

# WHAT THE FUTURE: VACATION

**How will our hotel stays change?**

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GAME CHANGERS



# Vacation: All I ever wanted?

While Dolly Parton might be getting a ton of much-deserved love lately, I've had her country contemporary Willie Nelson stuck in my head. "Goin' places that I've never been, seein' things that I may never see again," he sings in his most famous track. "And I can't wait to get on the road again."

In a post-COVID-19 world, what will being on the road even look like? Today, thoughts of the "future of vacation" are pragmatic, starting with the much-related future of business travel. Overall, travel and tourism make up 8.6% of the gross domestic product in North America, according to the World Travel and Tourism Council. Business travel has an outsized economic impact. The rewards, points and status that business road warriors reap from airlines, hotels and credit cards help fuel their leisure travel as well. What happens if business travel shrinks for the long term?

That's the focus of much of this issue, but it's also table-setting for our broader discussion of the future of vacation.

We'll look at the balance of power in the accommodations marketplace with the rise of vacation rentals. We'll talk about shifts in the points economy. And we'll talk about the present and future of virtual tourism.

## "What happens if business travel shrinks for the long term?"

Virtual reality and augmented reality hold a lot of potential in this space. Could VR be a replacement for "being there"? Could VR be used more broadly as a tool for destination marketers? On one hand, it already is. On another, how many hotel booking sites have you visited that still don't have decent or useful photos of the guest rooms? There's room to grow here.

Eventually, there are scenarios where virtual worlds enable a full economic spectrum of tourism. The tech could become a more affordable way for the masses to access high-end niche experiences. VR could become a luxury unto itself with bespoke custom worlds that cater to exclusive clientele. After all, VR doesn't just have to be a way to experience our actual world. You can use it to create any world.

All of this sounds dreamy in the current context where the discussion is focused on travel restrictions, mask-wearing and cleanliness standards. Yet, what better time to think about the future? After all, that's what vacation planning is really all about: ensuring amazing experiences, virtual or otherwise.

**Matt Carmichael** is editor of *What the Future* and vice president of editorial strategy at Ipsos in North America.



53%

of business travelers agree they will travel less for business after the pandemic.

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults, including 368 business travelers by plane.)



# Business travel faces an uncertain and long recovery

36%

of Americans flew for business before the pandemic

20%

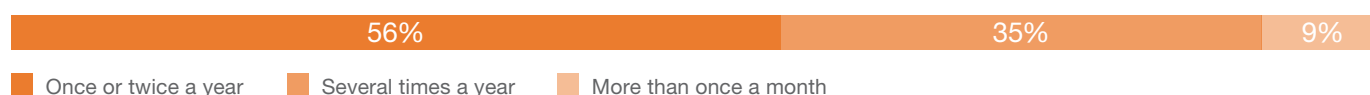
of trips in 2019 came from business travel in the U.S.

30%

of travel spending in 2019 came from business travel in the U.S.

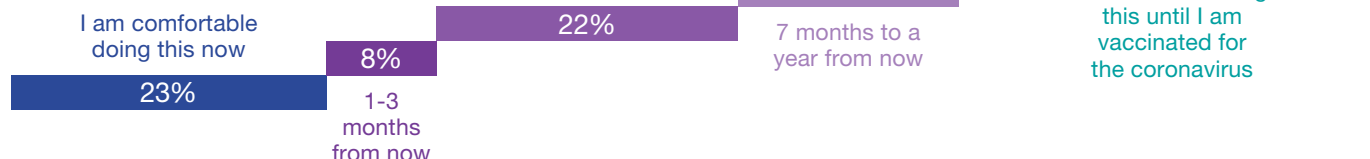
## Business travelers mainly flew sporadically before COVID-19...

Q. Before the COVID-19 pandemic, how frequently did you travel by air for business?



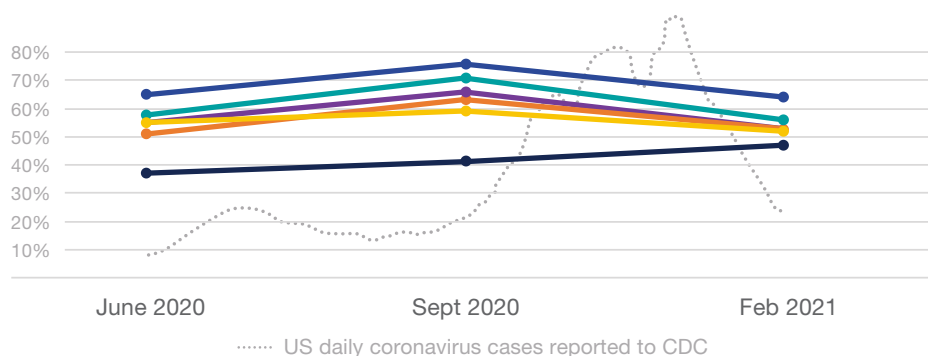
## ...most will feel at ease to fly again within a year

Q. When will you feel comfortable traveling by air for business again?



## Business travelers' travel expectations fluctuate with pandemic trends

Q. Thinking ahead to when the coronavirus pandemic ends, to what extent do you agree or disagree with the following statements? (Net agree)\*



- I will have more "virtual" meetings than I did before the pandemic instead of traveling
- I will have fewer face-to-face meetings that require travel than I did before the pandemic
- I will travel less often for business than I did before the pandemic
- I think my company will reduce its travel budget compared to before the pandemic
- I will attend fewer trade shows and conferences than I did before the pandemic
- I will be willing to travel, but I think my clients will cancel meetings

(Sources: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults, including 368 business travelers by plane; U.S. Travel Association; Ipsos poll conducted between Sept. 14-15, 2020, on behalf of The Points Guy, among 325 business travelers by plane; Ipsos poll conducted between June 12-15, 2020, among 314 business travelers by plane; \*There were changes to the question wording between surveys. See Ipsos.com for full wording; U.S. Centers for Disease Control and Prevention COVID Data Tracker.)

## The Big Question:

How will changes to business travel impact the vacation industry?

# Question:

## How will our hotel stays change?



**Julius Robinson**

**Chief sales and marketing officer, U.S. and Canada, Marriott International**



**Being the biggest hotel company in the world would be considered a strength, except in a global pandemic.**

As Marriott International eyes the post-pandemic recovery, Julius Robinson, chief sales and marketing officer of U.S. and Canada, is thinking about how travelers' stays will evolve. When he thinks **What the Future**, he's looking at how to exploit digitalization and customization to make guest stays more memorable and personalized.

# 72%

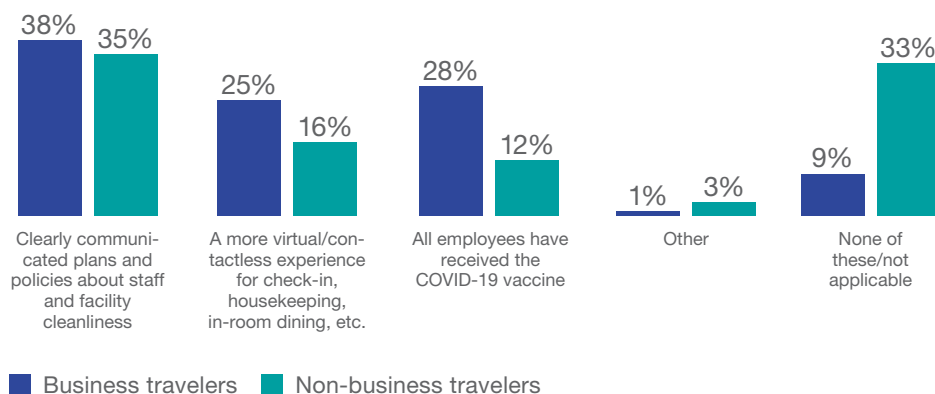
of travelers prefer hotels when visiting a large city for the first time or stopping overnight on a road trip.

