

Bleisure and Hybrid Workspace Opportunities

L.E.K. Perspectives

July 2023

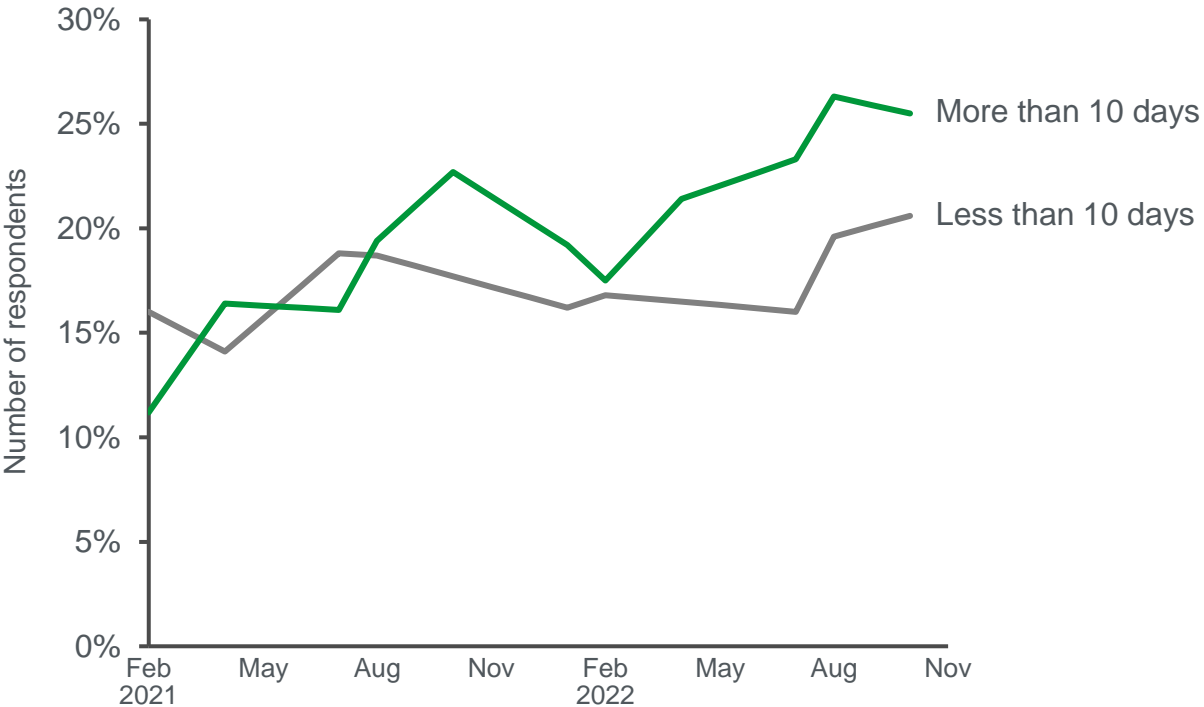
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Remote work continues to expand, unlocking a substantial bleisure traveler segment

