



Loyalty and the Changing Traveler:

A survey of travel preferences and behaviors across generations.



Q2 2025

Planning for the next generation of travelers

Travel brands are facing an important transition. By the summer of 2030, [Deloitte](#) projects that **Gen Z and Millennials will account for more than half of U.S. leisure trips, up from one-third in 2023, making them a must-reach demographic for marketers who have long-courted the travel dollars of high net-worth Baby Boomers.** As the last of this generation enters its senior years—a period where travel frequency declines significantly—and as younger consumers climb the income ladder, providers must proactively deliver features that align with their viewpoints to grow their share of wallet. Boomers still matter, of course, but finding ways to balance their needs with those of digitally native generations, who interact with the world through a very different lens, matters just as much.

With those born after 1981 already [spending a larger share of their income](#) on travel than their older counterparts, travel companies are beginning to recognize the opportunity and are launching products and services that cater to them, such as [Wyndham's recent introduction of a debit rewards card](#) and [JetBlue's addition of Venmo](#) as a payment option for flight purchases.

Understanding traveler preferences across generations is key to *arrivia*'s position as one of the world's largest travel loyalty technology providers. With younger travelers more skeptical of traditional [travel loyalty programs](#) than their elders, identifying what they are looking for from the travel experience is vital to growing program enrollment and ensuring their success. Where do Gen Z, Millennials and Zillennials like to stay? Who are they traveling with? Do experiential rewards matter? Our 2025 Generational Travel Survey seeks to answer these questions. It also provides a better picture of how these groups differ from—and overlap with—the older generations, namely Boomers and Gen X.

Methodology

From April 14 to 18, 2025, *arrivia* conducted an online survey of 1,089 U.S. adults who have traveled at least once in the past year. Respondents were asked about their travel preferences and travel plans (past and future), as well as who they book with and their loyalty behavior. Their responses provide actionable insights for loyalty providers seeking to attract younger members while still meeting the needs of their established customer base.

The data was weighted to be representative of the overall U.S. population by 9 demographic questions. The credibility interval for questions answered by all respondents is ± 4 percentage points.

To more accurately examine the Zillennial sub-generation, we have adjusted the generational breakdown in our analysis, dividing Millennial and Gen Z respondents into 3 distinct categories: Older Millennials, born 1981 to 1991; Zillennials, born 1992 to 2002; and Younger Gen Z, born 2003 to 2007.

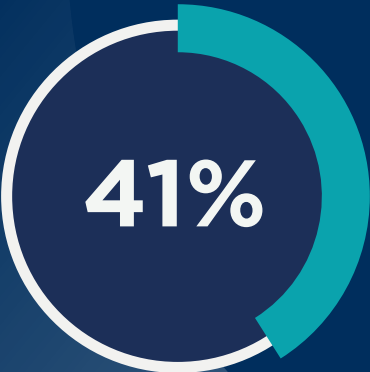
Zillennials: The emerging travel demographic

Throughout this report, we refer to Zillennials, the micro-generation born between 1992 and 2002. This group straddles the line between Gen Z and Millennials, with some analysts calling it “the hidden generation.” Unlike Gen Z, they didn’t necessarily get their first smartphone in middle school, but for all intents and purposes, they are true digital natives. That distinction shapes how they view, and navigate, the world.

Traditional generation labels often span broad age ranges, meaning they can miss key trends that can help marketers fine-tune their strategies. Zillennials display characteristics that challenge conventional assumptions. For example, 48% of adult Zillennials live at home with their parents, yet many are fully employed, and 41% report a household income of \$100,000 per year. This gives them disposable income for discretionary spending, such as travel, making them a prime target for loyalty marketers. While our survey data does demonstrate overlap between Gen Z, Millennials and Zillennials, the latter generation exhibits some unique preferences worth noting, which we address in the following pages.



23-33 years old



Earn \$100,000
per year



Live at home with
their parents, but
are fully employed

The good news: Travel demand remains strong, but cost is a deciding factor

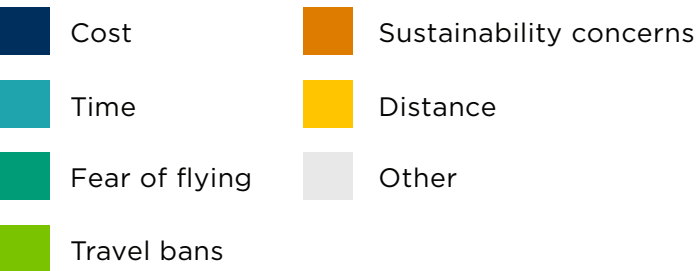
Despite the current backdrop of economic and political uncertainty impacting the [U.S. travel industry's outlook](#), leisure travel is projected to grow in 2025, according to the [U.S. Travel Association](#). Our survey echoes this trend, where nearly half of the respondents said they plan to travel as much as they did last year, and 34% expect to travel more.

