

# BridgeStreet IQ Report: A New Tribe of Travellers

**In the past, fully-equipped furnished or “serviced” apartments were considered only for relocation and extended stays of more than a week or two. But according to *The New Trend Shaking up the Hotel Industry* from Huffington Post travel, times are changing.**

“Aparthotels, or serviced apartments, are popping up in major cities across the world, and with comparable nightly rates to traditional hotel rooms, they are staking their claim on the hotel industry,” Huffington Post indicated in the article.

Things are changing – but who are these travellers, and why are they choosing this alternative to hotels? What the industry has traditionally known about travellers is shifting: age of travellers, habits, expectations, and experiences have transformed.

To understand this new tribe of traveller, BridgeStreet Global Hospitality conducted a study with the goal of revealing new insights into the ‘new tribe of travellers’ and their desire for alternative accommodations and authentic experiences. The study was based on responses to travel questions that surveyed travellers from around the world.

## Participants

Of those 710 travellers participating in the survey, 46.2% hailed from Europe, 39.9% from the Americas, 8.6% Asia Pacific, 4.2% Middle East, and 1.1% from Africa.

BridgeStreet’s survey findings uncover some surprising revelations. Memorable accommodations and hyper-local experiences beat out convenience and budget as top travel priorities – and not just among millennials – 40 percent of survey respondents are between 35-50. Nearly 60 percent want an unbeatable location in the heart of the city and 72 percent of respondents prefer alternative accommodations, such as serviced apartments, to branded hotels and peer-to-peer lodging services.

These travellers aren’t slowing down, either. According to the study, more than 70% of those surveyed plan to be on the road two or more weeks this year, the majority of which name Europe and the US as top destinations.

A closer look at the four age groups surveyed revealed subtle differences in travel patterns, with 64% of the 18-34 group planning two or more weeks travelling, while more than

three quarters of the 51-69 group planning more than two weeks away from home.

“The most dominant age range of our study group by far is 45-54 year olds,” said Kelly Murphy, Senior Vice President of Marketing, BridgeStreet. “This is as expected, as the average age of business travellers is 47.5, but close attention should be paid to the fast-growing 35-44 age range, a generation that are natural inhabitants of the digital, blurred lifestyle and are very open to bleisure travel.”

## Traveller Preferences

But age is just a number. Our main focus is the preferences of travellers – asking questions like when customers travel, what their top priority is, what type of accommodations they prefer, what’s their favourite added comfort, and which option best represent localised accommodations, is key to executing a successful product & service.

In response to those questions, 40% of travellers said staying in unique and comfortable accommodations is the foundation for a memorable trip – beating out budget and convenience by far. Being anywhere with a variety of activities that are hyper-local to the destination was the most important factor of those aged 18-34 and for 38% of those aged 35-50. For all other age groups, and increasingly as they mature, accommodations were seen as the top priority when travelling.

But what type of accommodations do travellers prefer? At 72%, alternative accommodations, such as serviced apartments, were by far the most popular choice of place to stay, with their benefits of space, unique buildings and great amenities.

“Serviced apartments are the perfect hybrid accommodation, providing the amenities of a hotel, with the space and comfort of an apartment,” said Murphy. “When we asked survey respondents what their favourite added comfort is while travelling, ‘space to sprawl’ was the top consideration.”

How much does location play a role? 59% of surveyors agreed that an unbelievable location in the heart of the city best represented localised accommodations, edging out friendly staff with local recommendations, buildings that feel authentic to its location, subtle elements of locality through artwork or architecture, and onsite food and beverage from local vendors.

## Travel Planning

Now that we know their preferences, how do they plan their travel? On average, 37% of respondents’ travel budgets is spent on accommodations. While 18-34 year olds spend the biggest proportion of their travel budget on entertainment, those in the 51-69 age group travel in style and spend the biggest proportion of their budget on transportation.

With that, nearly 95% of respondents said they research and make their own travel arrangements – just 5.1% said they relied on a travel planner or third party for travel logistics. When planning for their trip, 44% across all demographics said they travel with their significant other, followed by 29% that travel with their family. Respondents indicated that getaways with a partner are the most enjoyable. Trips that involve the entire family usually consist of kids, parents, and grandparents.

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## The Bleisure Experience

According to The Bleisure Report, another survey published by BridgeStreet in 2014, 60% of 650 business travellers said that they take extended executive trips that have a leisure component. 54% of respondents reported they had a significant other accompany them on a business trip.

Results from the IQ report show that 54.9% said they will travel once or twice in 2016 for

business. When asked what their employer could do to drive more loyalty in regards to business travel, freedom of choice in accommodations preferences was a widespread theme. Extending beyond just business, 60% of respondents have planned 'bleisure' travel in 2016, extending business trips into vacations.

"To meet both business and leisure customer needs, the industry needs to do a better job of educating their customers about their offering and tell guests what they should see when they get there. They need to provide additional local services and really bring their brand to life," said Murphy.

**Responding to travel change**

So what now? How does this information change the positioning and demand of serviced apartments in the industry? Enter the Aparthotel, a model which allows serviced apartment providers the opportunity to address changes that the new tribe of travellers have brought to the industry. While the idea of Aparthotels has been around for several years, brands have been slow to fully develop. However, as this travel paradigm matures, providers are responding by pouring more resources into their expansion.

One example is Mode Aparthotel by BridgeStreet which retrofits existing buildings to ensure the authenticity of the destination, creating a hospitality solution like no other. With every detail meticulously chosen,

from linens to scent, Mode will offer an unparalleled bespoke experience to guests. A connection to the local community is also a vital component of this new development.

"These travellers are social, crave experiences, and meticulously research the perfect accommodations," said Sean Worker, CEO of BridgeStreet. "With this new data, we are directly responding to those preferences through the development of our new Mode Aparthotels brand, creating community gathering spaces in desirable downtown environments," he said.

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**KELLY MURPHY**

Sr. Vice President, Marketing  
 Kelly is responsible for the development and execution of global branding and marketing strategies, oversees creative development, online and offline marketing programmes, and public relations. She has played an integral part in the development and growth of the brand's value over the years, most recently leading the development and launch of the company's family of brands, designed to meet the demand for product clarification and price point differentiation in the serviced apartment industry. Kelly joined BridgeStreet in 2001 and has held positions of increasing responsibility and scope in the areas of brand development, creative design, communications, event marketing, conference development, and field marketing. Previously, she held positions at Oakwood and honed her marketing skills as a product manager for a medical supply company.



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