them to indulge in activities such as bungee jumping, canoeing, hunting, heli-skiing, jet skiing, kayaking, parasailing, skydiving and swimming with dolphins and sharks, among other exotic options. Adventure travelers represent a smaller share of the overall luxury vacation market, at 13.6 percent, but 36.4 percent of them reported paying up to \$5,000 for their most recent experiences.

FIGURE 3:
Costs associated with respondents' most recent luxury travel experiences
How adventure travelers compare to other luxury travelers in vacation spending



Adventure travelers comprise a smaller portion of the overall travel vacation market, with just 5 percent of the U.S. population taking such trips last year. PYMNTS’ findings show that there is room for market growth, however: Adventure travelers could make up 7.6 percent of the U.S. population if all respondents who would like to go on these types of trips next year are able to do so.

High spending power is not the only factor that sets adventure travelers apart, though. These consumers tend to be four years younger than all other travelers, with an average age of 42.3. They are also likely to be more educated, with 55.8 percent holding college degrees compared to 33.9 percent of all travelers.

Our findings show that adventure travelers are much likelier to pay higher amounts for their vacations than other luxury travelers, too. Thirty-nine percent of the former report having spent between \$5,000 and \$7,500 on their most recent trips, a rate considerably greater than the 28.9 percent of the latter who say they paid the same. A greater share of adventure travelers (24.7 percent) also report having spent at least \$7,500 on their vacations, compared to 20.5 percent of other luxury travelers.

One key reason adventure travelers seem willing to pay more for their trips is that their excitement-filled vacations tend to cost more than standard luxury excursions. These travelers spent an average of \$6,672 on their last trips, while other luxury travelers spent \$5,958 — a difference of roughly 12 percentage points.

12.5 MILLION PEOPLE
— roughly 5 percent of the U.S. population —
are considered adventure travelers
and take risk-based vacations.

TABLE 1:
Adventure travel vacation spending
How much risk-seeking and other luxury travelers spent and plan to spend on trips

TYPE OF TRAVELER	AVERAGE SPENDING	
	Last trip	Next trip
Adventure travelers	\$6,672	\$7,264
Other luxury travelers	\$5,958	\$6,185
TOTAL	\$6,055	\$6,332

Source: PYMNTS.com

The average cost of adventure trips is likely to increase to \$7,264 in the future, while other luxury travelers will see theirs rise to \$6,185. In other words, adventure travel vacations are projected to cost 17.4 percent more on average than other luxury trips.

Thrill-seeking travelers have demonstrated a clear willingness to pay more for their adrenaline-boosting vacations, but the associated costs must still be carefully considered — and are often barriers to consumers’ vacation plan pursuits.

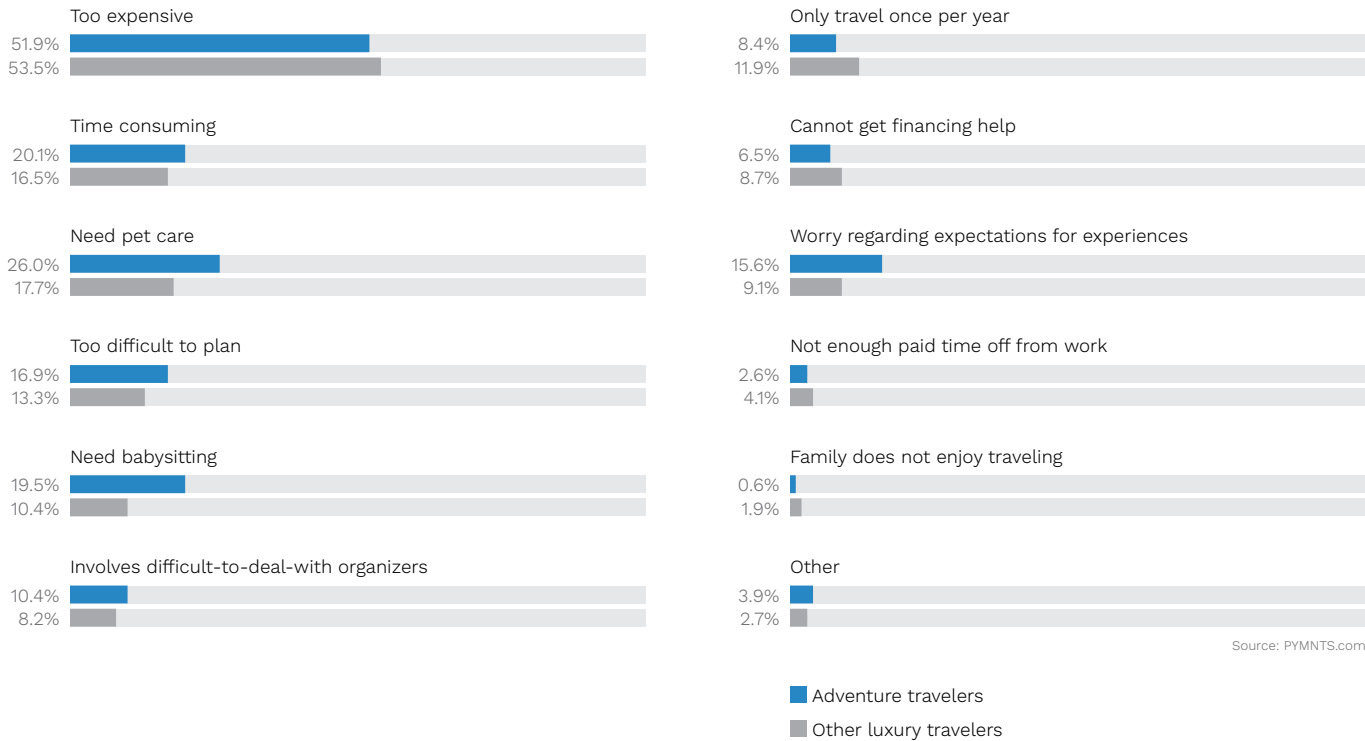
HOW COSTS AFFECT LUXURY VACATION AGENDAS



Whether luxury travelers plan to sit on beaches or put on skis and jump out of helicopters at 10,000 feet, cost can heavily influence their vacations ultimately becoming realities. In fact, it is such an important consideration that it can make or break many luxury travelers’ plans.

Cost is the main reason consumers did not take the vacations they planned, with 51.8 percent of adventure travelers saying they did not take a vacation last year because it was too expensive. The share of other luxury travelers who say the same is similar at 53.5 percent.

FIGURE 4:
Vacation roadblocks
Factors that derailed vacation plans in the past year, by traveler type



Adventure travelers and other luxury travelers who paid for vacations within the past year are aligned on several other factors that prevented them from pursuing vacation plans. Respondents say they found the planning process too time-consuming and difficult, for example, and that they did not like dealing with organizers. Adventure travelers are more concerned than other luxury travelers about certain factors, too, including organizing care for their children and pets, and are also worried that their vacations will not turn out as they hope.

The cost of luxury vacations weighs heavily on Gen Z consumers in particular, with 58.5 percent saying price was a key reason they were unable to take such trips within the previous year. This was not the only obstacle for this group, either. It

is also considerably more likely than all others to cite planning struggles as the reason it could not take such vacations, at 27.7 percent.

A slightly lower share of millennial travelers (54.4 percent) also cited trip cost as a reason they could not take luxury travel vacations within the past year, followed by 48.8 percent of bridge millennials, 49.3 percent of Gen X consumers, 40.9 percent of baby boomers and 30 percent of senior respondents.

The high cost of luxury vacations can force many younger consumers to reconsider their plans. Travelers in such age brackets — especially those in Gen Z — are most concerned about costs' impacts, making them more likely than those in other groups to split vacation price tags among participants.