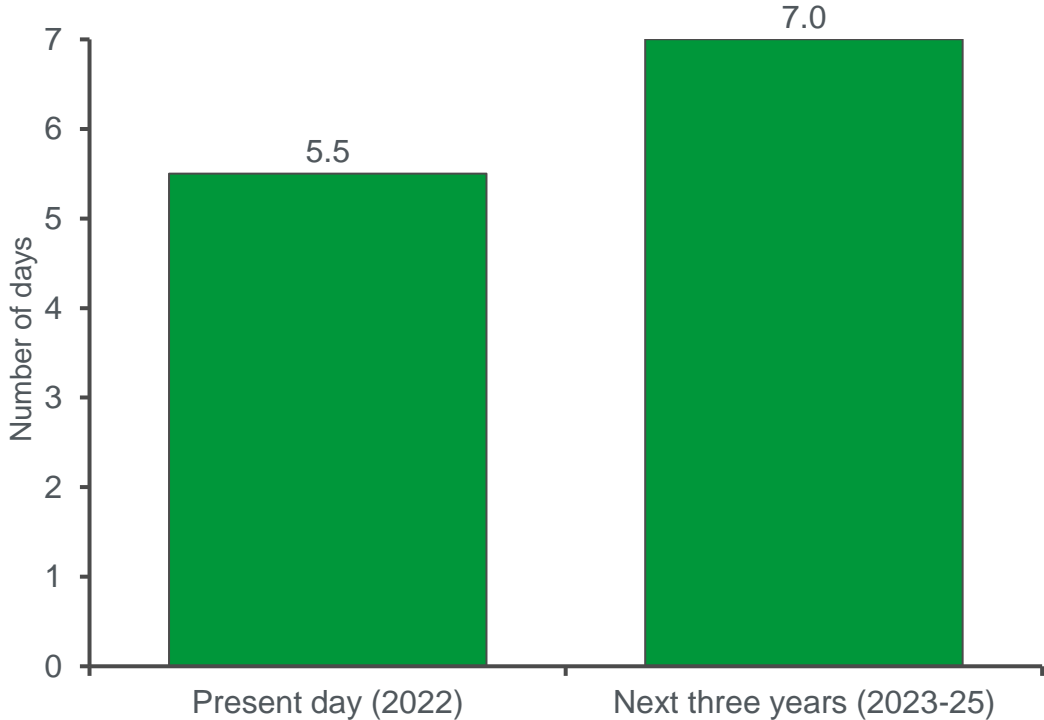
More consumers are extending their time away from home compared to the previous year as a result of work from home

Respondents who have traveled for an extended time away from home, by duration

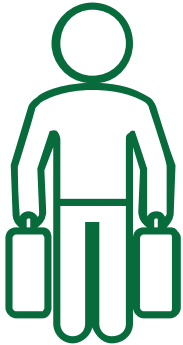


Consumers expect to increase their time on bleisure as work and leisure are expected to continue to intertwine

Number of days spent per year on bleisure



Bleisure travelers skew slightly younger, single, and urban than the general traveling population*



The typical bleisure traveler is an **urban-dwelling millennial** (between 25 and 39)

Compared to the average traveler, the ‘bleisure’ traveler is ...

~30%

more likely to be a millennial

more likely to be single

more likely to live in an urban setting

Engaging with bleisure travelers requires new tactics that better resonate with the single, millennial and urban-dwelling demographic

* Survey questions: What is your gender? What is your age? Which of the following ranges best describes your total annual household income before taxes last year? Which of the following best describes your marital status? What is the highest level of education you have achieved? How would you describe your residential neighborhood? Approximately how many times per year, if at all, do you personally travel for bleisure (e.g., structuring travel to accommodate business and leisure simultaneously)? (One selection per row)

Source: L.E.K. survey and analysis

Bleisure traveler preferences cluster around a set of common attributes*

Bleisure travel trends and preferences

Where?



~60% of travelers report a preference for **beach or island destinations** when planning bleisure travel

When?



~50% have typically scheduled bleisure travel around **federal holidays or long weekends**

How long?



~75% of travelers most commonly spend **4 nights or less** on bleisure travel

*Survey questions: What types of destinations do you tend to select for bleisure travel? (Select all that apply) When do you typically schedule bleisure trips? (Select all that apply) When on a bleisure trip, how many nights is your typical stay?

Source: L.E.K. survey, research and analysis

Travelers are interested in perks that facilitate more seamless working and leisure activities

Top 3 priority ranking of the bleisure traveler

Why consumers value this



Effective workspace

~40% of consumer respondents ranked various workspace features in the top 3 across airlines and hotels



Providing a productive workspace is important as consumers need to easily switch between business and leisure



Experience package bundles

~60% and ~40% of consumer respondents ranked experiences in the top 3 for airlines and hotels, respectively



Bleisure travel is generally short and opportunistic, leading consumers to optimize the trip for time and cost



