



Barclays US Consumer Bank's 2023 Travel Rewards and Loyalty Report

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Travel is back, and it can be expensive. For many, booking trips in the next 12 months will be all about rewards. The 2023 Travel Rewards and Loyalty Report uncovers insights into consumer behaviors and sentiments surrounding loyalty programs and rewards.

Inflation Has Been Keeping People from Traveling

50% of travelers cited the rising costs due to inflation as a top factor of what made them less likely to travel in the last 5 years

Rewards Make it Possible

76% of loyalty and reward program members couldn't imagine taking the kinds of trips they want without the benefits of such programs

Millennials Lead the Pack When it Comes to Enthusiasm for Rewards and Loyalty Programs

For nearly 3 in 4 Millennials (74%), earning the most rewards is more important than getting the lowest price, compared to 46% of Gen Z, 32% of Gen X, and 12% of Boomers

OVERVIEW

Travel costs are rising – everything from flights to lodging to overall convenience such as airport transportation and dining. Rising costs due to inflation is the top reason why travelers were less likely to take trips in the past five years, surpassing concerns about health risks or cancellations. Boosting participation in rewards and loyalty programs are ways of easing the strain on traveler finances. And for many, booking trips in the next 12 months will be all about the rewards.

In May 2023, Barclays conducted an online survey of 1,000 U.S. adult travelers to gain insights into consumer behaviors surrounding travel rewards. When reading this report, we define “Travelers” as having traveled by air in the past 12 months, and likely to travel again in the next 12 months.

Profile of the 2023 Traveler

Over the next 12 months, nearly 1 in 5 (16%) plan to travel primarily for business, while 67% plan to travel mostly for personal trips.

Of those planning to take personal trips, an overwhelming 81% plan to travel with family, including their significant other (51%), other family members (44%), and children (31%). The top place that travelers expect to stay is a hotel (75%), with about a third staying at a home share or rental (34%), or a resort (33%).

Getting the Most out of Rewards

For many loyalty and rewards program members, earning rewards outranks the cost of traveling. Nearly half of travelers in programs (44%) prioritize earning rewards even above finding the lowest costs when traveling, demonstrating the value that travelers place on their loyalty programs. A majority also value the perks that come with a loyalty program and an improved travel experience. These perks can include easy transport to and from airports and hotels, access to airport lounges at layover spots, and flexible booking.

Even beyond loyalty programs, many travelers are looking to get the most out of their credit card rewards. A majority use their credit cards to earn rewards frequently, with many (41%) using their credit card whenever possible as a strategic way to maximize rewards.

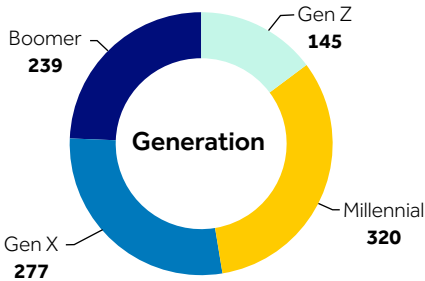
We invite you to read through our report, which showcases the value consumers place on these rewards programs with interesting insights related to consumer preferences, gender and generational differences, and the role inflation has played in spending behaviors.

SNAPSHOT of the 1,000 We Surveyed

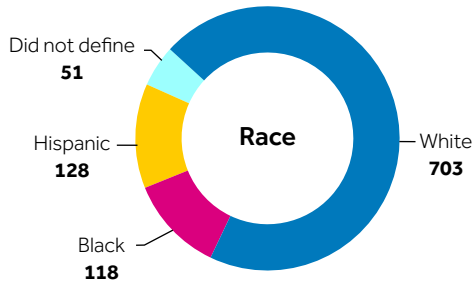
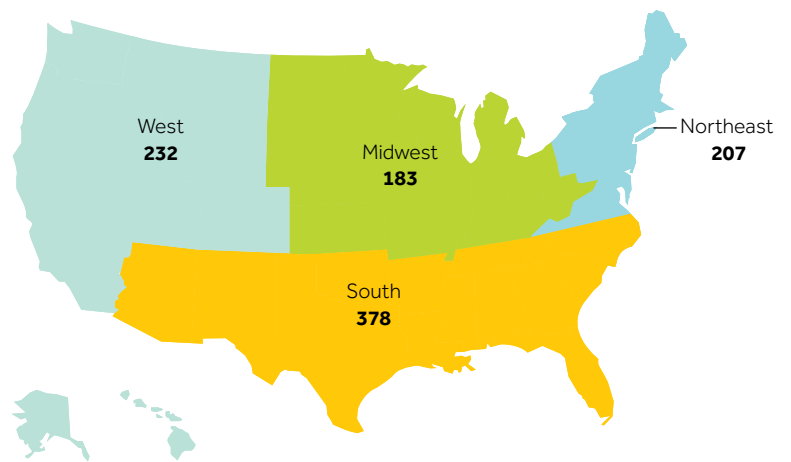
Gender