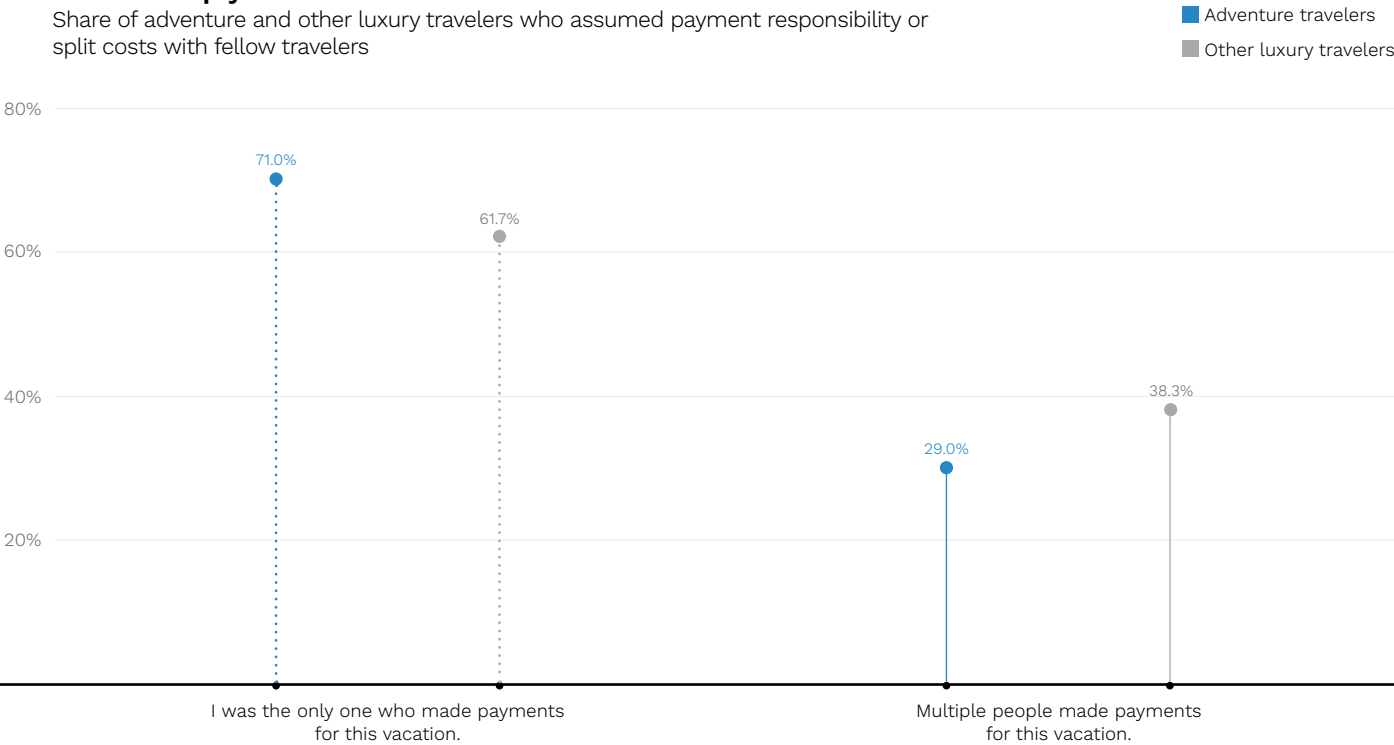


SHARING THE COSTS OF VACATIONS



The high costs of taking luxury vacations means it often pays to have additional people along to help share the price. PYMNTS’ research reveals that it is more common for one person to pay for an adventure travel trip that involves multiple travelers than for each person in the group to pay for his or her individual portion.

FIGURE 5:
How vacation payments are handled
Share of adventure and other luxury travelers who assumed payment responsibility or split costs with fellow travelers



Source: PYMNTS.com

Seventy-one percent of adventure travelers assume sole responsibility for making payments for the whole group, including those traveling with families. The rate is slightly lower among other luxury travelers, with 61.7 percent indicating they assumed responsibility for paying.

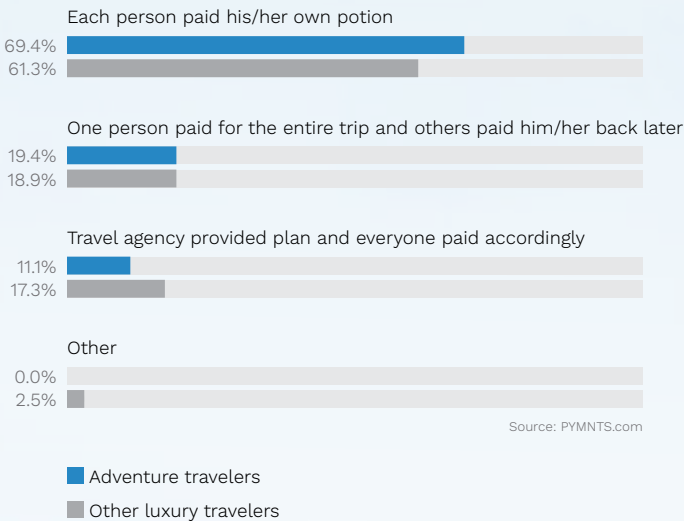
Splitting the costs of vacations is more common among other luxury travelers, with 38.3 percent saying multiple people paid for their vacations. A smaller — but still significant — portion of adventure travelers says the same, at 29 percent.

Overall, most luxury travelers are likely to report that each fellow traveler paid his or her portion of the vacation cost. This response was most common among adventure travelers, cited by 69.4 percent of

them. The rate among other luxury travelers was slightly lower, at 61.3 percent.

Our research also finds that it is more common for other luxury travelers who take fewer adventurous excursions to use payment plans offered by vacation providers. These plans are frequently offered by travel agencies and enable group travel participants to pay for their shares over a period of time. This option is more popular among non-adventure luxury travelers, with 17.3 percent saying they used this option and that all other participants paid for their individual shares. Based on these findings, it appears payment plans from vacation providers could have room for further adoption among adventure travelers.

FIGURE 6:
Payment practices for luxury travel vacations
Share of vacationers who split bills with others, by traveler type



Just 11.1 percent of adventure vacationers say the same thing about using payment plans from providers. Adventure travelers are especially likely to go it alone when making travel payments, with 71 percent saying they did so. The rate is slightly lower among luxury travelers in general, with 64.3 percent indicating they paid for their trips on their own. Adventure and other luxury travelers are largely aligned in terms of paying the entire share and getting paid back by fellow travelers, at 19.4 percent and 18.9 percent, respectively.

Adventure travelers tend to pay slightly less when vacation costs are shared, too. The average cost was \$5,000 for other luxury travelers compared to \$4,600 for adventure when each person paid his or her own share. In comparison, other luxury travelers paid slightly more (\$5,500) than adventure travelers (\$4,100) when they paid the entire portion and others paid them back.

Adventure travelers are considerably more likely to spend more than other luxury travelers when using payment plans offered by vacation providers. The average cost for the former when doing so is \$9,400, compared to just \$7,100 for the latter. This indicates that adventure travelers are likelier to need payment plans to more easily pay for shared vacations.