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)



## How will COVID-19 safety factor into where travelers stay on vacation?

Q. When you begin to plan your next vacation, what will be the most important safety factor to you when selecting your hotel/accommodations?



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

### Kate MacArthur: To what extent will business travel rebound and what will that mean for vacation travel?

Julius Robinson: Clearly, right now our leisure business is what drives our hotels' volume today. The good news, at least from my perspective, is I have not seen a seismic shift in what the future trends will look like around business travel. And that's good, because in an environment like ours, with the thousands and thousands of hotels that we have across the United States and Canada, the industry needs to be healthy in order to provide the vacation travelers with top-notch experiences.

### MacArthur: When do you think that we'll see 2019 levels return?

Robinson: I can tell you with some level of certainty that it won't be this year. It's going to be interesting because I think business travel will rebound, leisure travel obviously will continue to grow, but how people travel might be a little different.

### MacArthur: What do you think that's going to look like?

Robinson: We will no longer be bound by a Monday through Thursday travel schedule.

What the pandemic has taught us, with so many people being out of their offices, is that you really can work anywhere and be productive anywhere. Travelers will take advantage of that.

### MacArthur: How does that change your services as a host?

Robinson: We'll have to be more tuned to the individual's trip purpose. It will no longer be enough to have a welcome smile upon arrival and a great hotel room and a great pool. We may have to up our business services for those customers who need them. We'll have to know more about who's with us and why they're with us and how long they'll be with us to make sure that we maximize their trip. More personalization from our end is going to be necessary to really bring those experiences to life.

### MacArthur: How might that change from the guest perspective?

Robinson: Maybe the notion of a personal concierge that understands the needs of my trip and what I'm doing, and balancing that with what's happening in my day to help me in that journey. Before, when it was all about vacation travel, part of

that experience was planning some of those things yourself. And as we start to combine some work and some leisure activity, we may need some help and guidance in doing that.

### MacArthur: With vacation rentals, people have different expectations for accommodations. What will that mean for what guests expect from hotels?

Robinson: That might mean changes in your traditional check-in time versus historical standards, as an example. You have some of those kinds of check-in/check-out parameters in a vacation home rental today, but it's not quite as stringent. When and how we provide services to you might also be different, things like housekeeping services, and then really leveraging all the areas of the hotel as you would a home in terms of space for family gathering, space for watching a movie, things like that.

### MacArthur: How might hotel chains differentiate that vacation home experience?

Robinson: Folks will, at some point, get used to going back to an environment where they can leave some of those home

**“What the pandemic has taught us, with so many people being out of their offices, is that you really can work anywhere and be productive anywhere. Travelers will take advantage of that.”**

responsibilities at home and really enjoy being taken care of and pampered. And that’s where our hotel experiences will still be very relevant to them. But the homes and villas experiences are here to stay. What we love about that particular environment is the loyalty program. We have a very unique proposition now where we can actually provide you with a complete experience, we can take care of you everywhere.

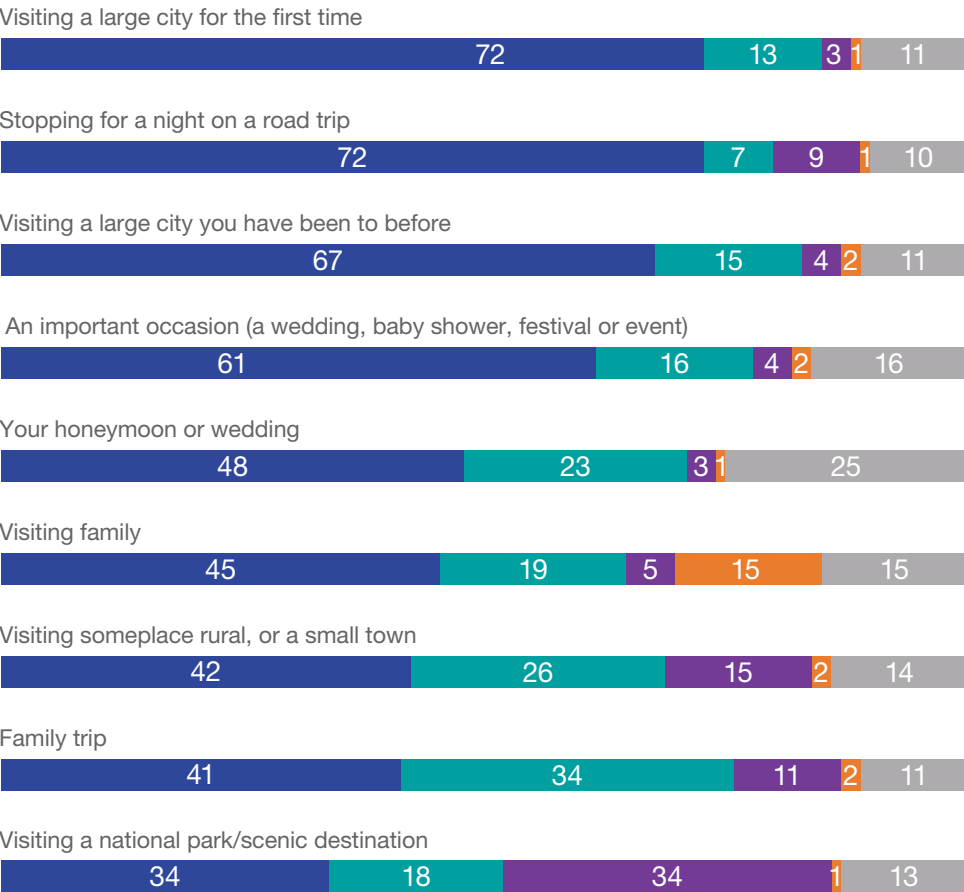
Wouldn’t it be great to be in an actual home or villa experience, but also because you’re a loyalty member, be able to use the facilities of the Marriott that’s in the same city or down the street? This idea of taking care of me as a customer, wherever I am, is really something that customers will want to see in the future. And that’s why the homes and villas model for us will continue to grow and continue to be incorporated into our traditional hotel experience.

**MacArthur: A lot of people haven’t gone anywhere for a while, so they’re losing some of their loyalty points and benefits. How might that change the way people think about loyalty?**

Robinson: The thing for us is harnessing the power of our Marriott Bonvoy partnerships to allow customers to use

## How does the kind of vacation influence our accommodations?

Q. All things being equal, for each of the following kinds of vacations, please indicate whether you would prefer a hotel, vacation home rental (e.g., VRBO or Airbnb), camping, or some other type of accommodation. (% Prefer)



■ Hotel ■ Vacation rental ■ Camping ■ Other ■ Don't know/doesn't apply

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

their points as currency in many other ways outside of hotel stays. The best way to do that is to allow them to use their points for movie theater tickets or food delivery or spa treatments or whatever the case might be, even if it’s not affiliated directly with Marriott.