Demand is particularly strong among younger travelers. For instance, 55% of Younger Gen Z and 42% of Zillennials expect to travel more than they did in the previous 12 months—a number that drops sharply for those born before 1981. Loyalty programs can leverage this demand and bring younger consumers into their ecosystem by introducing the right mix of value and benefits.

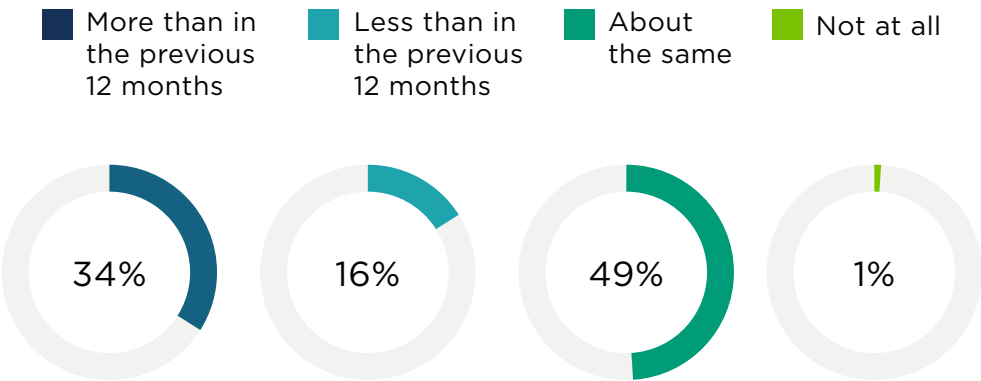
Affordability: A key pressure point

Cost is the primary cause for scaling back travel plans. More than half (57%) of respondents who said they plan to travel less this year cited affordability as the reason. Other factors, such as time constraints, distance and fear of flying, lagged well behind.

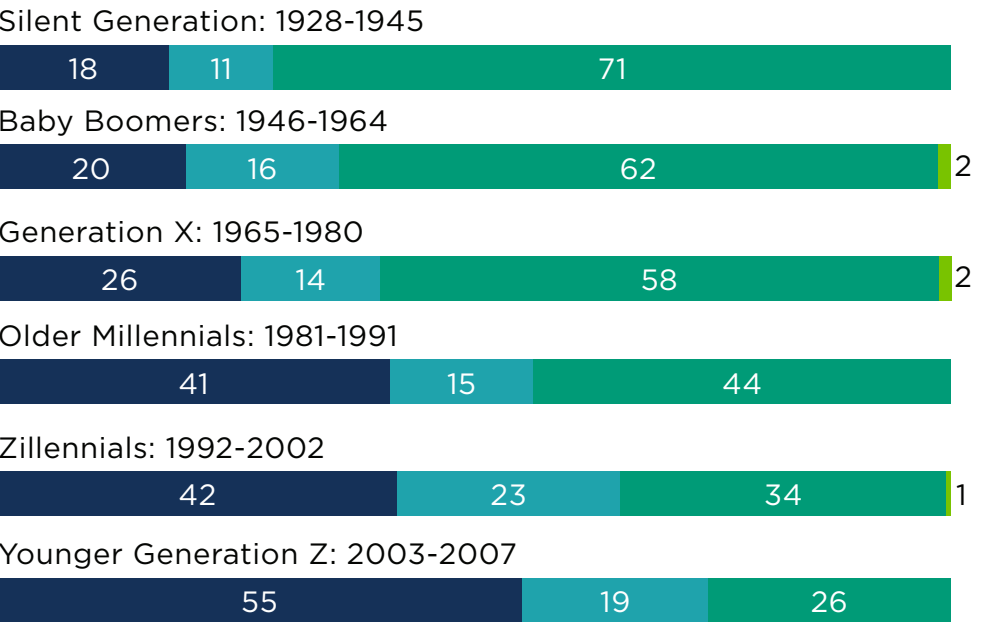
If you do not plan to travel at all or plan to travel less than last year, what is the main reason?



How often do you plan to travel in the next 12 months compared to how frequently you traveled in the past year?