TABLE 2:
Cost of most recent vacations
Amount paid by different travelers, by payment practice

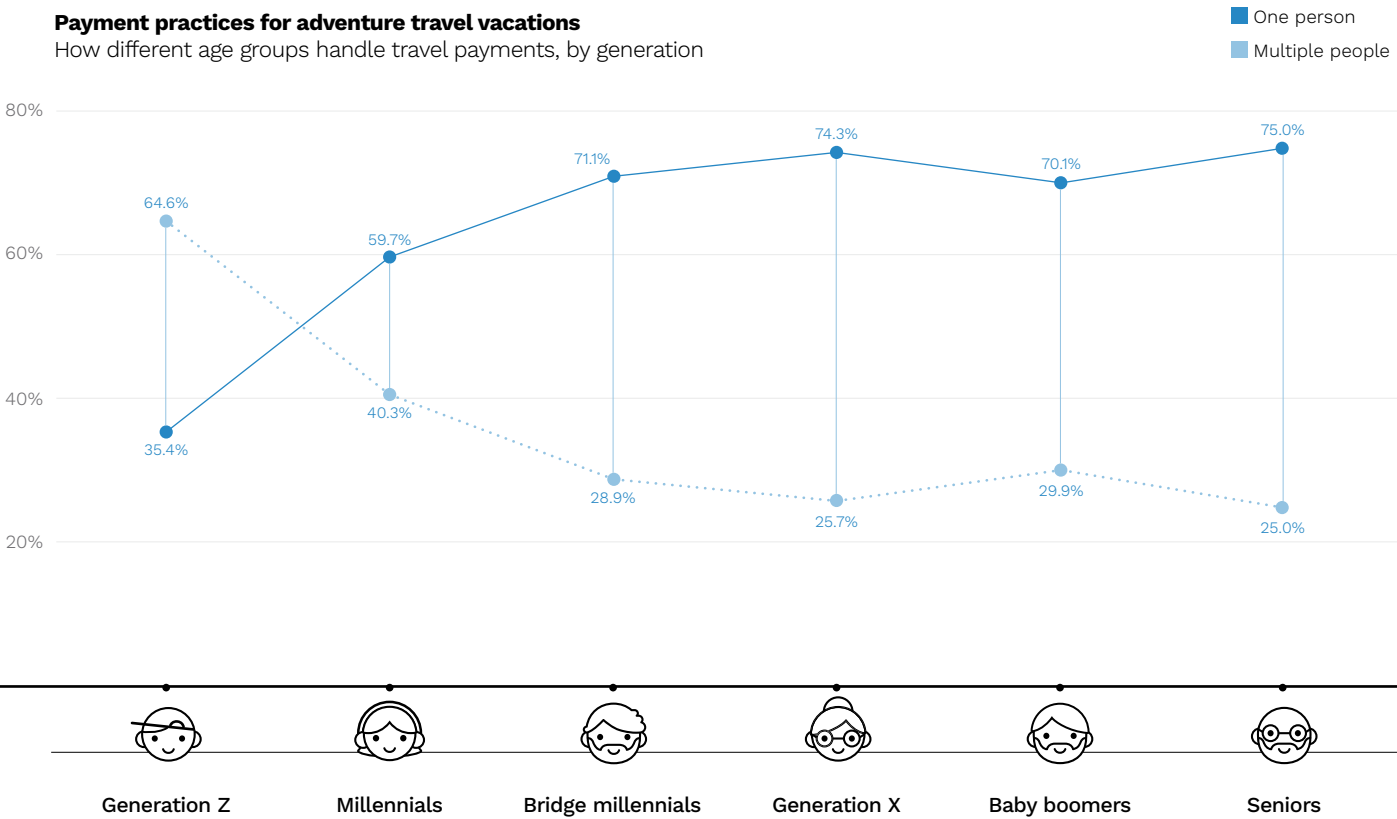
PAYMENT PRACTICES	Adventure travelers	Other luxury travelers
Each person paid his/her own portion	\$4,600	\$4,962
One person paid for the entire trip and others paid him/her back later	\$4,107	\$5,458
Travel agency provided plan and everyone paid accordingly	\$9,375	\$7,091

Source: PYMNTS.com

Splitting the bill with other luxury travelers is also more common among the youngest survey respondents who vacationed with others. Most Gen Z travelers

(64.6 percent) say multiple people paid for their vacations, followed by millennials at 40.3 percent.

FIGURE 7:
Payment practices for adventure travel vacations
How different age groups handle travel payments, by generation



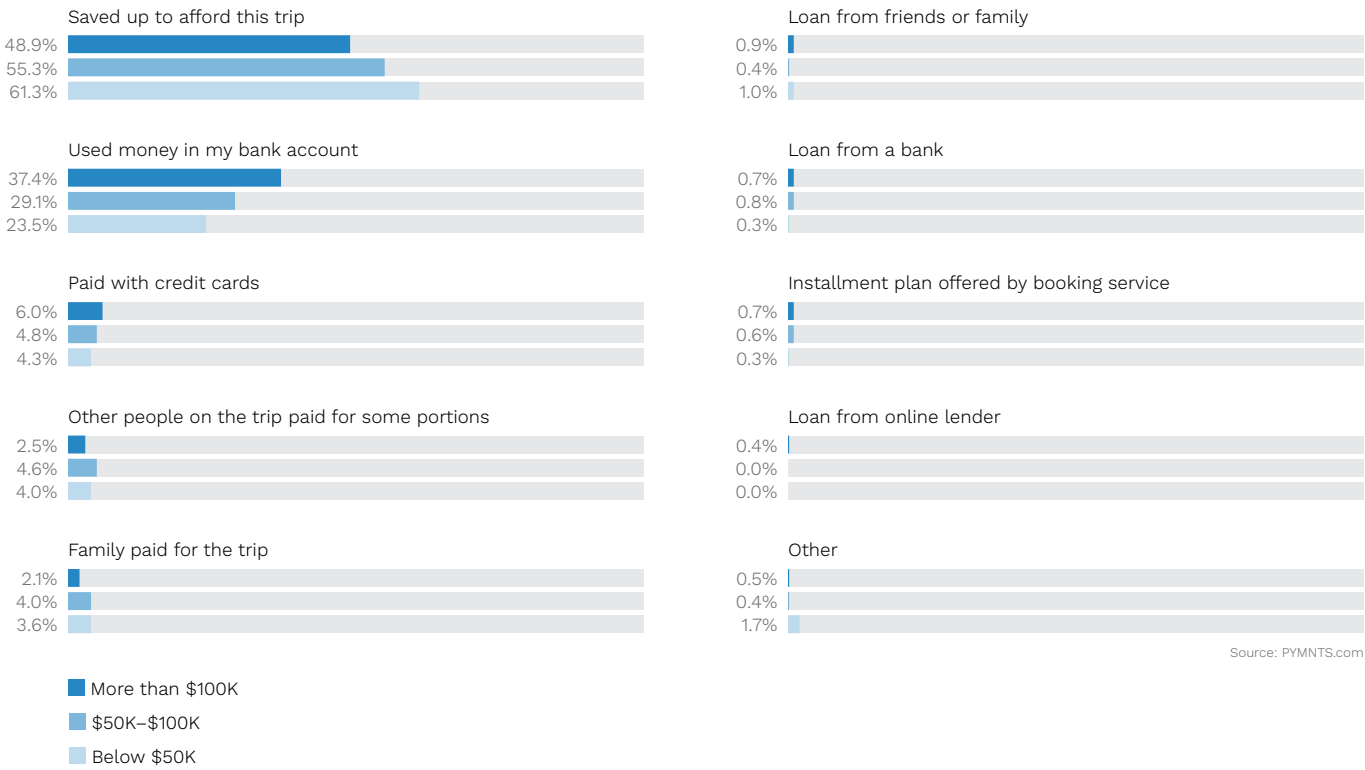
Source: PYMNTS.com

Regardless of their age or how vacations costs are split, it is very rare for luxury vacation travelers to incur debt related to their trips. Low-income travelers are the most likely to save up for trips, with 61.3 percent of respondents who earn less than \$50,000 annually saying they did so. Most of those earning between

\$50,000 and \$100,000 (55.3 percent) say the same, while respondents who make more than \$100,000 per year are the least likely to save money for their vacations (48.9 percent).