**MacArthur: Our survey results show that when it comes to safety factors for deciding on where to stay, communication topped virtual services or staff COVID-19 testing. What do you make of that?**

Robinson: I was comforted to see that there’s not a significant difference in

the psyche of our business travelers versus our non-business travelers when it comes to communication. The other thing that I took from the information was that business travelers by nature are just a little bit more predictable. They want to understand the complete journey before they even begin the booking process. At the same time, folks who are completely away from work want to have an experience that’s memorable.

*Kate MacArthur is deputy editor of What the Future and a senior writer at Ipsos in North America.*





# How to get business travelers back on the road

## There are two sides to the business travel incentive coin: incentives and rewards.

On the incentive side, people need a reason to travel. That has taken several forms, such as conferences and events, sales calls, on-site consulting and internal team meetings. Those factors were enough to fuel the lucrative business travel market, which helped support the entire economic model for hotels, airlines and rental cars.

But as we saw on page 3, most business travelers expect to be on the road much less. What will the new drivers be in our much more hybrid world of work?

First, to paraphrase urban theorist Joel Kotkin (interviewed in a previous issue), never underestimate the power of inertia. Conferences and events will be back. But if more workers are hybrid moving forward, there might be fewer reasons to hit the road. Instead of “fly in for a meeting” or “spend four days a week consulting at a client,” we might see more intentional meetings for specific collaboration. Moreover, corporations have seen cost savings associated with reduced travel in the past year. Of course, in-person businesses like services and manufacturing will likely want to resume face-to-face sales calls and support.

On the rewards side, we know from The Points Guy (see page 12) that the points economy is huge business for financial services and business travelers.

Financial services were quick to pivot their reward structures to non-travel rewards like bonus points for grocery and streaming services. Meanwhile, airlines like Delta mortgaged their mileage programs to stay afloat. However, all of those levers can be quickly reset.

In the short term, we'll likely see less travel overall, with an opposing force of people wanting to make use of their status while they still have it. Put simply, people aren't going to like losing the status and perks they have built up over years of business travel. Those perks

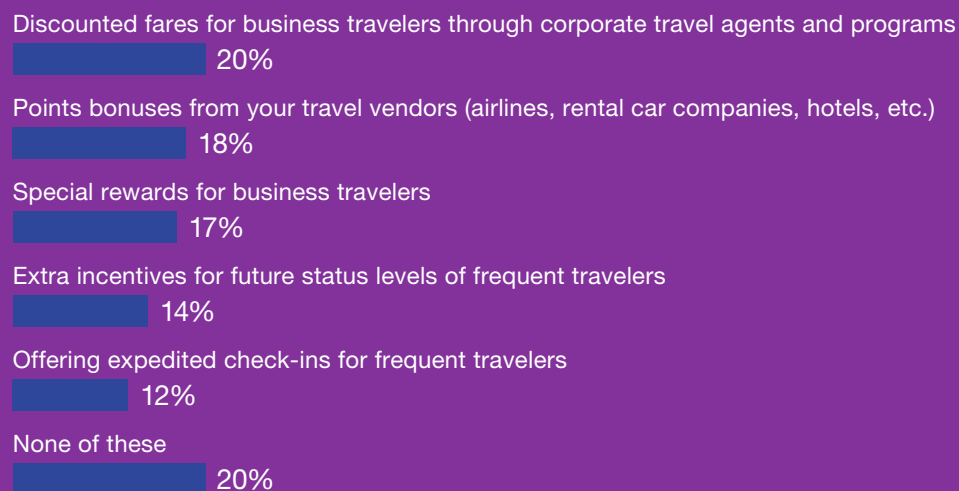
make work travel marginally better and certainly help on personal leisure travel, too.

Of all the disrupted and accelerated trends of the pandemic, hybrid work is likely here to stay. A one-size-fits-all approach to office requirements will be replaced by flexibility in time spent on-site, and in space itself. Likewise, how people build points and cash in those rewards will also need to reflect the new realities of the business traveler experience.

**Philip Ryan** is a partner in Ipsos' Strategy3 service line.

## Which perks will business travelers value most when they get back on the road?

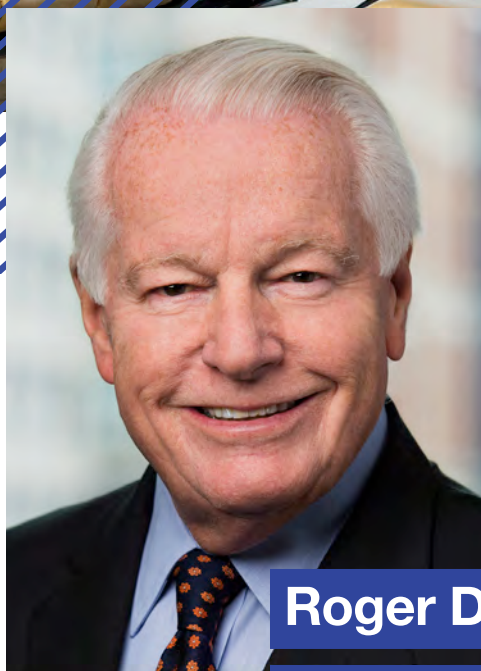
Q. Which of the following are most important to you when thinking about traveling for business again?



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 368 U.S. business travelers.)

# Question:

## Can vacation travel survive without business travel?



**Roger Dow**

**CEO and president of the  
U.S. Travel Association**

Roger Dow is CEO and president of the U.S. Travel Association, which represents the entirety of the travel industry to and within the United States.

