

LUXURY TRAVEL GROWING FASTER THAN OTHER SECTORS



Lasting experiences are outweighing souvenirs and tangible goods when it comes to tourists' spending, a new study from Amadeus "Shaping the Future of Luxury Travel" reveals. The findings also suggest that luxury travel is growing faster than other areas of the industry.

People are flying business or first class more often these days, as the data from Tourism Economics show, and such flights have seen a compound annual growth of 4.5% between 2011 and 2015, while other outbound trips only registered a compound annual growth of 4.2%.

Luxury travel is also supposed to continue growing **faster than regular travel in the next 10 years, with an expected compound annual growth of 6.2%, as opposed to the 4.2% growth expected for the rest of the industry.**

While this is great for the sector, such a big increase is sure to bring some new needs and challenges, which this report makes reference to. More than frightening scenarios, however, the report reveals some quite interesting findings.

Tourists from North America and Western Europe make up for most of the customers of revamped luxury tourism, which is more suited for experience making and personal preference. They account, in fact for 64% of outbound trips, in spite of being a small minority - 18% - compared to the global population.

The Asian luxury travel market is growing even faster than that of Europe, but that trend is unsustainable in the long run. India, in particular, is showing a very impressive growth of 12.8%, which is also the highest among the countries observed in the study.

A desire for more experience-led travel is identified as the main reason behind this reinforced demand for luxury travel, but a hierarchy among the services and experiences offered can also be observed, ranging from 5-star accommodation to VIP and special treatment.

Another study released by Amadeus, which identified and categorized tourists into six traveler 'tribes' also correlates with this information, by associating spending patterns with the environment of the trip.

Following the same idea, the new study "Shaping the Future of Luxury Travel" identifies six tribes among luxury travelers to aid providers when trying to best cater their offer to their target consumers. Those groups are called Always Luxury, Special Occasion, Bluxury, Cash-rich, time-poor, Strictly Opulent, and Independent Affluent.

The definition of luxury isn't one and the same for everyone, everywhere, and these categories allow a sneak peek into the patterns of luxury travel identified and predicted by this study. While such strict distinctions are crude generalizations, it is easy to tell that **customers from emergent markets still seek the material aspects of luxury travel, while more seasoned travelers are now looking for special treatment and unique experiences rather than generic luxury**

goods.

Providing relevant experiences tailored to customers will thus be the most appealing and differentiating aspect of modern luxury tourism, particularly in the Western markets.

Technology, networking and cooperation efforts are the key to achieving this new kind of luxury travel fans are looking for, several insiders and experts seem to agree.

Knowledge of the sector and business experience can also make a big difference, as they allow players to recognize their customers' needs and the trends they follow, in order to adapt to this new era as quickly and efficiently as possible.

Date: 2016-05-23

Article link: <https://www.tourism-review.com/luxury-travel-is-booming-faster-than-others-news5010>