Higher-income earners have greater flexibility to put money aside for future travel

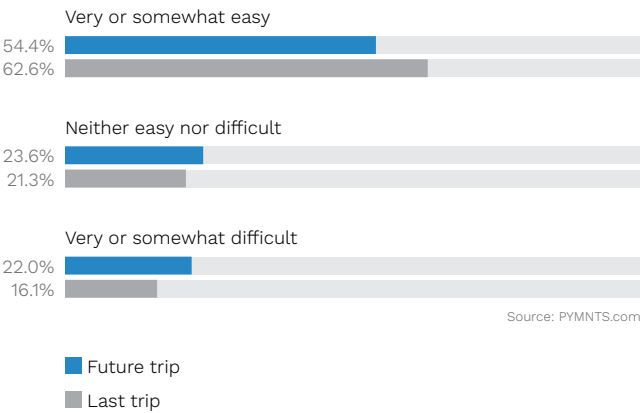
FIGURE 8:
How respondents pay for trips
Share of those who saved and tapped funds they already had or used other methods to cover vacation costs, by income level



plans, with 37.4 percent saying they used funds that were already in their bank accounts to pay for their vacations. Respondents in lower-income brackets say the same, at 29.1 percent for those earning between \$50,000 and \$100,000 per year and 23.5 percent for those earning less than \$50,000.

Paying for trips and obtaining the funds needed to make them possible are entirely different processes, however. Some respondents note that obtaining funds needed for past luxury vacations — referring to the process of saving money and collecting funds from fellow travelers — was more challenging than that of actually paying for the trips. Our research finds 62.6 percent felt it was “very” or “somewhat” easy to obtain such funds last year, but that share falls to 54.4 percent among those who are planning vacations for next year.

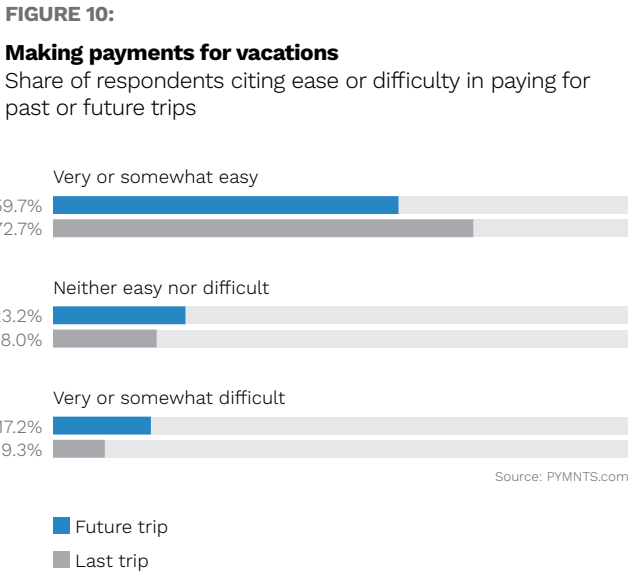
FIGURE 9:
Obtaining the funds for past and future trips
Share of respondents who found it easy or difficult to obtain funds needed to pay for trips



61.3%
of respondents
who earn less than
\$50,000 annually
saved up money to pay
for their vacations.

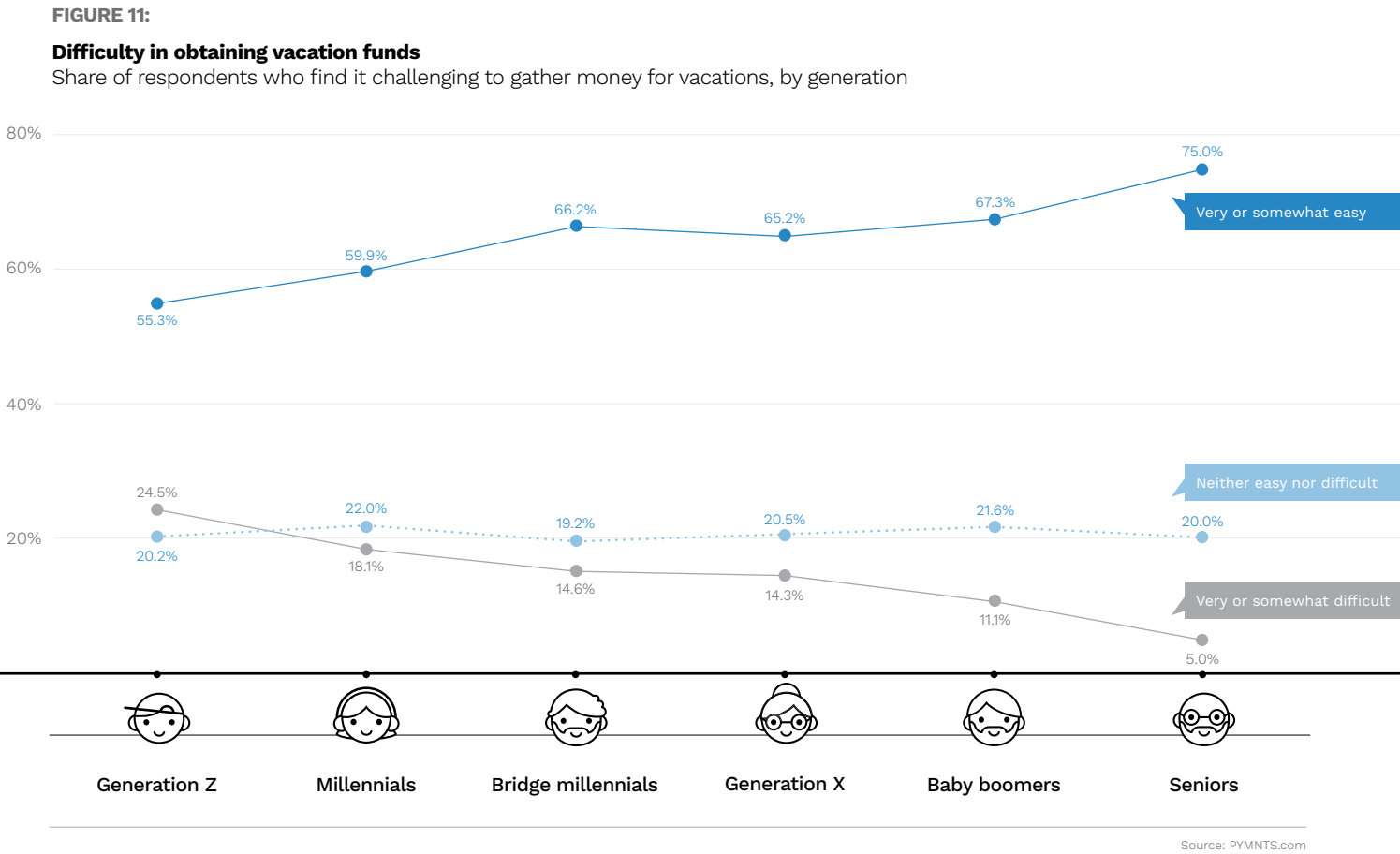
Those planning future luxury vacations are also more likely to find it “very” or “somewhat” difficult to obtain the funds needed for their trips. These findings indicate that some consumers might need assistance with financial options when planning future vacations.

A similar pattern can be seen in how travelers measure the ease of vacation payments. Our research sees 72.7 percent say it was “very” or “somewhat” easy to pay for their most recent trips, but that rate drops to 59.7 percent for those planning to take luxury vacations in the future.



Younger travelers reported the greatest level of difficulty in obtaining the funds needed for past vacations. Gen Z are especially likely to struggle, with 24.5 percent of respondents in this age bracket noting it was “somewhat” or “very” difficult to do so, followed by millennials at 18.1 percent.

These trends show that younger travelers are most in need of assistance when obtaining the funds to pay for vacations. Payment solutions could make it easier for these and other travelers to pursue and pay for their trips.