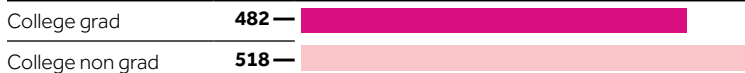
Age



Area



Education



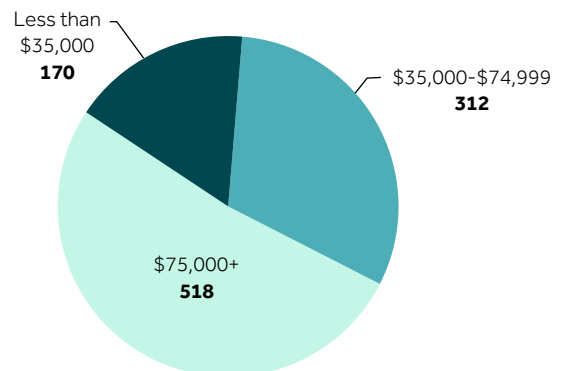
Employment



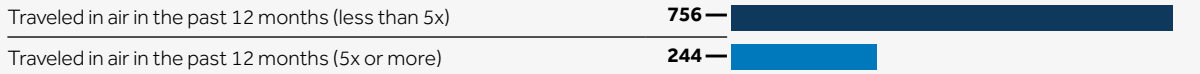
Marital status, relationship, children in household



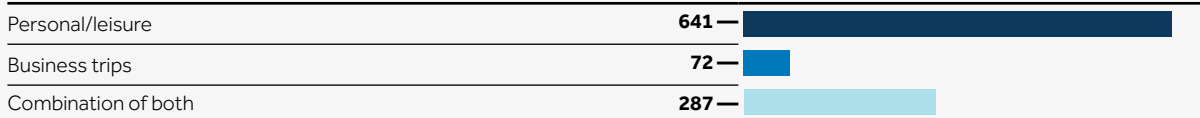
Salary



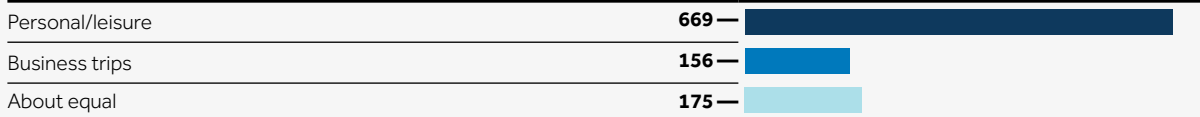
Likelihood to travel by air, frequency of air travel in past 12 months



Reason for travel in past 12 months



Primary reason for travel in next 12 months



Currently enrolled in loyalty program



Change in behavior around travel rewards

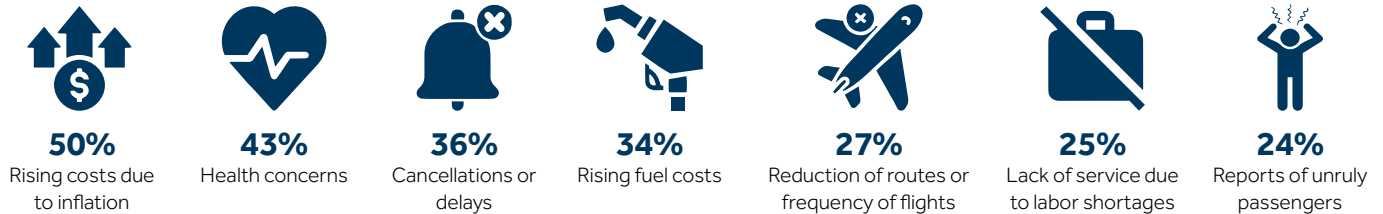


As INFLATION DRIVES UP COSTS, Travelers Are Hungry for Deals

Inflation over the past few years has and is playing a large role in keeping people from traveling – ranking even higher than health concerns from the pandemic. While cancellations and delays are disruptive, travelers are ultimately more focused on costs, which plays into how they view loyalty programs.