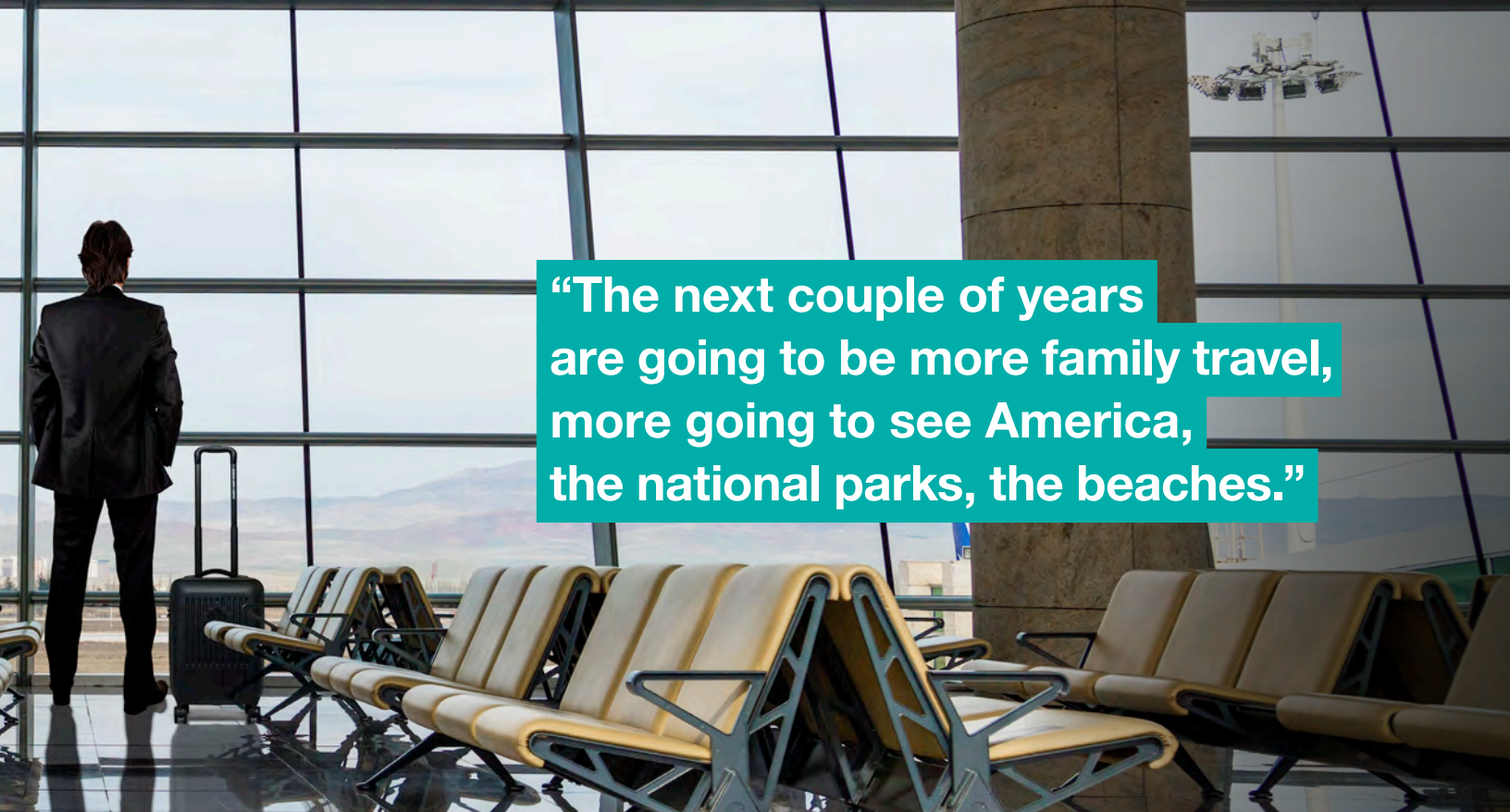
When he thinks **What the Future**, he believes people will start traveling again faster than many experts think.

# 54%

of Americans expect to take fewer vacations this year than they would normally.

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 368 U.S. adults who say they traveled for business.)





**“The next couple of years are going to be more family travel, more going to see America, the national parks, the beaches.”**

**Kate MacArthur: How does vacation travel survive this hit to business travel?**

Roger Dow: The vacation industry is going to be the first one back, and we’ve already seen that. It’s a three- or four-leg stool in the travel industry. They can’t succeed on just one of them. Business travel worries me on a couple of fronts. Most companies have told their people they can’t travel, don’t go to meetings or events. No matter what we do as an industry, until corporate travel policies change, we’re just talking to ourselves.

The other thing is for so many destinations, we’ve seen a phenomenon of combining that business trip or meeting with a leisure trip, especially for a lot of younger people. A good percentage of leisure travel just doesn’t happen unless someone’s tying it to that business trip.

**MacArthur: How much can vacation travel make up for these losses?**

Dow: After Sept. 11, domestic leisure travel, especially from the high-end travelers, really made up for the loss of international visitation. So we’re going to see that same thing happen. That’s going to be a plus for domestic travel. You’ll see the same thing happen in other countries.

**MacArthur: How will this affect affordability?**

Dow: Right now, travel is going to be extremely affordable. There are deals out there — a lot of them. When the [hotel] chains and the airlines start seeing the business turn upward, they’re going to start repricing in fall and early next year. But that window is going to disappear at some point. We’re going to come back to more standard pricing, probably toward the end of this year and into 2022.

**MacArthur: Are we talking a longer-term trend of 2019-level pricing or more expensive pricing?**

Dow: We’re going to get back to 2019 pricing probably toward the end of 2022 and definitely into 2023. Because of the demand, domestic travel — you might even say the high-end areas — will charge more in 2022 and 2023, because that domestic traveler that has money to spend is going to start pricing out some of the bargains. I’m going somewhere next weekend with my wife and another couple in Florida. I saw rates that were \$1,000 a night, and I’m in the business.

**MacArthur: When will business travel and conventions come back?**

Dow: We’re not too far off from the small corporate meetings this fall, but we are another six months to a year on the large conventions. You’re going to see the first set of meetings be hybrid meetings. The unfortunate thing for us as the host is that’s a much more expensive meeting to hold because it’s not cheap to do these virtual meetings.

**MacArthur: If companies embrace working from home going forward, how might that affect business meetings and travel?**

Dow: Virtual has done well because we’ve got decades of knowing one another, but that’s going to disappear fast. And then that face-to-face, that need to be together is definitely going to happen. But it’s going to start a little slowly. Then what’s going to happen is XYZ company is going to say, “Hey, I just lost share at ABC company because my competitor was face-to-face and shaking hands and cutting the deal while I was trying to get my Zoom set up.”

**MacArthur: How will the culture of what we expect as a guest change?**

Dow: Health and safety is the new hospitality. Touchless is a change forever.

# “Health and safety is the new hospitality. Touchless is a change forever.”

We’re probably going to see many more things on your phone, checking in on your phone, using your phone as your payment system. Biometrics are going to take off. People are going to be demanding more touchless, more biometrics, more technology and all that’s there.

## MacArthur: Let’s pretend that it’s 2023 and we’re past COVID-19. What will our travel culture be like?

Dow: People are going to realize how much they missed it and how much they treasure being together. Travel is going to come back, though maybe not the dream vacation, which will come years from now. The next couple of years are going to be more family travel, more going to see America, the national parks, the beaches. You’re going to see a whole new cottage industry of specialized travel, whether it’s environmental travel, safe travel, family travel. We might even go back to more travel professionals and more groups. A lot of the companies that have a great reputation for taking good care of their people are going to do very well.

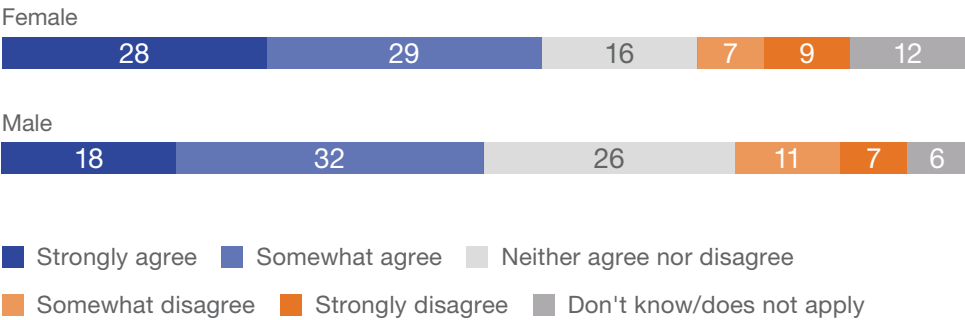
## MacArthur: Last summer when we did our pandemic travel webinar, we were talking about cruising. How you think they’re going to survive this?

Dow: It’s going to be slow for them coming back. It’s like [The Peanuts] Lucy moving the football. But when they come back, there’s an interesting thing: Cruisers are very dedicated people. My friends in the cruise industry tell me their future bookings are off the charts. The cruise industry counterintuitively is going to do very well, not next year, but two, three years from now.