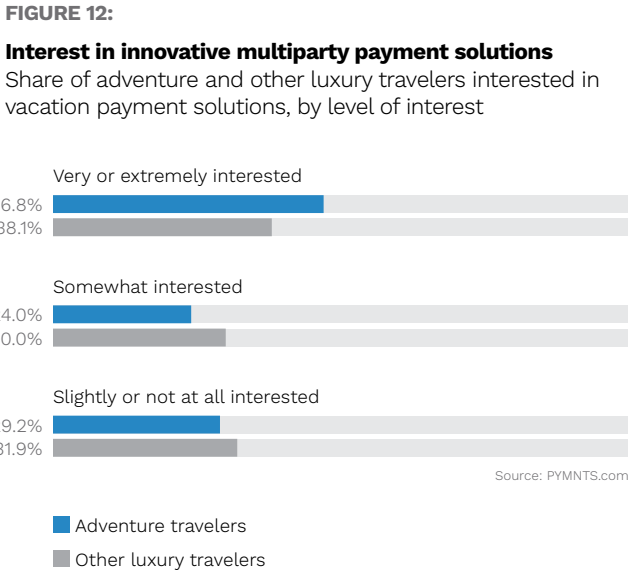


PUTTING INNOVATIVE PAYMENT SOLUTIONS ON THE ITINERARY



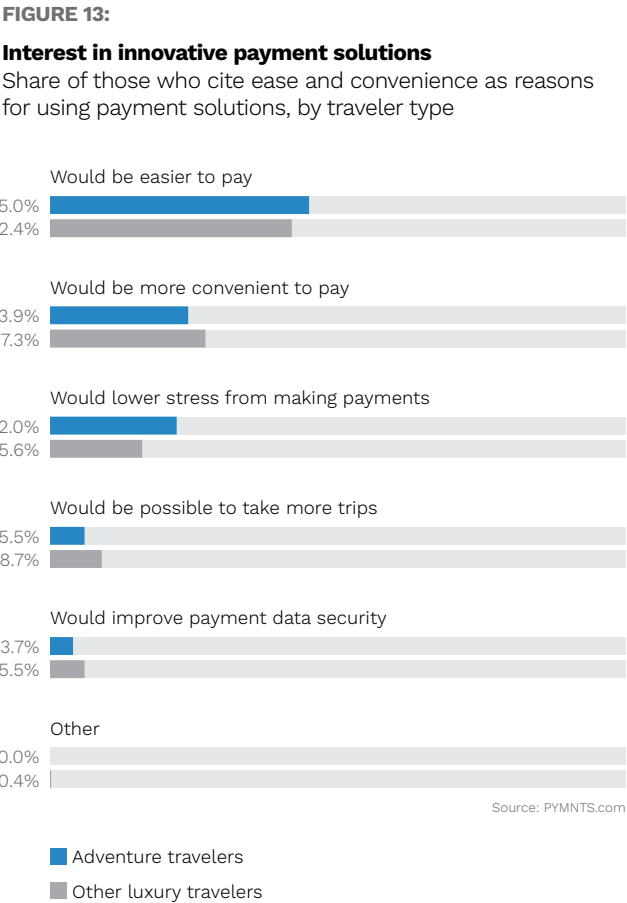
Many respondents are interested in using innovative payment solutions that make it easier to pay for adventure vacations, particularly given the challenges some face when obtaining funds or making trip payments. Respondents indicate that they value solutions that provide secure payment processing capabilities, allow multiple participants to contribute to accounts, offer users automatic payment plans, track one-time and recurring payments, help users avoid late payments, allow them to pay at their convenience and offer desktop- and mobile-friendly interfaces.

Solutions like these are highly appealing to the adventure travelers who frequently pay more for their specific types of vacations. This group expresses higher levels of interest in such payment solutions compared to other luxury travelers, with a total of 46.8 percent of the former saying they are “very or extremely” interested in such solutions compared to 38.1 percent of the latter. More adventure travelers also say they are at least “somewhat” interested in innovative payment solutions, at 70.8 percent, compared to the 68.1 percent of other luxury travelers who say the same.



45%
of adventure
travelers believe
innovative payment
solutions will
make it easier to pay
for vacations.

Respondents are most interested in such innovative payment solutions because they are designed to make the process of paying for vacations more seamless. The highest share of other luxury travelers (42.4 percent) believes innovative solutions would make it easier to pay for vacations, and 27.3 percent say these offerings would make payments more convenient.

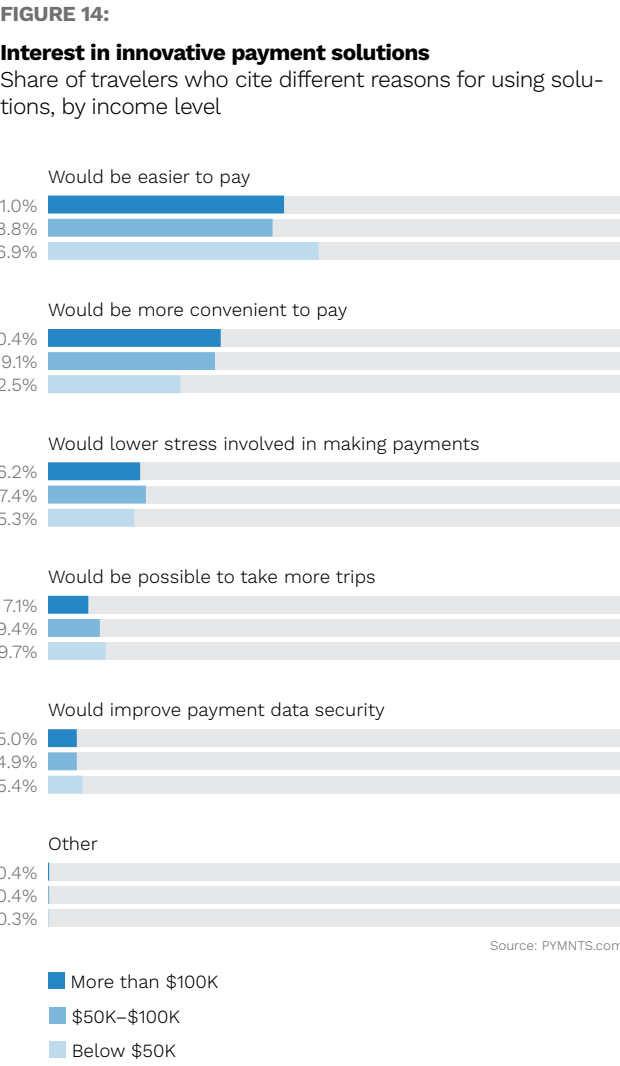


Adventure travelers also believe innovative payment solutions would make it easier to pay for vacation costs, with 45 percent citing it as their reason for wanting such options. A more convenient payment experience ranked lower, named by just 23.9 percent of adventure travelers.

This group is also more likely to want innovative solutions that can reduce payment-related stress. Twenty-two percent of its respondents cite reduced stress as a reason they use such solutions, compared to 16.4 percent of luxury travelers as a whole. Given the adrenaline-pumping activities on which adventure travelers tend to embark, a less-stressful payment experience is likely of greater value since it can help them more easily pursue their excursions.

Younger travelers struggle to obtain vacation funds and are more likely to find it difficult to pay for such trips, though, making it unsurprising that those under age 55 are especially interested in innovative payment solutions. Millennials express the highest level of desire for such options, with 72.7 percent of them indicating they are either “somewhat” or “very or extremely” so.

Interest in such solutions is also strong among other younger age groups, including Gen Z (71.7 percent), bridge millennial (71.1 percent) and Gen X (71.2 percent) respondents. Those in the baby boomer and senior age groups show much less interest, however.



Respondents’ incomes also influence their reasons for considering innovative payment solutions. The highest shares among all income brackets indicate they are interested in using such offerings to smooth payment processes, but different groups prioritize select reasons for pursuing such solutions.

Among those in the lowest income bracket who earn less than \$50,000 per year, 46.9 percent cite an easier payment experience as their main reason for using innovative payment solutions. Respondents who earn more than \$100,000 annually are meanwhile more likely to cite convenient payment experiences (30.4 percent) than other income groups. A greater share of those in the middle income bracket who earn between \$50,000 and \$100,000 per year are more concerned about reducing stress (17.4 percent).