Reasons that made travel less likely in the past 5 years

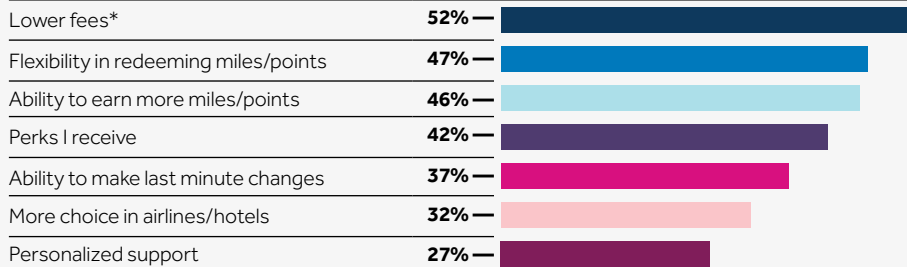
N=1,000



Savings and flexibility are valued during economic uncertainty

Travelers look to loyalty programs as a way to save money during times of economic uncertainty with lower fees for travel being the top priority of such programs. Lower fees refer to discounts on airlines (free tickets) or hotel costs (complimentary room) that travelers can earn through loyalty programs. Travelers are also interested in reward flexibility (47%), and the ability to earn more miles and points (46%).

Travel Loyalty Program Priorities (N=1,000)



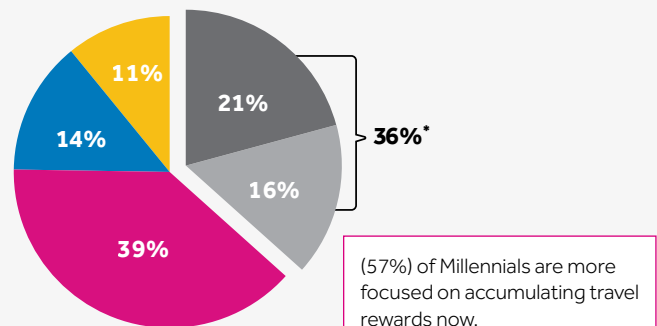
*Lower fees refer to discounts on airlines or hotel costs that travelers can earn through loyalty programs.

Travelers are more focused on accumulating rewards

Most travelers are focused on accumulating rewards points. For more than a third (36%), this has only increased since the COVID pandemic – especially among Millennials. Only a quarter of travelers have become less focused on rewards.

Behaviors and travel changes since before COVID

	Much more focused on accumulating rewards	21%
	Somewhat more focused on accumulating rewards now	16%
	No change	39%
	Somewhat less focused on accumulating rewards now	14%
	Much less focused on accumulating rewards now	11%

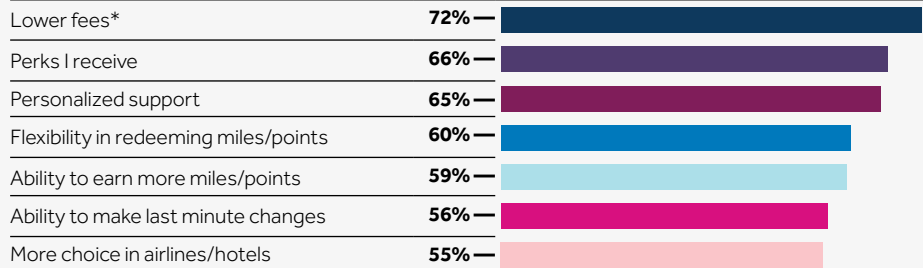


*Percentages rounded

As travelers contend with the changing reality of travel, their priorities are also changing. Of those who say lower fees are a priority, 72% of them say the importance of lower fees has increased from 5 years ago. Other growing priorities include the perks that come with loyalty programs and receiving personalized support.

Priorities more valued from 5 years ago

Asked among travelers with these priorities in a travel loyalty program (N=962)

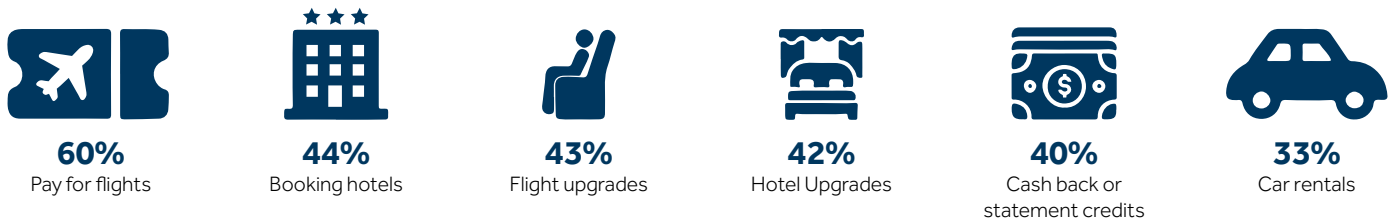


*Lower fees refer to discounts on airlines or hotel costs that travelers can earn through loyalty programs.