*Kate MacArthur is deputy editor of What the Future and a senior writer at Ipsos in North America.*

# Women expect to cut back on business travel more than men do

Q. Thinking ahead to when the coronavirus pandemic ends, to what extent do you agree or disagree with the following statements? – I will travel less often for business than I did before the pandemic



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults, including 368 business travelers.)

# How normal a vacation year will 2021 be?

Q. Using your best estimate, how many vacations do you expect to take this year compared to a normal year? (% Total)



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults. \*HHI denotes household income.)

# How to be ready for the Big Reset in travel



**While 2020 was very much a year of survival, there are several things travel- and hospitality-focused companies can do to attract and retain customers for a more successful future.**

As you'll read throughout this issue, it may be a while before business travel returns. On the leisure side, however, we are seeing some signs of hope, especially for domestic travel. At least twice as many respondents said they plan to drive or fly for U.S. travel compared to last summer, according to findings from the latest Ipsos Coronavirus Consumer Tracker.

So what does all this mean? The next wave in travel is coming, and companies need to prepare now. There are several areas for focus in order to win customers and gain market share.

**Make guest personalization a strategic priority.** Organizations will need to use intelligence for targeted communications so the right customer gets the right message at the right time. Catching people at the right time and showcasing how you can help them escape the everyday through a unique and tailored experience will be essential. Knowing what customers want doesn't happen overnight. Companies that have the right measurements systems in place to garner insight and holistic knowledge about their customers will win in the market.

**Offer flexibility.** It's quickly becoming the norm for travel companies to offer more flexibility to the customer with options for adjusting or canceling a reservation without a fee. Companies must be aware of these trends and adjust their policies accordingly.

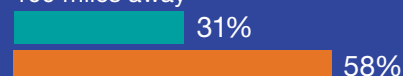
**Safety should still be top of mind.** Companies need to take safety and cleanliness seriously but also need to succinctly tell customers what they are doing to ensure property safety protocols (e.g., wearing masks, performing extra cleanings, etc.). Operationally, touch points and in-person contact should also be reduced where possible. For some companies, this may mean upgrading their mobile apps to allow mobile check-in or the ability to contact a concierge or report a problem.

In order to thrive, companies in the travel economy need to listen extra closely to customers—their preferences, their dreams and desires, and their safety concerns. A robust CX measurement strategy will be critical to providing leaders with valuable intelligence for improving operations and better understanding customers.

**Nate Shay** is a director in Ipsos' Customer Experience service line.

## Are people ready to get back on the road?

Go on any overnight trips, by car, less than 100 miles away



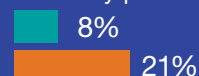
Go on any overnight trips, by car, more than 100 miles away



Travel by plane within the U.S.



Travel by plane internationally



Use a ride sharing service



■ Did last summer

■ Total likely to do this summer

(Source: Ipsos Coronavirus Consumer Tracker conducted Mar. 15-16, 2021, among 1,115 U.S. adults. Respondents were asked: Last summer (the summer of 2020), did you do any of the following? Then they were asked: Now thinking ahead to this summer (the summer of 2021), how likely, if at all, are you to do each of the following?)



# Question:

# How will the post-pandemic points economy impact the dream vacation?

**Brian Kelly**

**The Points Guy**

**Brian Kelly built a hobby of collecting travel loyalty points into a blog and then into a juggernaut.**

His blog, The Points Guy, is a content machine and community wrapped into one neatly referral-linked package. This gives him a unique perspective on the lucrative intersection of travel and financial services. When he thinks **What the Future**, he's thinking about how shifts in ways we pay for travel will shape how we travel.

## 21%

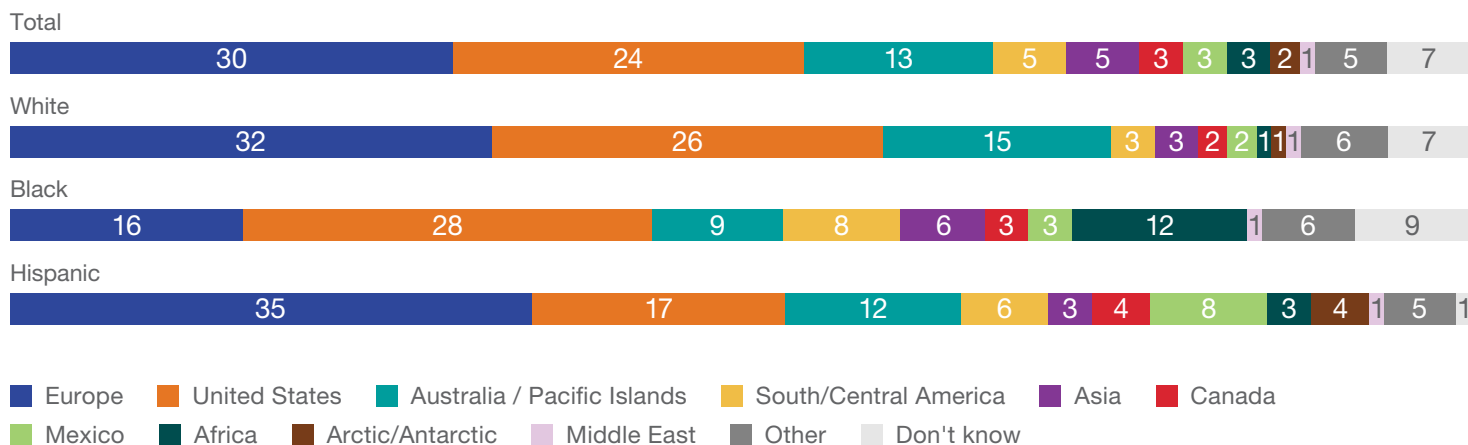
is the decrease in the number of business travelers who think they will have fewer face-to-face meetings that require travel than before the pandemic since we last asked this question in September 2020.

(Sources: Ipsos poll conducted between Sept. 14-15, 2020, among 379 business travelers, on behalf of The Points Guy; and Feb. 24-25, 2021, among 368 business travelers.)



# How will dream destinations change?

Q. When thinking of your “dream” vacation, which location would you most like to go? (% Selected)



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

## Matt Carmichael: 2020 was a big year of change in how we traveled. What changes do you think will stick?

Brian Kelly: The notion of only getting two weeks of vacation a year to go somewhere has now changed. Many more people are working from home and are thus able to travel longer, combining work with the vacation. Even for myself, The Points Guy is much more digital, which allows for a lot of different ways to travel without having to worry about vacation days.

## Carmichael: Do business travelers who are on the road all the time, vacation differently than others?

Kelly: Yes. Business travelers who have huge points balances and elite status wrapped up with their loyal hotel chains tend to redeem those points for amazing trips with their families. I was on the road all the time and was frankly burned out. So, I have actually been able to reset and travel much more methodically and meaningfully, and I anticipate that will be the same for a lot of other people. Instead of doing a trip to the office for face time, I think there will be larger and longer meetups, creative strategy sessions, etc.

## Carmichael: How do you think the no-longer-road-warriors will change their personal travel habits once they start losing status and those big banks of points you were talking about?

Kelly: For the next couple of years, the culling of the herd will happen. It is a good time for frequent flyers. You can get top-tier elite status cheaper than ever before. For elite travelers, there are a lot of treasures out there for those willing to make the trek.

## Carmichael: We asked people in a survey about their dream destinations and Europe narrowly edged out staying here in the U.S. Do you think that dream destinations for people have started to shift?