72.7%
of millennials are
either “**somewhat**” or
“**very or extremely**”
interested in innovative
payment solutions.



Adventure and other luxury travelers are largely aligned regarding how the availability of innovative payment solutions could influence their future adventure travel plans. The former are slightly more likely to take “somewhat or many more” vacations than the latter, at 59.7 percent and 56.7 percent, respectively.

Adventure travelers are not the only ones who would consider taking more trips if innovative payment solutions were available, though. As Figure 16 indicates, Gen Z, millennial, bridge millennial and Gen X respondents also say they would take more adventure travel vacations if they had access to such options.



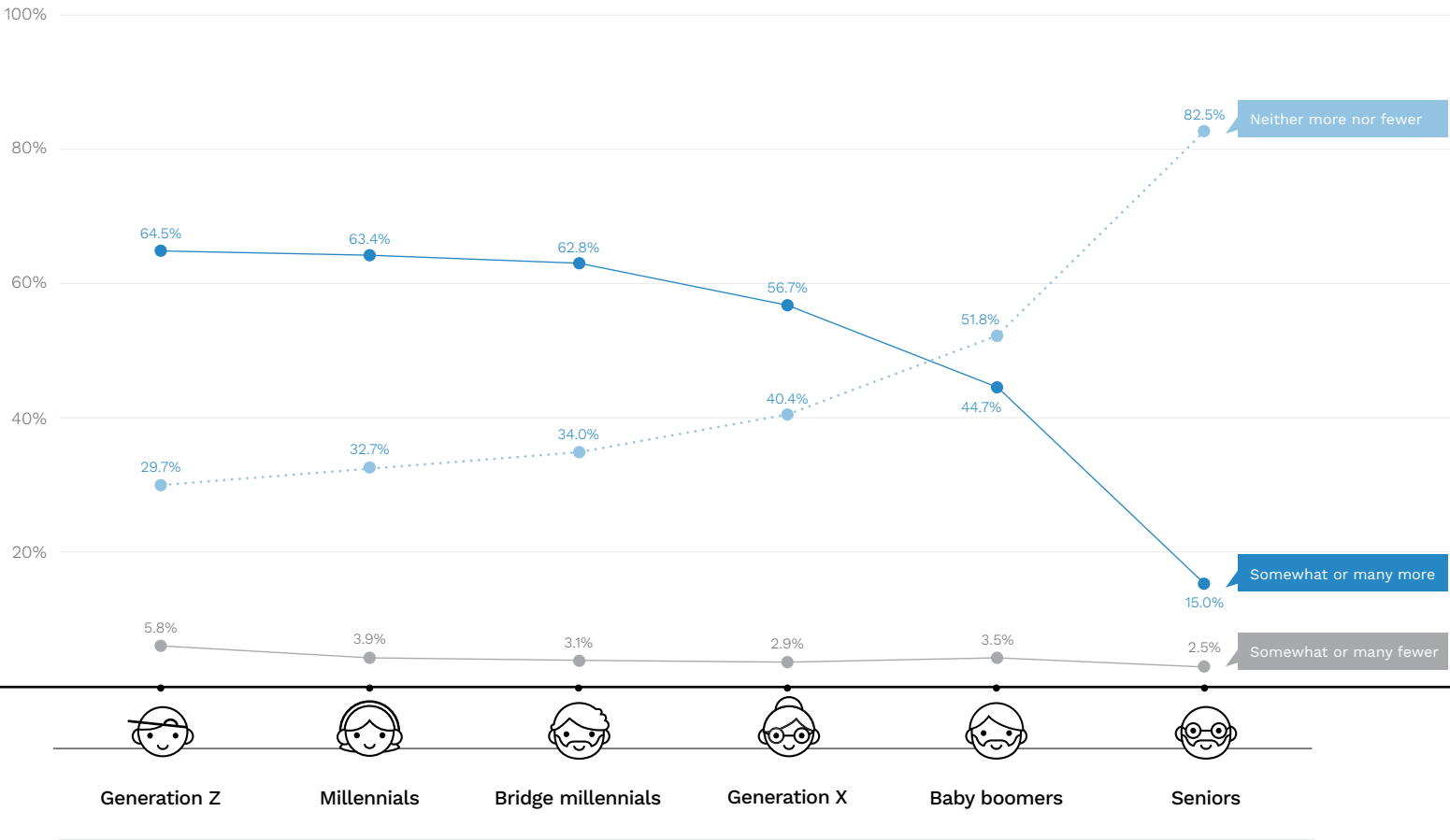
This means innovative payment solutions would likely be well-received by most respondents, whether they are taking less-intense vacations to the beach or seeking more thrill-based experiences and embarking on adrenaline-pumping adventures across exciting destinations.

PYMNTS also finds that many respondents are satisfied with the status quo of vacation payments. When asked why they would not be interested in using in-

64.5%
of Gen Z respondents
would take “somewhat or
many more” vacations
if innovative payment
solutions were available.

novative payment solutions, 54.3 percent say they like how their payments are currently handled. Respondents also voice concerns about data security, facing more difficult payment experiences and fraud, though to much lesser extents.

FIGURE 16:
Payment solutions and future adventure travel vacations
Share of travelers who would take more or fewer vacations if innovative payment solutions were available, by generation



Source: PYMNTS.com

DEEP DIVE:

FREQUENT VERSUS INFREQUENT TRAVELERS



Vacation payment plans could open doors for travelers, especially those concerned about how much their trips will ultimately cost. Such plans' availability could even help transform these consumers into frequent travelers who take more than one adventure travel vacation per year.

PYMNTS' research shows that 53.9 percent of respondents who report having taken and paid for an adventure travel vacation in the past year say they took only one such trip during that period. Some travelers take more trips than others, however, and the remaining 46.1 percent

of consumers who took and paid for adventure travel in the past year went on at least two such trips. Who are these frequent travelers?

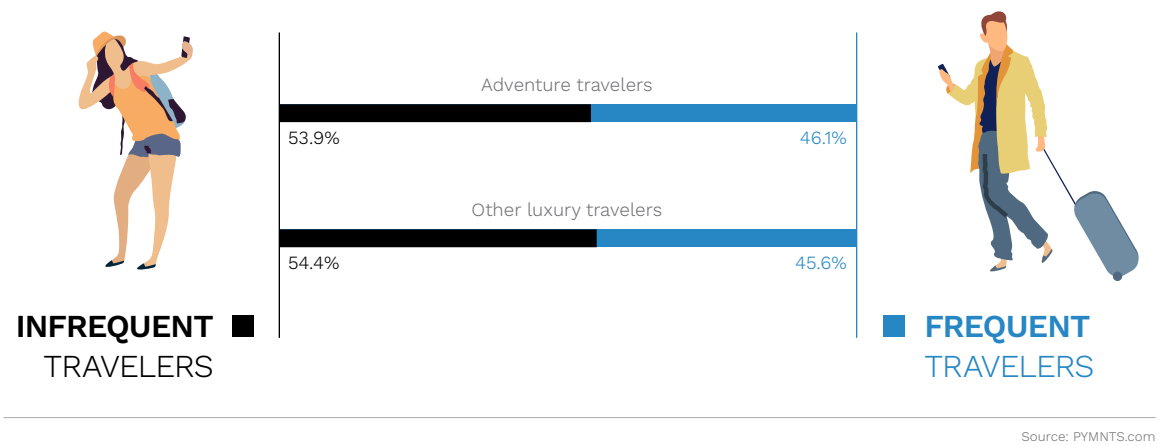
Of the 92.1 million people who took luxury vacations within the past year, 51.4 million reported more than one, fitting the "frequent traveler" description. PYMNTS also estimates that 54 million people who did not take luxury vacations last year are planning to do so next year. Nearly 36 percent of those planning to travel in the future fall into the frequent traveler bracket.

