

Travel Continues to Thrive – But Not as the Industry Expects

New survey insights from 1,500 UK and U.S. consumers reveal that travel remains a core spending priority, but demand has become more conditional. Value, convenience, quality and emotional relevance now shape decision-making, with consumers rewarding those who deliver on the fundamentals. In 2026, growth will favour travel operators that operationalise those priorities – delivering on price, location, comfort and control. The risk is not declining demand, but outdated strategic assumptions.

For Under-45s, Travel is Essential Not Discretionary

63%

of under-45s view travel as essential



For younger audiences, travel is an essential expense – on par with rent and utilities – often substituting for delayed traditional life milestones. This perception declines markedly among older cohorts. Youth-led demand appears structurally durable – brands that align early can earn long-term loyalty.

Staycations Anchor the Market



~40% of UK

and



~60% of U.S.

leisure trips are domestic

International travel may capture attention, but domestic travel delivers volume, driven by convenience and social connection. Staycations underpin cashflow stability. Brands that deprioritise them risk overlooking their most consistent source of demand.

Gen Z Is Rewriting the Rules

56%

of 18–24s prefer Airbnb to hotels



Flexibility, cost and identity now shape accommodation choice. Brands that combine high-quality assets with local authenticity and personalisation are best positioned to recapture loyalty as this cohort ages.

Accommodation Outweighs Experiences

Accommodation quality is the primary driver of travel budget allocation, ranking well above dining and experiences. Discretionary add-ons enhance a strong stay, but accommodation fundamentals underpin pricing power, stable demand and resilient returns.

#1

Accommodation quality



#2 Trip duration

#3 Travel distance

#4 Number of trips

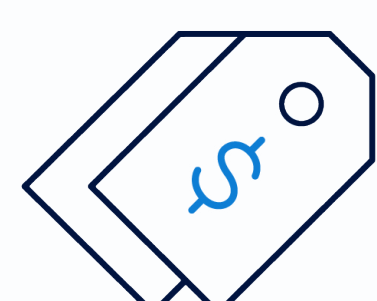
#5 Dining and experiences

Price and Location Dominate Choice

Price and location are the two primary drivers of accommodation selection. All other factors are secondary in a value-constrained market. Demand is intact but conditional; premiums must therefore be clearly justified.

#1

Price



#2 Location

#3 Reviews and ratings

#4 Style and amenities

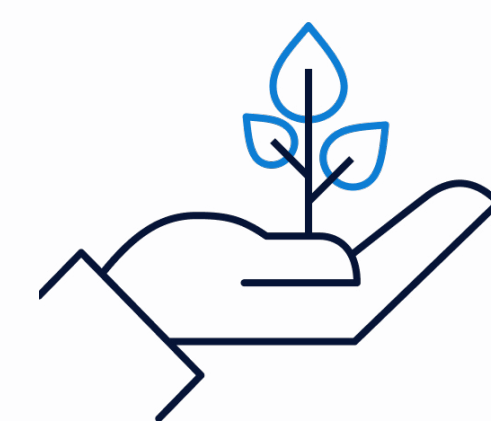
#5 Loyalty benefits

#6 Sustainability

Sustainability Is the Baseline, Not a Booking Trigger

Only 22%

cite sustainability as a key booking driver



Sustainability salience peaks among 25–44s and softens among younger cohorts. Sustainability must be embedded credibly without compromising on price, convenience or quality.