Kelly: It depends on the segment of the population. I think there's a lot of fear with leaving the country—if you get sick abroad, new testing procedures for coming back into the U.S. In 2021, most people want to just get to a beach and get the heck out of their house or go on a road trip.

## Carmichael: Do you see that type of vacation and the format of vacation changing too?

Kelly: No, I think the summer of 2021 will look similar to 2020, but with more people going on those trips now that they're pretty confident that these vaccines are very effective.

## Carmichael: How are people spending on vacations and budgeting for vacations?

Kelly: The positive side of the pandemic is a lot of people have saved up and paid off their credit cards and are willing to splurge for the nicer room. It's like, "I haven't taken a vacation in a long time," so it's revenge travel.

## Carmichael: It was a big year for the points economy shifting from travel rewards and perks to credits and points multipliers for food delivery, groceries and streaming services. Will we continue to see a flexible future in terms of how people gain the rewards?

Kelly: Flexibility is key. Perks like lounge access are not enough to keep people paying hefty fees on premium credit cards. I hope the industry continues to make their travel points more flexible in terms of valuable redemptions that are not flights or hotels. I'd like to see the credit card industry partner more with travel insurance products that give consumers peace of mind to get out and travel again.

## Carmichael: Do you think there's going to be a big points spending boom or will it in the end be harder to redeem because of that?

Kelly: In the short term, there's amazing award availability. As people get vaccinated and are more comfortable and countries open up, we're going to see a boom. That's why getting ahead and booking flights for the future now will lock your travel in at the best rates.

**“It’s like, ‘I haven’t taken a vacation in a long time,’ so it’s revenge travel.”**

**Carmichael:** This also was a transitional year for vacation rentals. Will they get into the points and loyalty game more?

Kelly: I could see more partnerships with the credit card points being able to redeem for Airbnb, etc. But I don’t anticipate any big news in 2021.

**Carmichael:** How does the travel industry survive this decline in business travel, which has always propped up the airplane and hotel economy?

Kelly: Traditional airline pricing is crazy, where last-minute, one-way travel costs \$20,000. They had those rules to gouge business travelers, and they made a lot of money doing that. Consumers will benefit as airlines try to get more value out of those middle-of-the-road travelers — people who want to splurge — and get away from gouging.

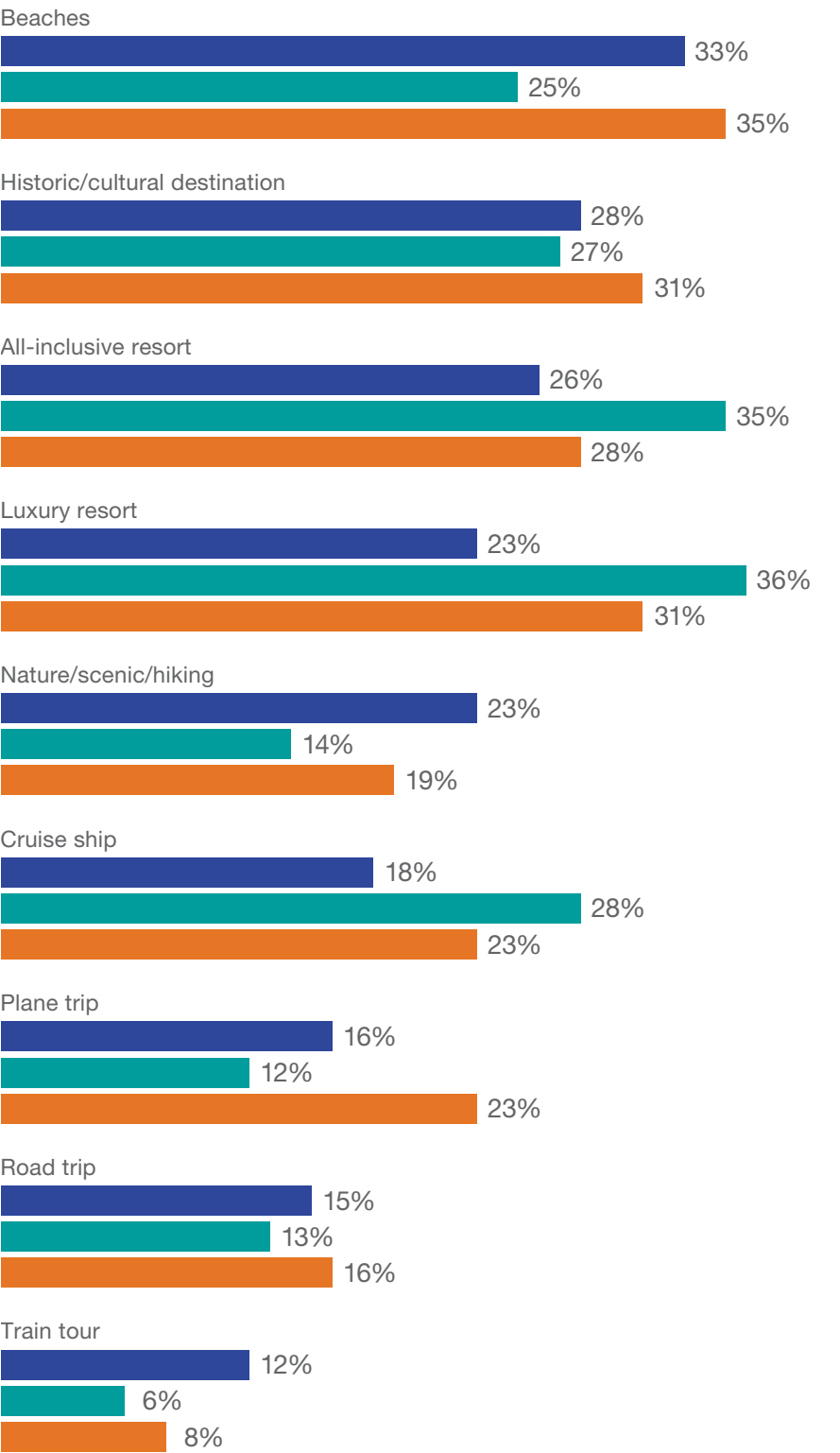
**Carmichael:** And the points game will survive, too?

Kelly: Airlines are going to survive because they sold billions of dollars’ worth of frequent flyer miles to the credit cards. Loyalty programs are more important than ever. They literally help the airlines survive. A lot of airlines make more money from their loyalty program than they do flying planes. But there are only so many flights you can offer. We’ll see more ways to use points for more parts of the travel experience.

**Matt Carmichael** is the editor of *What the Future* and VP editorial strategy for Ipsos North America.

# How will vacation styles change?

Q. When thinking of your “dream” vacation, what type of trip would you like to take? (Top options shown)



■ White ■ Black ■ Hispanic

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)



# Will luxury travel conquer its race issue?

**As Americans look forward to a post-COVID-19 world, travel will be a top priority. African Americans, however, still face demeaning and dismissive interactions when they travel, despite vows by corporate America in 2020 to address racism.**

These experiences are even more pronounced for Affluent African Americans (AAAs), creating a distinct set of behaviors and attitudes that define “traveling while Black.” If travel and hospitality brands aim to match reality to AAA expectations, they will need to ensure equity in their services provided and accurate representation of the Black experience in communication materials.