55.8%

of luxury travelers **took more than one vacation** within the past year.

Adventure travelers are less likely to fall into the frequent traveler category, according to our findings, as only 46.1 percent of them reported taking more than one such vacation last year. Other luxury travelers were much more likely to vacation frequently, with 54.4 percent taking more than one vacation during the same time frame.

FIGURE 17:
Payment solutions and future adventure travel vacations
Share of travelers who would take more or fewer vacations if payment solutions were available, by travel frequency

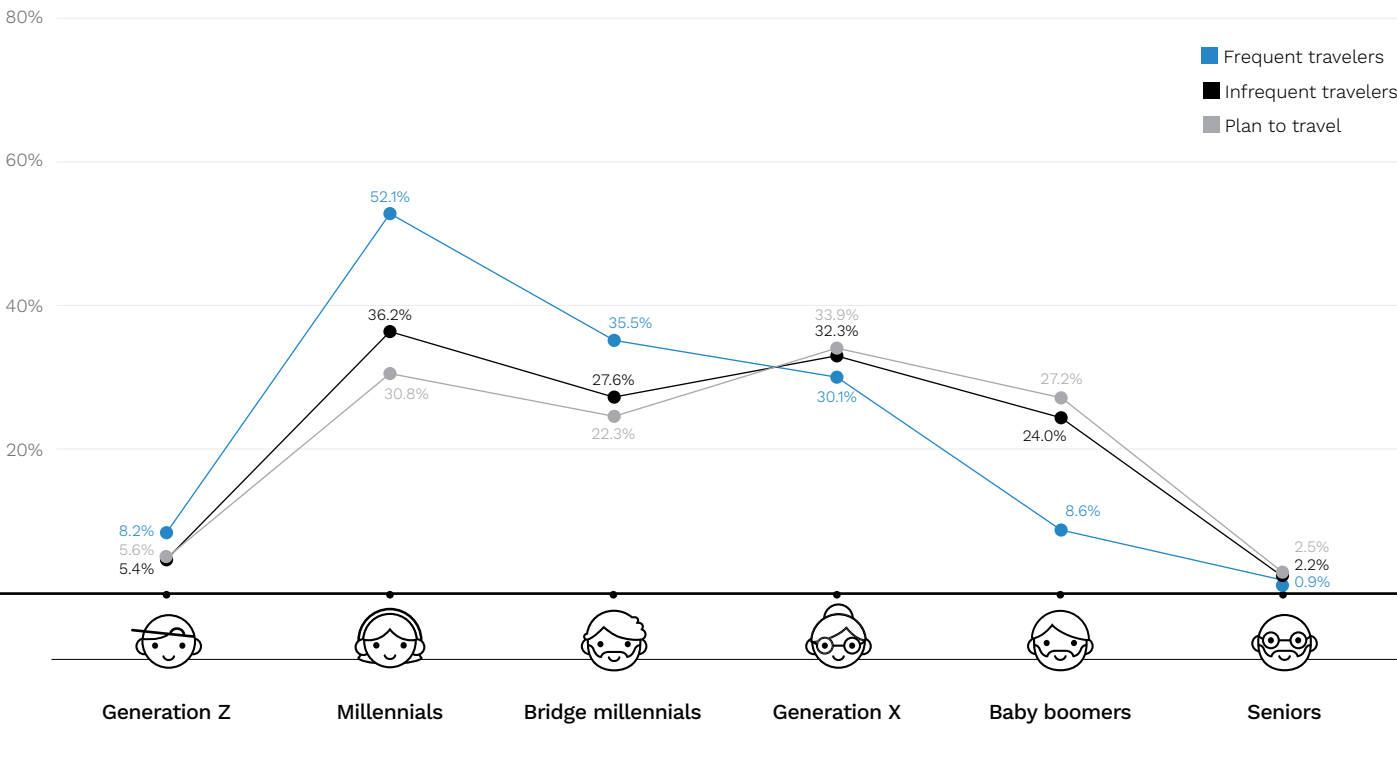


Source: PYMNTS.com

Frequent luxury travelers tend to be younger than other respondents, with 52.1 percent of the former falling into the millennial age group and 35.5 percent being bridge millennials. Millennials are

also most likely to fit into the infrequent traveler profile, though to a lesser extent. This group makes up 36.2 percent of infrequent travelers, followed by Gen X travelers at 32.3 percent.

FIGURE 18:
Payment practices for luxury travel vacations
How different age groups handle travel payments, by generation



Source: PYMNTS.com

Those who plan to travel next year are more likely to fall into older age brackets such as baby boomers and seniors. The highest share can be found in Gen X (33.9 percent), followed by millennials (30.8 percent) and baby boomers (27.2 percent).

Frequent luxury travelers are more likely to be employed than infrequent travelers, but they are also likely to earn less.



The former are slightly likelier to earn less than \$50,000 and between \$50,000 and \$100,000 compared to infrequent travelers, for example. It also appears that frequent luxury travelers are slightly more family-oriented, with the highest share (40 percent) indicating they are traveling as couples with children.

Frequent travelers’ priorities differ greatly from those of their infrequent counter-

36.2%
of infrequent travelers
are **millennials**.

TABLE 3:
Breakdown of frequent and infrequent travelers’ spending
Share of those who spent or are projected to spend certain amounts in the travel market

TYPE OF TRAVEL	LAST YEAR			NEXT YEAR		
	Estimated market size (in billions)	Estimated number of people (in millions)	Estimated annual travel cost per person	Estimated market size (in billions)	Estimated number of people (in millions)	Estimated annual travel cost per person
Frequent travelers	\$923.0	51.4	\$17,970.9	\$975.4	49.8	\$19,589.3
Infrequent travelers	\$187.3	40.7	\$4,599.0	\$193.0	34.6	\$5,574.7
Plan to travel	—	—	—	\$528.8	54.3	\$9,734.6

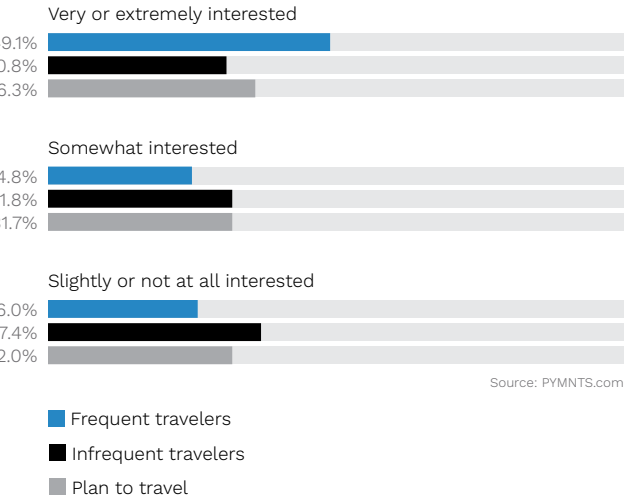
Source: PYMNTS.com

parts in terms of preferred adventure travel types, too. The former are more likely to pursue sightseeing activities and casino trips compared to those who travel infrequently. Many of the latter are instead more likely to prefer beach outings, mountain adventures, hiking, camping and cruises.

It is perhaps unsurprising that frequent travelers contribute more to the adven-

ture vacation market than their infrequent counterparts. The former spent \$923 billion on trips and represented 83.1 percent of the market last year. Frequent vacationers also spent considerably more per person than infrequent ones, with an average cost of \$17,970.9 per individual for those in the former group compared to \$4,599 for those in the latter. The estimated cost per person among those who plan to travel next year is \$5,575.