And while flights remain the focus of travel rewards, travelers redeem them for a variety of uses. A majority of travelers (60%) expect to use their loyalty rewards points/miles for airplane tickets. Another 40% would use them on cash back or statement credits. Ultimately, all aspects of traveling – from hotels to car rentals – are considered for using reward points/miles.

Travel Reward Uses

N=1,000

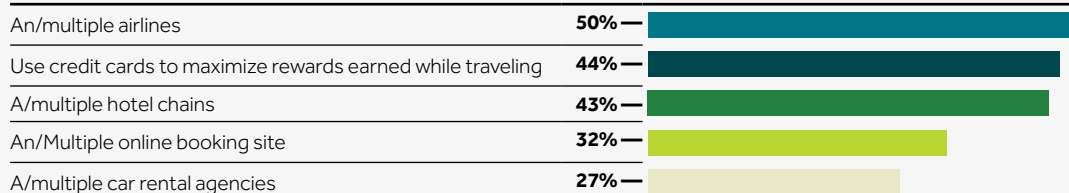


Most travelers are enrolled in a travel loyalty program

Travelers are saying “Show me the rewards.” Nearly 3 in 4 travelers are currently enrolled in a travel loyalty program, with airlines, hotel chains, and online booking sites as the most popular.

Priorities more valued from 5 years ago

Asked among those with these priorities in a travel loyalty program (N=962)



(74%) are currently enrolled in a loyalty program and (18%) used to be or have never been enrolled.

MILLENNIALS Love Their Rewards

88% of Millennials said they could not take the kinds of trips they wanted without rewards

Millennials love their rewards – which explains why 82% are the most likely to be currently enrolled in a travel-related loyalty program, compared to Gen Z (68%), Gen X (75%) and Boomers (66%). And during times of economic uncertainty, Millennials are the generation most focused on cost-cutting through rewards programs.

Millennials lead the pack when it comes to enthusiasm for rewards and loyalty programs. For nearly 3 in 4 Millennials (74%), earning the most rewards is more important than getting the lowest price, compared to 46% of Gen Z, 32% of Gen X, and 12% of Boomers.

Additionally, 62% of Millennials surveyed said their top benefit of enrolling in a travel-related loyalty program was

improved travel experience with perks such as upgrades, and lounge access the highest compared to 44% of Gen Z, 49% of Gen X and 43% of Boomers.

Millennials underscore the “loyal” in loyalty program once they find a rewards program that suits their priorities, with 83% very or extremely likely to enroll/stay enrolled in a travel, rewards, or points-related loyalty program in the next 12 months. This is compared to 61% of Gen Z, 78% of Gen X, and 65% of Boomers. Also, 57% of Millennials are more focused on accumulating travel rewards since before the COVID pandemic, compared with 36% across all generations.

Spotlight on BUSINESS TRAVELERS

Those primarily traveling for business in the next 12 months are more likely to cite flexibility in redeeming rewards (59%) and the ability to earn more miles and points (53%) as priorities in a loyalty program. On the other hand, those traveling primarily for leisure are more likely to cite lower fees (58%). Lower fees refer to discounts on airlines (free tickets) or hotel costs (complimentary room) that travelers can get through loyalty programs.

Travel Loyalty Program Priorities	Gen Z N=145	Millennial N=320	Gen X N=277	Boomer N=239	Primarily Personal/Leisure Trips in next 12 Mo. N=669	Primarily Business Trips Next 12 Mo. N=156
Lower fees*	52%	43%	60%	57%	58%	36%
Flexibility in redeeming miles/points	37%	53%	46%	44%	42%	59%
Ability to earn more miles/points	43%	53%	44%	41%	43%	53%
Perks I receive	41%	42%	42%	42%	44%	36%
Ability to make last minute changes	36%	43%	35%	33%	34%	47%
More choice in airlines or hotels	28%	44%	27%	26%	28%	42%
Personalized support	31%	43%	17%	13%	20%	47%

*Lower fees refer to discounts on airlines or hotel costs that travelers can earn through loyalty programs.