By generation:



Travel demand is broad, but also nuanced

Our survey found that overall, **domestic travel dominates consumers' upcoming plans, with 55% of respondents planning to travel exclusively within the U.S. in the next 12 months.** However, based on our findings, younger generations demonstrate a preference for international travel. One-fifth of Zillennials and 17% of Gen Zers are looking to exclusively spend their travel dollars internationally compared to just 6% of Baby Boomers.

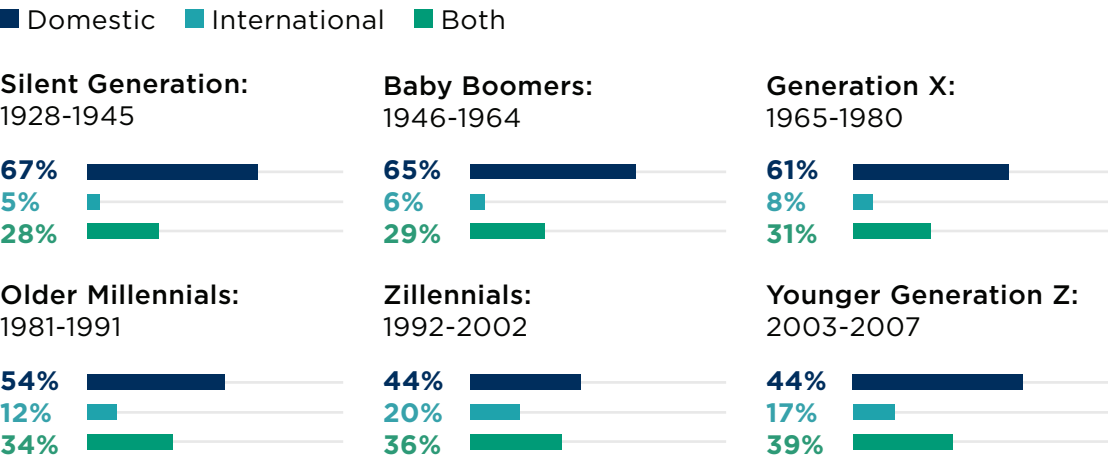
For loyalty programs, these findings underscore a crucial shift: offering value on domestic airfare or car rentals is important, but international options and incentives matter just as much to emerging customer segments.

A deeper look at travel trends across age groups

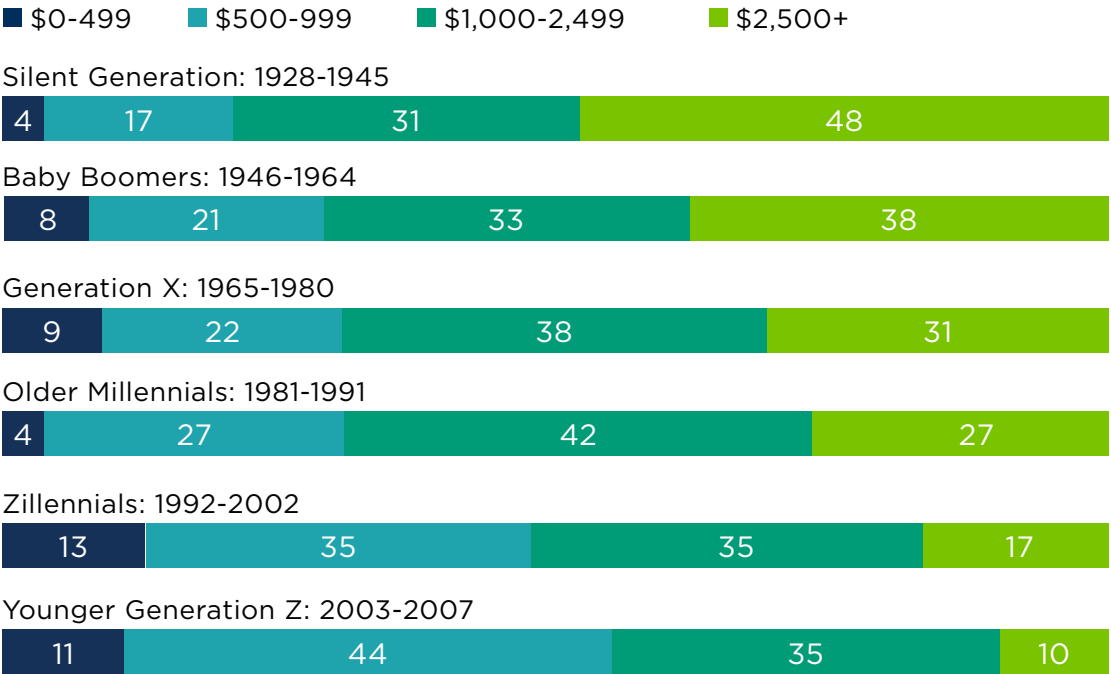
Travel preferences vary widely across generations, with each age group bringing distinct expectations to the table. While members of Gen Z are the most likely to be frequent travelers—24% take seven or more trips per year compared to 12% of the total population—the majority (55%) spend less than \$1,000 per trip. Meanwhile, Millennials and Gen Xers tend to fall into the “moderate traveler” category (3–6 trips per year) but spend more.