FIGURE 19:
Interest in innovative, multiparty payment solutions
Share of respondents who plan to travel and are interested in payment solutions



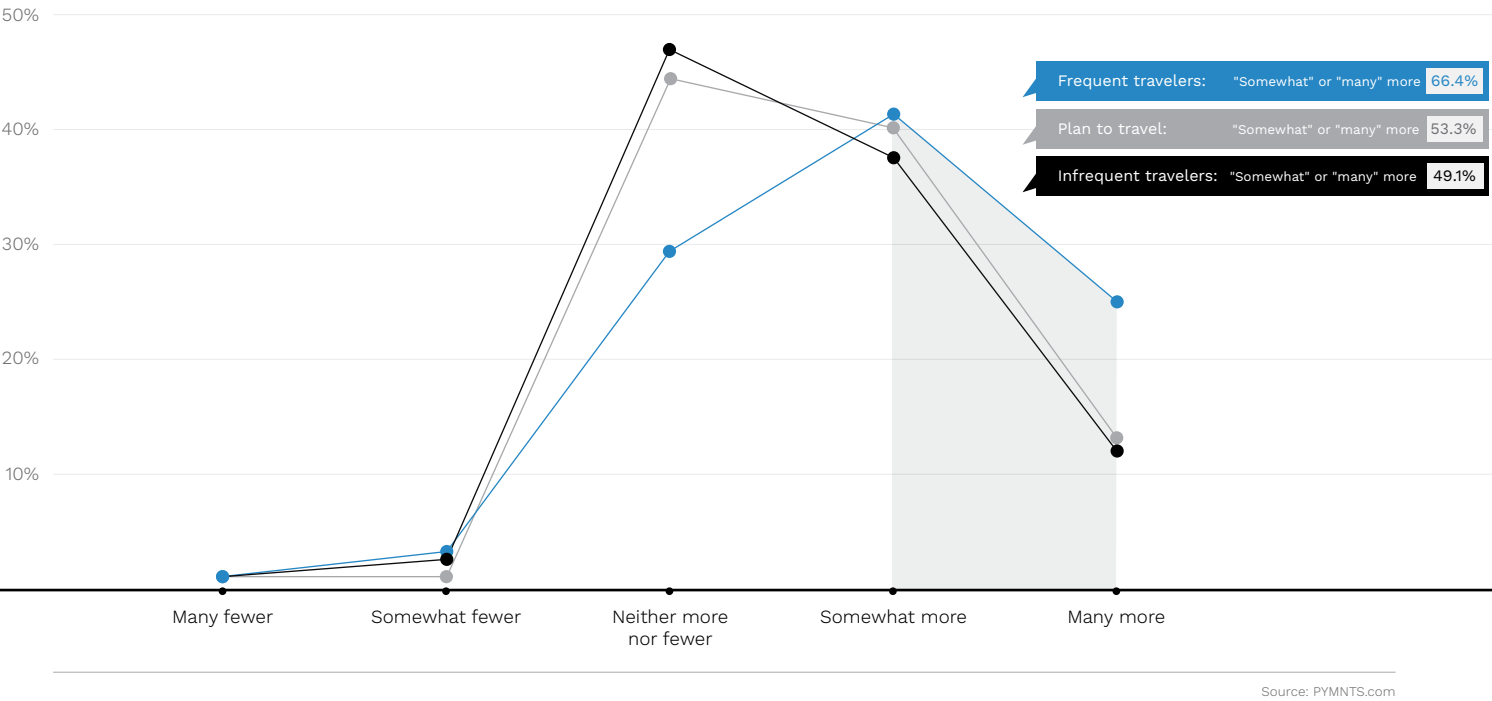
Frequent travelers are more likely to use money they have in their bank accounts rather than saving up funds when paying for their vacations. They are also more likely than infrequent travelers to find it “somewhat” or “very” easy to pay for vacations.

Frequent travelers do not appear to have trouble paying for vacations, but they are considerably more interested in innovative payment solutions than their counterparts. Our analysis finds 73.9 percent of those who travel frequently say they are either “somewhat” or “very or extremely” interested in innovative payment solutions. On the other hand, just 68 percent of those who plan to travel and 62.6 percent of infrequent travelers say the same.

In other words, while they do not find it difficult to save money or make payments, frequent travelers would welcome solutions that make their vacations more seamless. Catering to this group could

help such solutions see significant adoption, especially considering that these frequent vacationers recently accounted for more than 75 percent of the adventure travel market.

FIGURE 20:
Travelers’ future adventure travel vacation plans
Share of those who would travel more if innovative payment solutions were available, by likelihood



73.9%
of frequent travelers are either
“somewhat” or “very or extremely”
interested in innovative payment solutions.

Most frequent travelers indicate they would take even more vacations if innovative payment solutions were available, with 66.4 percent saying they would take either “somewhat” or “many more” trips if they had access to options like payment plans. Infrequent travelers and those planning to travel next year would take more trips, as well, though to a lesser extent. Frequent travelers are also more likely than infrequent ones to vacation with others, meaning they would value solutions that enable payments to be split between travel companions.

The luxury travel market is thriving, in large part because of the ability of frequent travelers to pursue their vacation plans. Providing innovative payment solutions that enable travelers to split the cost of vacations among themselves, pay at their convenience and utilize both desktop- and mobile-friendly interfaces could further enhance the travel experience for those in this group, especially when their travels include additional people. Having these payment tools available could help infrequent travelers and those who have delayed their vacation plans to travel more easily.



CONCLUSION

The \$1.1 trillion travel market is thriving, thanks to consumers looking to catch a few rays at the beach, visit local attractions, go on rides at amusement parks or reconnect with nature while camping, hiking and mountain climbing. A subset of luxury travelers are more interested in trips that will deliver thrill-seeking experiences like heli-skiing, bungee jumping and parasailing, among other high-risk activities.

Significant shares of consumers have been forced to put their vacation plans on hold because of the costs, however. Younger travelers are especially likely to struggle with paying for their adventure vacations, which will most likely result in them splitting the bills with others to make their excursions realities.

Vacation solutions that automate payments and enable participants to provide financial contributions at their convenience could take some of the common frustrations out of planning and paying for such trips. Most respondents say it was easy to obtain funds or pay for services, but there is clearly a strong interest in innovative payment solutions that would make it possible for multiple parties to split expenses, pay when they can, receive spending insights and make one-time and recurring payments. These features could also relieve vacationers of common stresses that come with paying for vacations by making the payment experience more social.

Adventure travelers are more likely than other luxury vacationers to seek such solutions because they can make it easier to pay for vacations and remove some of the hassles involved. These travelers also tend to pay more for their trips, on average, meaning payment solutions could maximize the adventure travel market's value by removing any frictions for this group.

Access to more innovative payment solutions could also maximize value for frequent travelers, which constitute the majority of the adventure luxury travel market and are highly interested in solutions that make vacation payments easier. In addition, these offerings could prompt infrequent travelers to take more vacations and provide more options for those who wanted to travel in the past year but did not.

Whether they want to relax by the beach, take cruises, try their luck at casinos, take in the most popular tourist attractions or take a walk on the wild side with activities like mountain biking, river rafting or mountain climbing, consumers clearly have an appetite to explore the world through many different types of vacations. Providing innovative payment solutions could be the passport they need to see their luxury vacation plans come to fruition.

■ METHODOLOGY

The Luxury Travel Study, a PYMNTS and Flywire collaboration, evaluates consumers’ travel activities. The report is based on 3,851 survey responses which required a median time of 4.38 minutes to complete. Out of the initial responses, 1,573 were disqualified and an additional 137 were eliminated from consideration because they were only partially complete. The study is thus based on insights from 2,141 consumers who either took and paid for a luxury travel vacation last year, plan to go on one

next year or took and paid for one in the past and plan to do so in the future. Respondents who went on more than one luxury travel vacation within the past year are considered “frequent travelers.”

The results were also compared to figures from the U.S. Census. Survey respondents skewed slightly younger, with an average age of 46.4 years compared to the census’ 48.1. Respondents were also slightly more likely to be educated, with 33.9 percent holding college degrees compared to 32.3 percent of the census population.

ABOUT

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We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.





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