

Luxury Travel - UK - November 2016

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“While high-net-worth individuals should have the means to cope with any negative economic effects caused by Brexit, a sizeable proportion of luxury travellers are actually more concerned with Brexit than the average holidaymaker population. One way to encourage bookings in the next year could be a more flexible range of payment options.”

– Fergal McGivney, Travel Analyst

This report looks at the following areas:

- Travel agents can prosper in the luxury niche
- Luxury holidaymakers show more concern over negative effects of Brexit

After accounting for tax and benefits, the average annual household income is £62,500 for the wealthiest fifth of the UK population. However, the disposable incomes of the wealthy have suffered since the recession. The median disposable income of the wealthiest fifth of households fell by 7.9% between 2007/08 and 2012/13. It has crept upwards since then, but in 2014/15 it was still £2,000 (or 3.2%) below its previous peak after taking inflation and household composition into account.

However, seniors have fared a little better. While the median annual income of non-retired households in 2014/15 was £900 (3.1%) below its pre-recession 2007/08 level, the median annual income for retired households in 2014/15 was £1,500 (7.7%) higher than its 2007/08 level. As a result seniors will be an important target group going forward.

Overall, 39% of the total holidaymaker population fall into the umbrella group of All luxury travellers. Some 15% are Big-ticket Holiday Spenders, or those who have spent over £1,000 on a holiday in the past five years. A total of 12% are classed as Luxury Big-ticket Holiday Spenders, meaning this group is made up of those who have spent over £1,000 on their most expensive holiday and had at least one luxury element/service (eg spa, private pools etc) present on their trip.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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