This suggests that loyalty programs shouldn't correlate trip value alone with customer value. Instead, targeting moderate travelers with higher purchase potential—especially those not yet committed to a single brand—may yield better results. Another strategy would be to target low-spend, high-volume travelers with special points-earning opportunities for new, younger members, which would encourage higher spend. Ultimately, using technology that captures detailed customer data to create highly personalized offers will be a pillar of a strategic loyalty program.

Where do you plan to travel in the next 12 months?



How much do you usually spend on one trip?



Zillennials show distinct patterns




Zillennials stand out for their preference for international travel (20% vs. the 12% survey average), interest in cultural activities like museum visits (19% vs. an 11% survey average) and their above-average use of rental cars (22% vs. 11%), which correlates **with lower car ownership rates among younger generations**. Using personalization tools and AI can help loyalty providers ensure their messaging and offers are targeted to the right audience at the right time. For instance, packaging car rental with a hotel discount can be a specific entry point to engage and convert members of this group whose member profiles indicate they are unlikely to have access to their own car.

The booking behavior and travel motivations of Zillennials, though spanning characteristics of both Millennials and Gen Z, signal that they are forming their own expectations. While 61% of Millennials and 66% of Gen Zers rank cost as the main reason for travel hesitancy, just 36% of Zillennials say the same. However, they are more likely than those in other groups to cite fear of flying, sustainability and travel bans as reasons for staying put. These findings point to the complexity of travel decision-making today. **A successful loyalty offering must account for the range of practical and emotional considerations travelers are balancing as they make their travel plans.**