Whether It's **TRAVEL FOR BUSINESS OR LEISURE**, Flexibility Rules

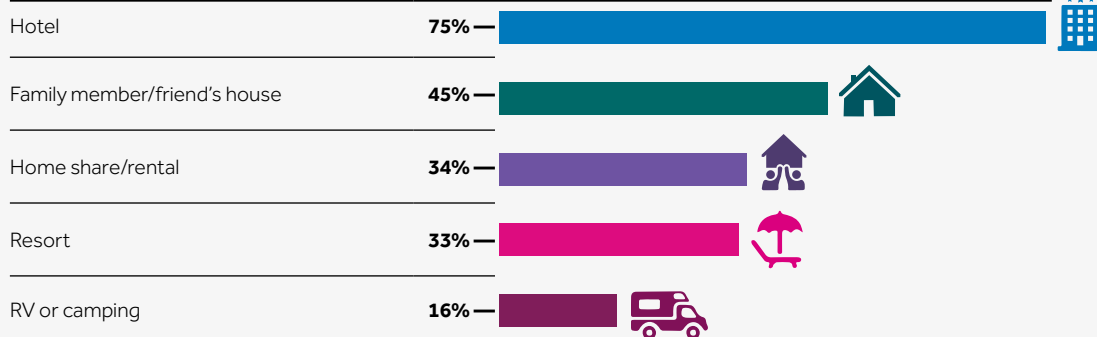
People planning travel in the next year are going for leisure rather than business, by a wide margin. During the next 12 months, just under 1 in 5 travelers (16%) plan to travel primarily for business, while 67% plan to travel primarily for personal trips.

Hotels are still the top destination to stay overnight

Whether traveling for pleasure or business, the top choice of lodging where travelers expect to stay is at a hotel (75%).

Among other options, slightly more than a third expect to stay in a home share or rental (34%), and a third expect to stay at a resort (33%).

Travel Loyalty Program Priorities (N=1,000)



REWARDS Make Trips Possible

Rewards are what make trips possible for the majority of travelers. More than 3 in 4 travelers in a loyalty program (76%) couldn't imagine taking the kinds of trips they want without the benefits of that program.

And, despite the economic uncertainty, rewards take priority over associated costs. Among those in loyalty programs, earning the most rewards is more important than getting the lowest price for more than 2 in 5 (44%). Cited as the top benefits in a travel-related loyalty program are the ability to earn and redeem rewards (65%), lower costs (58%), perks or status (54%) and improved travel experience with upgrades (51%).

Benefits and Rewards Are the Driving Factors When Choosing Credit Cards

The top factors that would impact travelers' choice to apply for a co-branded credit card with rewards are perks such as late checkout, free checked bags, and free breakfast (28%).

The ability to earn loyalty rewards was cited by 27%, and annual fees would help make or break a deal for 23%. Here, benefits and rewards are earning more consideration than choice, personalized support and annual fees.

Preferences in Travel Rewards

When it comes to travel rewards, men and women differ slightly in their preferences. While these rewards are important to all, men (56%) prioritize earning the most rewards versus women (68%) who prioritize getting the best rate.

In addition, in the years since the beginning of the COVID pandemic, 44% of men, compared to 30% of women, are more focused on accumulating travel rewards.

CONCLUSIONS

Travel is back, but costs are on the rise. Travelers are more vigilant when it comes to finding ways to make their trips possible. For those who consider travel essential, having a loyalty or rewards program with the dependability and flexibility to meet their needs is the way to keep travel viable going forward – even in the face of inflation and economic uncertainty.

The once conventional wisdom to pay cash whenever possible has given way to strategic use of credit cards, with consumers charging everyday purchases to rack up rewards and other perks. A flexible, reliable co-branded travel rewards program isn't just an important factor in consumers' choice of credit cards, the right program is often what makes travel possible.

Beyond flexibility and support, the companies and leaders shaping these rewards programs should listen to travelers' preferences and needs to shape and enhance rewards programs in the future. And with Millennials leading the way, these programs are poised to be travelers' constant companions both in the booking process, in transit, or at their destinations.

METHODOLOGICAL Notes

The Barclays Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 US adult travelers, between May 19th and May 27th, 2023, using an email invitation and an online survey. "Travelers" defined as having traveled by air in the past 12 months, and likely to travel again in the next 12 months. Results of any sample are subject to sampling variation.

The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.