There is much at stake as we enter a new era of travel. The Ipsos Affluent Survey USA defines Affluents as American households with combined income in the top 20%, or \$125,000 or more per year. Among African Americans, that translates into spending of more than \$24 billion in a typical year on travel alone. Yet being Black and affluent presents a contradiction — one has the means to enjoy luxurious experiences, yet persistent stereotypes prevent one from savoring such enjoyment.

For example, the August Ipsos Affluent Survey found that AAAs were almost three times as likely as African Americans in general to agree they felt they had been stereotyped when traveling either domestically or even internationally. This is emblematic of the disconnect between expectations and treatment that AAAs continue to experience. As a result, AAAs remain constantly aware of their credibility deficit in a world where the presumed social order is disrupted just by their intersection of affluence and Blackness.

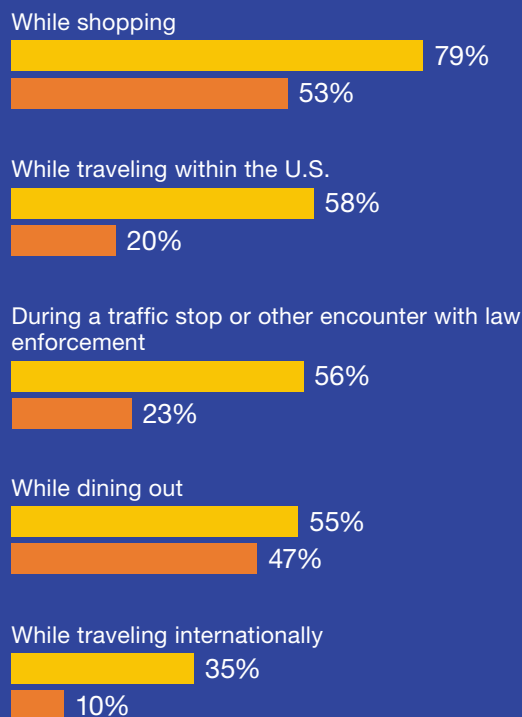
Moreover, half of Americans in a February Ipsos Coronavirus Consumer Tracker survey said they believe that while companies spoke out about racism, most didn’t take any action beyond that. Among Black respondents, 55% said they were more likely to purchase something from a company that has taken a public stand against racism. These data show a need for cultural competency awareness and training among hosts and other hospitality service providers.

To address this issue, brands need to understand these experience gaps. Ipsos has helped brands audit their operations for health and safety practices through the pandemic. Similarly, brands can audit against the pandemic of racism by measuring equity and safety practices in customer interactions to spot areas for improvement. Then they can measure progress through the customer experience. By taking a systematic approach to change, the brands that can show growth in equitable treatment have the best chance of attracting and retaining AAA travelers in the future.

**Kip Davis** is a director of insights in Ipsos’ Affluent Intelligence service line.

## Does affluence lead to better treatment for African American vacationers?

Q. Have you ever felt profiled or negatively stereotyped in any of the following situations?



■ Affluent African American  
■ Non-Affluent African American

(Source: Ipsos Affluent Survey Q3 2020 Barometer.)



## Question:

Will virtual travel play a bigger role in our future vacations?



**Whitney Johnson**

**Director of visuals and immersive experiences,  
National Geographic**

As director of visuals and immersive experiences at National Geographic, Whitney Johnson oversees all forms of visual, video and audio experiences.

That includes helping people virtually visit an emperor penguin colony in Antarctica or shadow the Perseverance on Mars. When she thinks **What the Future**, she wants to scale AR and VR to make it more accessible.

66%

of Americans would use an app or device to virtually explore a new city or cultural site.

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)





## Where would people use virtual technology to travel?

Q. Would you use an app, a website, an augmented reality (AR) or virtual reality (VR) device, or some other technology to do any of the following? (% Selected)

Visit a museum



Participate in a class to learn about a different culture



Explore a new city/cultural site



Visit a national park



Participate in a cultural event



Attend a concert or festival



Visit a fantasy world



Visit an amusement park



Take a virtual cruise



■ Yes, I already have   
 ■ Yes, I would try it  
■ Yes, but only if that was the only option   
 ■ No

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

**Kate MacArthur: The pandemic accelerated everything digital and virtual. Do you think it will change the way we use virtual tools for visiting places?**

Whitney Johnson: In some ways, it has created this opportunity or emphasized an opportunity that was already there. I don't think virtual travel is going to go away. For many people, it allows them to have experiences that they might otherwise not be able to have in the real world.

**MacArthur: How far can virtual travel go to satisfy our need to explore things?**

Johnson: I think these experiences will be done in partnership. There are places where the experience would be just as

satisfying to have virtually than not. Not to mention that you can binge-experience—whether you're putting on a VR headset and watching a whole range of experiences in our app, or listening to "Overheard at National Geographic" and being able to travel around the world in six episodes—obviously, that's something most of us can't do in the real world.

**MacArthur: Are there mid-term steps to get people into the right mindset and accustomed to using virtual experiences?**

Johnson: We found that being in a VR headset is the most immersive way to experience this content. That's also the least accessible way to do it, both in terms of who can actually afford the headsets and then getting

accustomed to how to utilize that space. The first time that you're in a headset, it can be disorienting. You almost need to have someone supervising you. It's one reason that we've leaned so heavily into delivering AR through the Instagram Spark AR platform. Because with over 150 million people on our hero Instagram account, it is much more accessible.

Augmented reality and 360-degree video can be just as transportive and can be experienced using a mobile device or computer. The key to helping people get accustomed to virtual experiences is to continue creating high-quality digital content on all of these platforms and making it easy to use and as accessible as possible.



**“There are some experiences that you might be able to also check off your bucket list in the VR world instead.”**

**MacArthur: As you grow as a virtual content creator, how does that shape how you think about presenting future content?**

Johnson: We’re thinking about what the average traveler is not going to have the opportunity to do. There’s also the consideration of accessibility. I only have a handful of photographers that I can send to the top of Everest, who have the expertise and the skills to do that. Then there’s the ethical considerations. Virtual experiences allow people to visit these places without harming potentially fragile or over-touristed landscapes. They can even give users an experience that isn’t possible in the real world, like seeing what Machu Picchu might have been like at the height of the Inca empire, or safely coming face-to-face with wild animals in Africa.

**MacArthur: What are the biggest obstacles right now and what may be the easier or more difficult ones to tackle in the next three to five years?**

Johnson: Companies have been making improvements in the headsets so that they’re more affordable. But they’re still not widely utilized. Some companies have been talking about more glasses, bringing that technology so that AR can really become a part of our everyday experience. Just a dozen years ago, who knew that the mobile smartphones would be as ubiquitous as they are? I think that there’s the possibility that the glasses could do the same thing in terms of bringing AR into our everyday life.