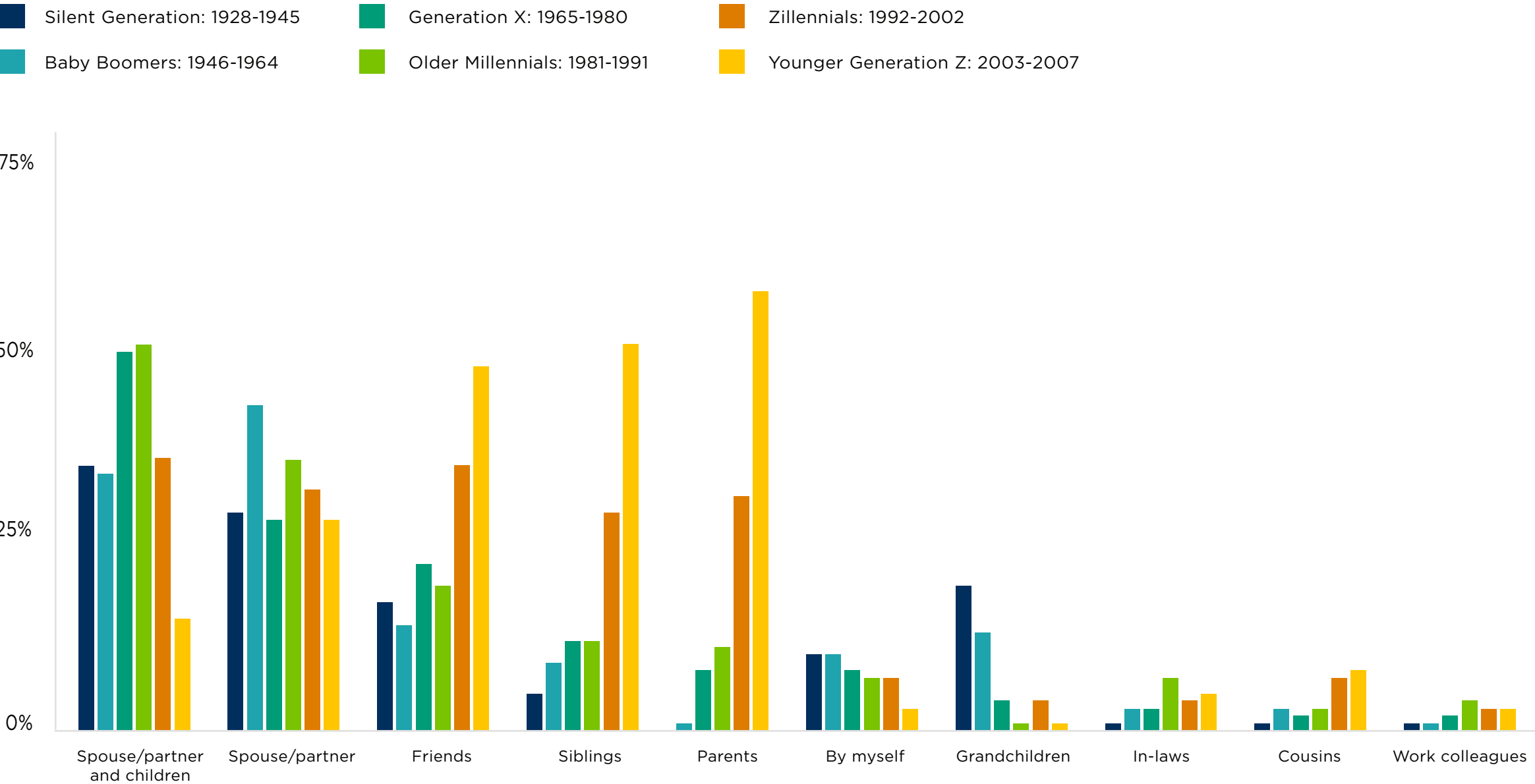
Travel companions and group dynamics

Across generations, the majority of respondents travel with a spouse or partner, but Gen Z and Zillennials are significantly more likely to travel with friends, siblings or parents, highlighting the potential of loyalty strategies that support group travel planning, like shared bookings or bundled offers that accommodate multi-person travel needs, as well as the ability to use multiple forms of payment. Though a higher percentage of Zillennials and Gen Z say someone else is footing the bill for their next trip compared to older generations, they are primarily paying for it themselves (63% and 46%, respectively), which means that accommodating shared payments of group bookings could resonate strongly with these two demographics.

For any trips that you have booked or are planning to book in the coming year, what will be your main method of transportation to get to your destination?

	 Rental car	 My own car	 Other
Silent Generation: 1928-1945	0%	93%	7%
Baby Boomers: 1946-1964	8%	87%	5%
Generation X: 1965-1980	9%	83%	8%
Older Millennials: 1981-1991	15%	83%	2%
Zillennials: 1992-2002	22%	77%	1%
Younger Generation Z: 2003-2007	7%	77%	16%

Who do you plan on traveling with for the next trip you plan to take this year?



Generational evolution in cruise: A new wave of travelers set sail

Cruise travel has long been associated with older, higher-income travelers. But new data suggests this perception is shifting with a broader, more diverse audience climbing aboard. According to our survey, 27% of Zillennial respondents are cruisers—a higher share than Baby Boomers at 18%. Zillennials also showed a higher interest than both Gen Z and Millennials in bundled packages that include cruise, pointing to a distinct opportunity to engage travelers born between 1992 and 2002. [Research](#) from the Cruise Lines International Association (CLIA) confirms this trend: more than 20% of global cruise travelers are aged 27–44, with Millennials and Gen Z making up 36% of the global cruising population.

Loyalty programs should take advantage of this momentum to reposition the product for younger audiences—something that many cruise brands [have already begun to do](#) through shorter itineraries, gastronomy-focused trips and a greater emphasis on sustainability. Younger travelers may be open to cruises if they are framed as a cultural experience or adventure rather than a “floating resort.”

Cruise also presents a unique opportunity for group and intergenerational travel: 42% of cruisers in our survey travel with friends and a notable portion include siblings, parents or grandparents in their plans. The [CLIA](#) also cited multi-generational travel as one of the main drivers of cruise industry growth. These dynamics support loyalty offers that allow travelers to book and earn together, especially for milestone trips, such as graduation getaways or family reunions.

A loyalty opportunity hiding in plain sight

Although only 15% of cruise travelers in our survey currently book through loyalty platforms, the potential for growth is strong. Survey respondents showed an appetite for better incentives: 44% said they would be more likely to book through a loyalty program if it meant earning more points and 45% said premium perks would make them more likely to choose this route. For loyalty brands, cruise is more than a niche—it’s an avenue to reach the next generation of high-value travelers through education, packaging and targeted incentives. [Partnering with a travel and loyalty provider that has deep ties to the cruise industry is key to providing members with unbeatable value, both in terms of price and diverse itineraries, turning an often-overlooked travel option into a powerful engagement tool.](#)

27% of Zillennials are cruisers
vs. 18% of Baby Boomers

39% of cruisers spend more than \$2,500 per trip

Travelers who plan to cruise on their next trip, by generation:

Silent Generation: 1928-1945



Baby Boomers: 1946-1964



Generation X: 1965-1980



Older Millennials: 1981-1991



Zillennials: 1992-2002



Younger Generation Z: 2003-2007



The rise of alternative accommodation

There is a growing interest, especially among younger generations, in accommodations beyond hotels. Vacation rentals now rank as the top accommodation choice among Millennials (26% vs. the 19% survey average) and households with children (22% vs. 17% of households without children). Zillennials and Millennials with children prefer vacation homes by 5 points over those who do not. After traditional hotels, this is also the preferred pick of Gen X at 21%. Given the current age of Millennials and younger Gen X, there is likely significant overlap between families and these two groups.

Though Zillennials and Gen Z also rank this type of accommodation high compared to Baby Boomers, it's not their top choice. While our survey didn't ask why travelers prefer vacation rentals, the trend likely reflects lifestyle factors like work-from-anywhere flexibility and group travel needs. For families and groups, space and access to a kitchen can help manage costs, making vacation rentals a practical choice. Loyalty providers that integrate homes, resorts and hotels into a single booking platform—and allow points to be earned and redeemed across all—are better positioned to meet this demand.

This evolution in lodging preferences validates the importance of maintaining a diverse, well-priced and vast accommodation portfolio.

By incorporating vacation rentals into the loyalty experience, programs can better support flexibility and choice within a single point-earning platform, reinforcing their role as a one-stop solution for their members' travel needs and proving their responsiveness to a changing market.

Loyalty's role in a cost-conscious environment

Today's travelers don't book with loyalty programs just because they exist; they book because they see value in them. Yet our survey data shows that OTAs and direct vendor booking sites still dominate, with 72% of respondents using them compared to just 18% booking through loyalty programs.



Please rank your preferred choice of accommodation from most preferred to least preferred.

- Traditional hotel/motel

■ Resort such as Four Seasons

■ All-inclusive resort such as Sandals

■ Timeshare resort such as Club Wyndham

■ Staying with friends or family

■ Vacation rental home such as AirBnB

Silent Generation: 1928-1945



Baby Boomers: 1946-1964



Generation X: 1965-1980



Older Millennials: 1981-1991



Zillennials: 1992-2002



Younger Generation Z: 2003-2007



Households with children



Households with no children



Across all generations, the number one factor that would increase loyalty bookings is undisputed: lower prices, discounts and exclusive deals (55%). This is highest for Baby Boomers but also number one for Gen X, Millennial, Zillennial and Gen Z categories. Even among the highest income brackets, cost is the top consideration when deciding whether to book travel.

However, other motivations cannot be ignored. Nearly 43% of Gen Z would be more likely to book travel through their loyalty program if presented with more options for destinations, compared to 29% of Boomers. They also expressed above-average interest in options like activity bookings (35% vs. the 26% survey average), sustainability-conscious travel options (36% vs. 13% average) and the ability to book entire trips in one transaction (46% vs. 28%). Further, nearly half would be influenced to book if given more payment options, which is only a factor for 14% of those born between 1946 and 1964. Lastly, Gen Z is the group most likely to base their travel plans on offers from a brand's loyalty program and they are the most active travel loyalty user of the three younger cohorts: 23% currently use their credit card program or other travel loyalty program to book their travel compared to 16% of Zillennials and 22% of Millennials.