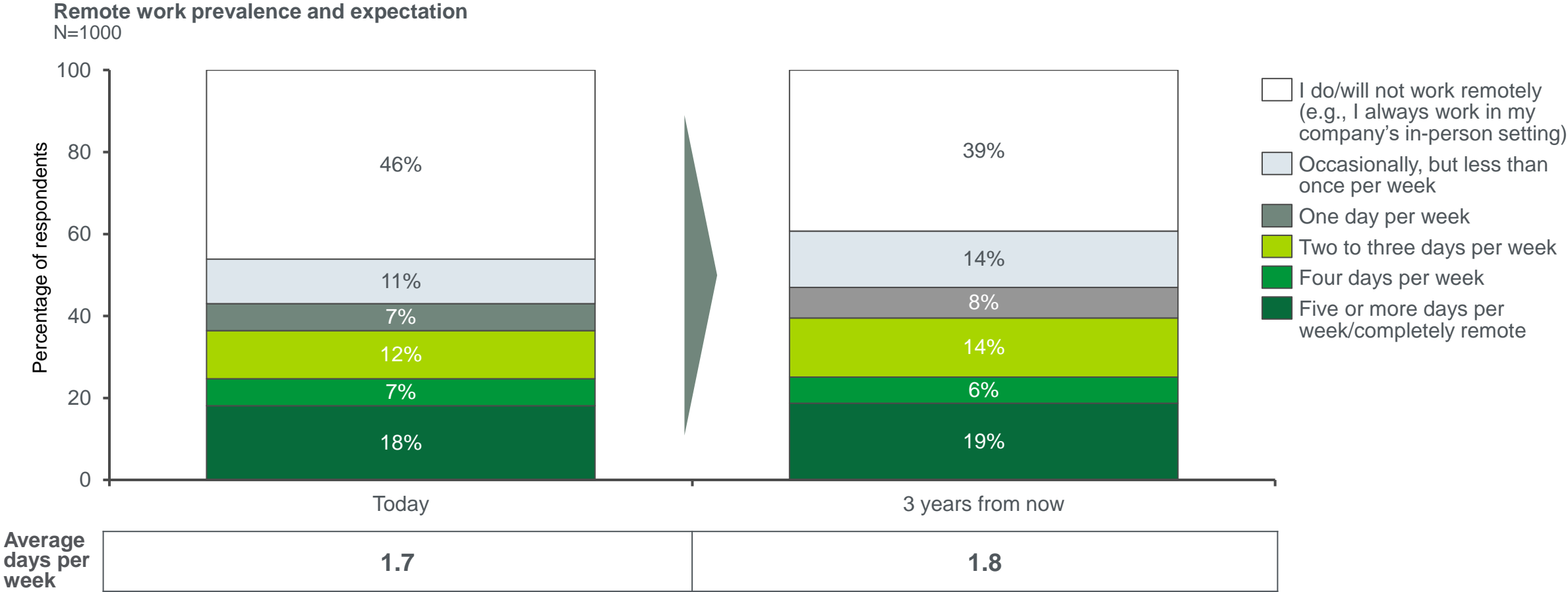
Friends and family perks

~50% and ~40% of consumer respondents ranked friends and family perks as a top 3 priority for airlines and hotels, respectively



Consumers often leverage bleisure travel with guests to maximize value of the overall trip

Relatedly, ~50% of consumers work remotely at least 1x weekly — a trend expected to grow over the next 3 years*