## How do budgets shape how we travel?

Q. To what extent do you agree or disagree with the following? (% Selected)

I set aside a certain amount of money for vacations



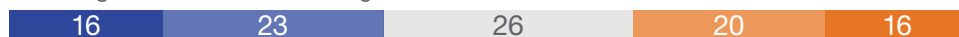
I'm always concerned about my budget for my vacations



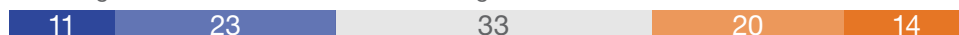
I'm concerned that vacation costs are getting out of reach for my budget



I'm taking fewer vacations for budget reasons



I'm taking different kinds of vacations for budget reasons



■ Strongly agree   
 ■ Somewhat agree   
 ■ Neither agree nor disagree  
■ Somewhat disagree   
 ■ Strongly disagree

(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

**MacArthur: Can we really replace actually being somewhere?**

Johnson: It depends on what the experience is. Food, for instance, is an important piece of travel for me. And I think about how we can immerse all our senses when we are traveling. Taste and smell are things that we’re not yet able to incorporate into these immersive experiences. But I have been interested in seeing how we can still reach across communities and have that shared experience of cooking and eating, even from across the planet. So, what kinds of partnership experiences could go hand in hand with some of these immersive experiences that we have?

**MacArthur: I like the idea of using these experiences to scout locations or experiences.**

Johnson: I think it can do that. I don’t know that after doing our Machu Picchu experience, I now feel a need to go there. I know it would be completely immersive in a way that the VR experience is not, but there are some experiences that you might be able to also check off your bucket list in the

VR world, instead. Of course, there’s the flip side of that, which is that so many of these communities depend on tourism from an economic perspective.

**MacArthur: Where else could we explore in the next few years?**

Johnson: We’ve been exploring the ocean as our brand, and I think we’ll continue to do that. And obviously there’s a lot of unexplored territory there. For our VR and AR producers, it’s an added challenge as they think about how to create these underwater universes. This also plays into the conservation conversation. We can create a space that would take a viewer back in time to experience what the ocean might have been like centuries ago. We could also make a prediction about what might happen to the ocean if we’re to continue down the path we’re going, and model that for people. There is potential to travel through time as well as through space in that way.

*Kate MacArthur is deputy editor of What the Future and a senior writer at Ipsos in North America.*

# How brand partnerships can make **virtual vacations** more real



## The coronavirus pandemic continues to keep the prospect of a vacation remote for many.

For some would-be travelers, virtual reality (VR) and augmented reality (AR) technologies already have provided a welcome respite. Will VR/AR adoption—like so many other tech trends—be accelerated by the pandemic, and can they ever be a substitute for a real vacation?

The use of AR and VR in tourism is not new. Some people find them useful to get a pre-trip feel for a destination. So far, these technologies have been relegated to informational or marketing content rather than “travel experiences” in their own right. Yet, Ipsos data show widespread interest in these technologies for entertainment and travel experiences. Perhaps as VR and AR become more affordable and accessible, partnerships with destination, merchandise and hospitality brands can help virtual travel do much more to satisfy people’s wanderlust. Virtual travel can smooth out seasonal tourism peaks and preserve over-toured landmarks.

Media and entertainment companies like National Geographic (See page 16) are creating amazing virtual travel content today. People can experience this content at home, in groups in museums and other locations. And, well, it’s really cool.

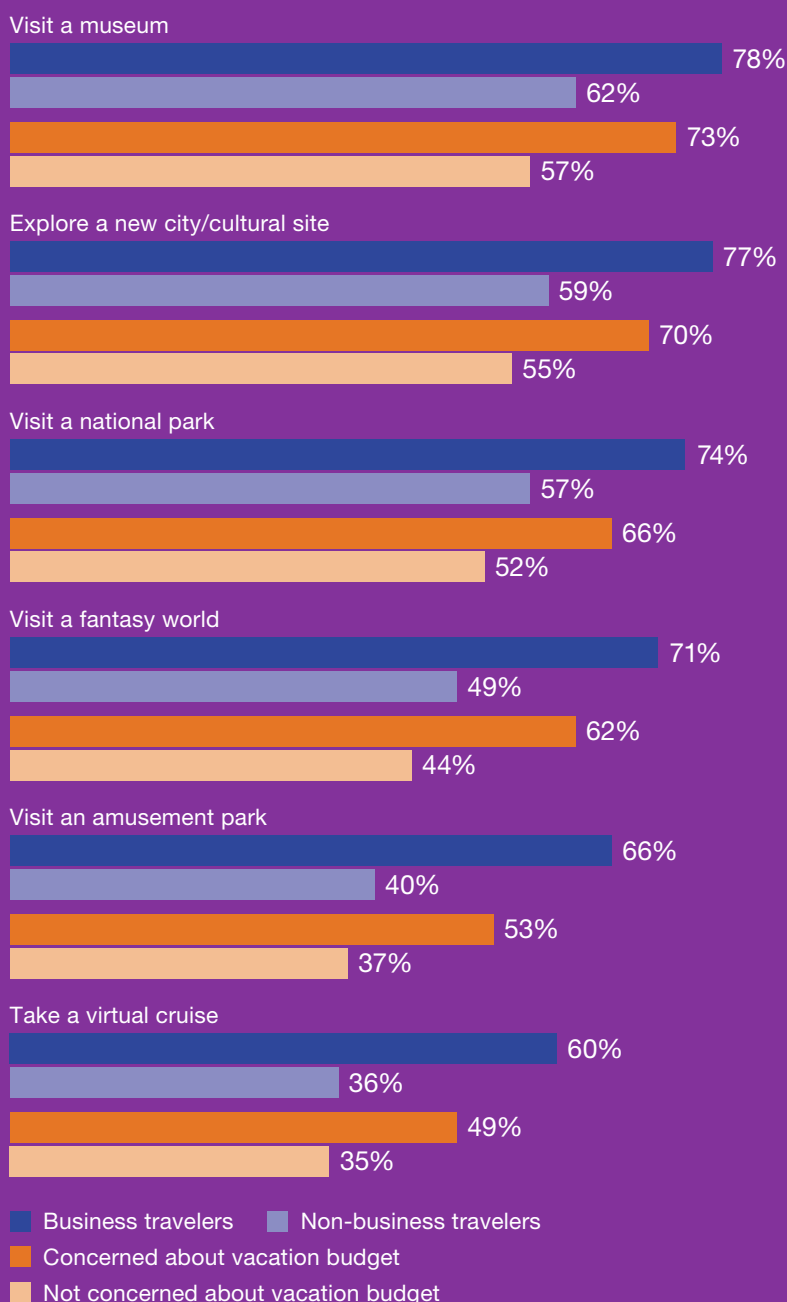
The central challenge for virtual travel is literally the idea of “being there.” VR only provides an audiovisual experience and cannot deliver the smells, tastes, physical sensations, nor the spontaneity to interact with locals and wander off the beaten track that are essential to the travel experience. It can’t fully recreate the sea breeze of a two-week beach holiday, or the altitudes of a Machu Picchu mountain trek. Of course, VR has some upsides. “Getting there” is as simple as putting on your headset. You’ll never get jet lag or Montezuma’s Revenge. The weather will always cooperate.

Brand partnerships could help complete these experiences and further adoption. Media companies could team up with food kits or delivery services to provide a tasting course to complement virtual journeys. Tours could offer T-shirts and gifts to commemorate the visits. Some of these “4D” experiences already exist in museums and theme parks, but these other strategies could help propel VR and AR travel further into the mainstream. And did we mention it’s cool?

**Rob Gear** is a futurist and engagement manager in Ipsos’ UK Trends & Futures Team.

## Where would people most use VR/AR to visit?

Q. Would you use an app, a website, an augmented reality (AR) or virtual reality (VR) device, or some other technology to do any of the following? (Selected yes responses)



(Source: Ipsos survey conducted Feb. 24-25, 2021, among 1,114 U.S. adults.)

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