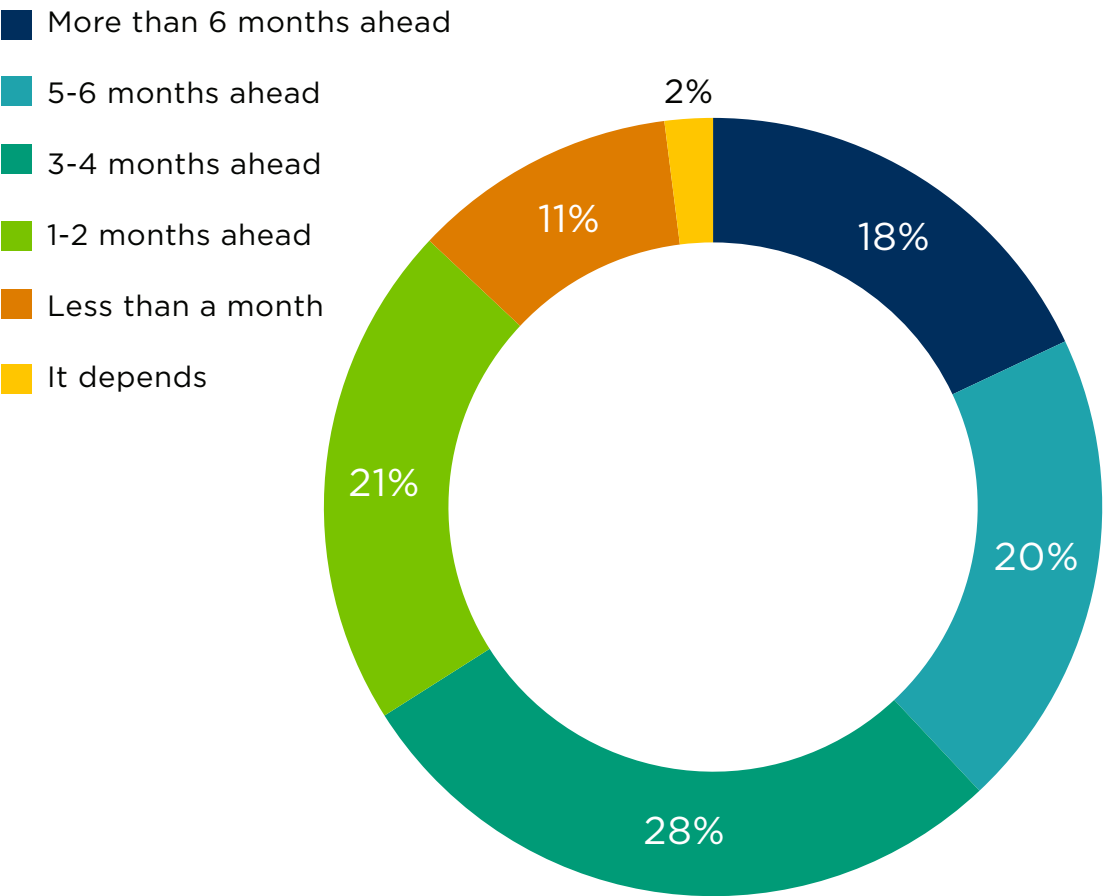
To grow that momentum and win market share from OTAs, loyalty programs must do more than compete on price. They must be able to support complex bookings, offer a wide array of inventory and create a user experience that reflects what modern travelers across generations expect.

Leveraging personalized marketing technology to present relevant offers to each user group, timed at the exact moment to maximize conversions, is key. For example, while most respondents in our survey say they book travel one to four months in advance, Gen Z is most likely to book just one to two months ahead of time. Tailoring promotions around these windows can leverage consumer habits to drive brand spending.

To meet expectations, loyalty platforms must offer OTA-level flexibility and features, plus added member value. Working with a loyalty platform that offers turnkey, customizable technology can help brand loyalty decision-makers stand out against competitors across the travel booking spectrum.

55% of respondents say lower prices, discounts and exclusive deals would increase their likelihood of booking travel with their loyalty program.

We asked all respondents: how far in advance do you usually book travel plans?



What would make you more likely to book travel with your loyalty program’s travel booking site?

