

# Robb Report

## Middle-Aged Millennials Are Low-Key Out-Spending Boomers on Luxury Travel, and the Industry Is Shook

The world's old-money hotels are now battling to appeal to the tastes of the more recently rich.

By JILLIAN DARA 

Walk into any five-star hotel, Michelin-starred restaurant or luxury retailer and have a look around. Something is missing. It's gray hair.

Millennials — those born after 1981— officially outspent Boomers last year, according to a report from Boston-based management consulting company Bain & Company, and they're on track to represent 80 percent of luxury purchases by 2030, including travel.

Now, with work-from-home here to stay and digital nomad visas becoming the norm, the global travel industry is racing to transform once oh-so-boomer properties into escapes for the newly middle-aged.

“The shift is being felt across the luxury travel industry,” Dino Michael, senior vice president and global category head of Luxury Brands Hilton, told Robb Report.

That shift, he added, started almost a decade ago, but has crescendoed since the pandemic. Hilton, like its competition, has been busy, augmenting its brand portfolio with products designed with the millennial traveler in mind. The result was LXR Hotels & Resorts, which operates inns from Doha to the Caribbean.



“The brand embraces authenticity, and immerses travelers within a destination while providing the utmost luxurious experience – that’s exactly what attracts a millennial traveler,” he said.

But, more importantly, Michael has seen more millennials reserving accommodations at Hilton’s old guard hotels, like its Waldorf Astorias and Conrads.

Meanwhile, at old-money Newport Beach, Calif., Balboa Bay Resort has revamped its offerings to appeal to the appetites of the more recently rich. At VEA Newport Beach, the hotel created a holiday-themed speakeasy and six-course tasting menu that was paired with local craft brews, which were both “direct responses” from the millennial demand for unique events, according to the hotel’s management.

“Millennials are focused more on experiences,” said Francine Slosser, Balboa Bay’s director of sales and marketing. “In order to accommodate this trend we created a dedicated recreation concierge to assist with activities on the water and on land.”

Balboa also opened a tequila and mezcal bar with rare offerings for \$200 an ounce.

“One [millennial-aged] guest rang up a personal tab over \$2,500,” she said.

Rosewood is also chasing young money. In Playa del Carmen in the Mayakoba resort complex, the company opened La Isla Secreta, a remote speakeasy in the midst of their maze of lagoons geared towards the millennial-minded cornerstones of experience and exclusivity. The bar is only accessible by boat and open on select evenings.



At the Point in Saranac Lake, ownership increased activity offerings like adding e-bikes, sunset cocktail cruises, half-day excursions to the forever wilderness portions of the Adirondacks and chauffeured trips to local mountain trailheads.

Indeed, tour operators like Red Savannah report a 10 to 15 percent increase leading into summer 2023 for honeymoons with millennial-gearred itineraries including Bonnets & Bodices: In Search of Bridgerton's Britain as well as Iceland – Land of Fire & Ice. Luxury travel company Black Tomato added that young families, aged between 30 to 40 years of age, are now making a bulk of their business. But they've also seen an uptick in solo travelers looking for more extreme forms of adventure travel, of which 63 percent of the trips booked are by millennials, they said.

Management at ANI Private Resorts — a collection of private, exclusive-use resorts with retreats in Anguilla, Sri Lanka, Thailand and the Dominican Republic — told *Robb Report* that they've watched millennials replace their bread-and-butter boomer big spenders.

“Millennials like the all-inclusive offering, creating a relaxed environment to enjoy all day dining, cultural immersions, local activities and adventure and spa treatments,” said Henry Frazer, ANI's chief marketing officer, adding that the majority of the millennial clientele work in tech, entertainment and sports industries often booking last minute holidays,

Even the business travel industry has reacted to a new generation of travelers less interested in stuffy, formal experiences.

“Even our more traditional business travel program managers are looking for hip lifestyle hotels to add to their portfolio as they try to attract the next generation of employees,” said Vaughn Davis, the general manager of Dream Hollywood.



But with soaring home prices and wages that barely keep up with inflation, aren't millennials supposed to be worse off than their ancestors?

According to Andrew Ladd, corporate director of marketing and e-commerce for Noble House Hotels & Resorts, it all comes down to “mentality.”

“Millennials have learned to value experiences over ownership of material possessions,” he said, adding that because millennials are delaying milestones such as marriage and home ownership, they have increased disposable income.

To wit, the post-pandemic “revenge travel” trend was mostly a millennial phenomenon, said Michael Friedman, COO of the Americas at onefinestay.

But perhaps the most important factor is the entrepreneurial spirit of the gig-economy generation. Since millennials “often work for themselves, [they] are more flexible with work, and can travel outside of the traditional holiday periods so we see them as guests all year round,” said Heinrich Morio, general manager at Zula Wellness Resort in Qatar, which opened in March 2022. “They work hard and play hard.”

