

LUGGAGE PRODUCERS PROFIT FROM TOURISM RECOVERY



Tourism recovery after the pandemic has relaunched the luggage market, increasingly attracting big luxury brands.

In 2022, the luggage market could return to its pre-Covid standards. "During the year, governments around the world eased social distancing and travel restrictions, leading to increased demand for our products across all regions," said Kyle Gendreau, CEO of Samsonite, a top player in the industry.

The resumption of travel has led to "a big market boom after an incredible drop in sales for luggage producers in 2020 and 2021," stated Maximilien Bayle, Delsey's chief financial officer. Delsey accrued 207 million in sales last year, an increase of 124% compared to 2021. The trend was confirmed in the first quarter of 2023, which showed a rise of 50% in one year.

What about inflation? According to Maximilien Bayle, Delsey raised its prices by an average of 30%.

Customers are looking for a quality product with adequate after-sales service to accompany it. They no longer want "disposable luggage" but rather repairable items.

Experts point out that the various constraints of airlines in terms of carry-on luggage sizes and different types of travel force consumers to have different sizes and models of suitcases. In its leather goods, the average cart of its customers for "luggage" has gone from 220 euros in 2019 to 250 euros in 2023.

"Although inflation and macroeconomic concerns may affect consumer sentiment in the short term, renewed enthusiasm for travel is expected to remain strong in 2023," Samsonite's Kyle Gendreau stated.

In Delsey's sights, Asia, particularly China, is a market that will reopen "starting this summer." "This is the big challenge this year," said Maximilien Bayle.

By the end of the year, international tourism could return from 80% to 95% of its pre-pandemic level, according to the World Tourism Organization (UNWTO). As a result, the Samsonite CEO expects a "significant recovery" in business travel which will bring profits to the luggage producers.

Luggage manufacturers strive to differentiate themselves and capture more market share. For instance, **Delsey has enhanced the appearance of its suitcases to create a more elegant look**, Samsonite is working on developing cabin suitcases with built-in USB ports, and luxury brands are focusing on improving their brand image and keeping customers' loyalty by producing luggage with logos.

According to experts, the suitcase has become a genuine luxury fashion item, a sector with 400 million customers worldwide, and is expected to have 100 million more by 2030.

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