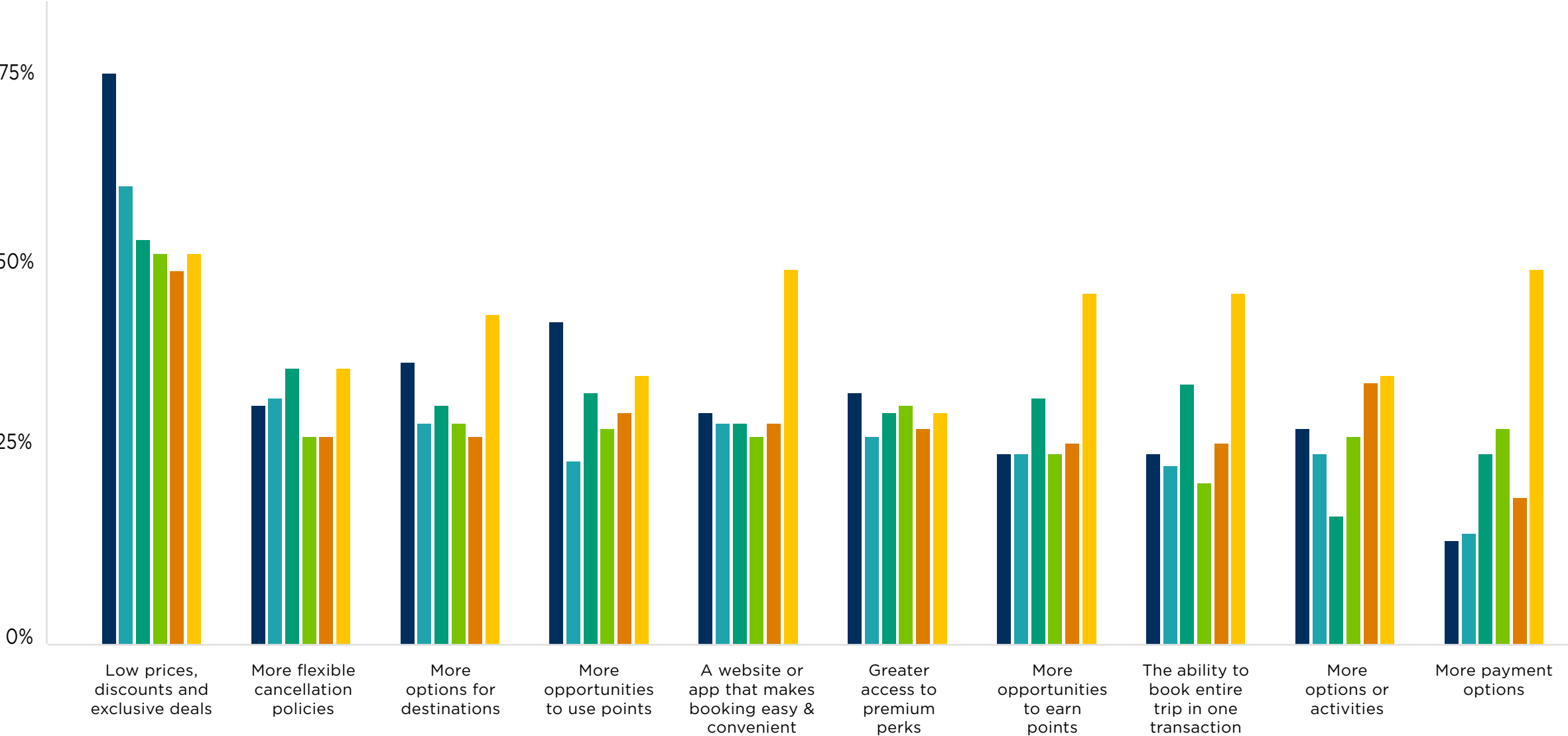
- Silent Generation: 1928-1945

Generation X: 1965-1980

Zillennials: 1992-2002
- Baby Boomers: 1946-1964

Older Millennials: 1981-1991

Younger Generation Z: 2003-2007



Adapting loyalty for the generational shift

Today's travelers are not a monolith. Failure to recognize their diverse needs puts loyalty programs at risk of falling behind. Gen Z, Millennials and Zillennials are reshaping the expectations around travel and loyalty, bringing new motivations, booking habits and decision drivers to the table. They're spending more, traveling farther and doing it on their own terms. Meanwhile, established customer segments like Baby Boomers and Gen X remain valuable, with strong travel habits and purchasing power.

The challenge for loyalty leaders is to grow their share of younger, harder-to-reach consumers without losing relevance among older, long-standing members. That means building programs that adapt across life stages, spending levels and travel preferences. It also means recognizing that differences don't stop at broad generational lines. Preferences can vary just as meaningfully within age groups. Personalization is key to meeting those more nuanced expectations. Zillennials—who bridge the values of Millennials and the digital fluency of Gen Z—are a prime example. Their distinct behaviors, like higher international travel interest and above-average use of bundled bookings and car rentals, show precisely why tailored engagement matters.

The data makes it clear that loyalty programs need to meet travelers where they are, offering relevant value, flexibility and ease of use. Those that do will be better positioned to compete, not just for one generation, but across the entire customer lifecycle.

Arrivia brings the travel technology, loyalty expertise and inventory depth to help programs do exactly that. To learn how we can support your goals, get in touch with one of our experts today at businessinquiries@arrivia.com or visit www.arrivia.com.

Gen Z, Millennials and Zillennials
are reshaping the expectations around
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arrivia is a travel technology company that provides travel loyalty, booking and marketing solutions to consumer-facing companies that want to deliver exceptional value to their customers, uncover new revenue streams and drive growth through exciting travel rewards and member benefits. The company's **Travel Privileges program** opens up the world of travel for companies like **American Express, USAA and Marriott Vacation Club** by offering their customers more value through exclusive pricing and encouraging discovery with relevant and personalized options that inspire travel and consumer loyalty.

To learn more about how **arrivia** helps companies drive growth, incentivize sales, boost affinity and reward high-value customers, visit www.arrivia.com or contact us at businessinquiries@arrivia.com.