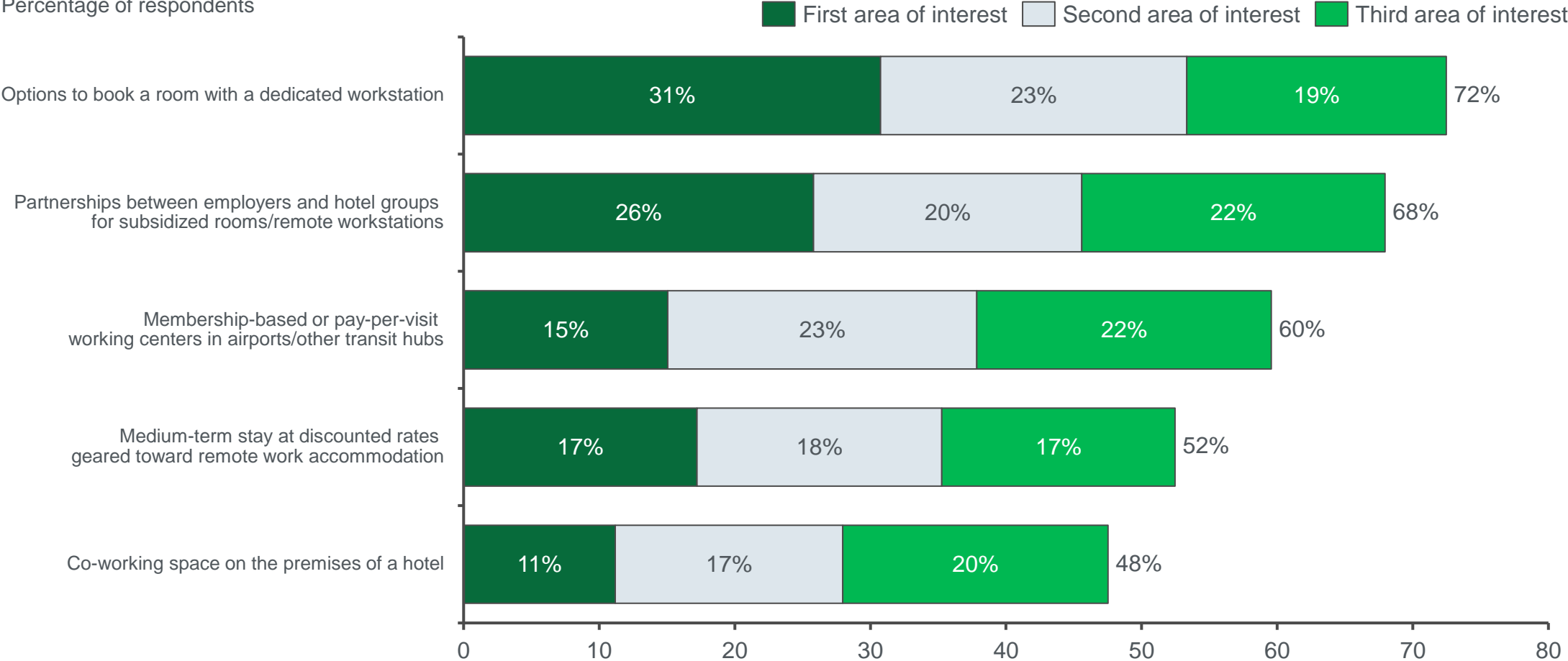


*Survey questions: How often do you work remotely (e.g., working from home or another location not as part of explicit work-related travel)? How do you anticipate this will change over the next three years?
Source: L.E.K. survey, research and analysis

Hotel companies can unlock this opportunity through a strategy that focuses on workstations, company-sponsored remote workspace memberships and other amenities

Customer interest in additional services for travel-oriented shared workspaces

N=465
Percentage of respondents



Source: L.E.K. survey, research and analysis



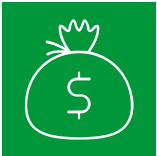
There are several strategic initiatives for hotels to consider to capitalize on the bleisure travel trend

Key areas of focus for hotels



Customer acquisition and engagement strategy

Establish a better understanding of consumer preferences and expectations in order to craft targeted marketing campaigns and effectively engage them with a compelling value proposition



Pricing and promotion strategy

Tailor product packages to target consumer segments and adjust promotional strategies to emphasize specific brand features that appeal to both business and leisure needs



Linking corporate and loyalty strategy

Reevaluate hotel rewards programs to better accommodate and target bleisure behaviors



Product evolution

Evolve agile workspaces and rooms to support hybrid work, video conferencing, etc.