

Luxury Travel: Inc Impact of COVID-19 - UK - December 2020

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

COVID-19 has changed the way travellers define luxury holidays. With consumers advised to stay at home and avoid travel, this has given people a fresh perspective and made them re-evaluate what is important to them. Nearly four in 10 luxury travellers now associate luxury holidays with feeling special, while almost a third are focused on making memories. Association with these characteristics has risen significantly in 2020.

The underlying demand for luxury travel is still there; however, the new lockdowns announced in January 2021 will prolong the recovery of the holiday market and consumers will continue to be cautious when taking holidays once restrictions are lifted. Destinations closer to home will remain more popular options compared to pre-COVID-19, while there will be an unprecedented demand for villa and cottage holidays.

Despite their financial power, luxury travellers are as likely as the wider travel market to spend less on travel in the 12 months following September 2020. The uncertain environment will continue to boost bookings made at the last minute, while flexible cancellation policies remain crucial to enticing travellers to book earlier.

Luxury travellers show an above-average interest in multi-centre trips. Visiting multiple destinations during one trip will grow in popularity as people feel safe to travel again. One segment that is set to benefit is luxury train holidays, which have widespread appeal.

- **The impact of COVID-19 on the luxury travel market**
- **How Brexit will impact luxury travellers' booking intentions**
- **Considered luxury holiday destinations and holiday types**
- **The changing definition of luxury travel**
- **Opportunities to accelerate recovery**



"COVID-19 has changed the way travellers define a luxury holiday. Whilst comfort remains a key element, feeling special and making memories have become more essential."

– **Marloes de Vries, Senior Travel Analyst, 14 December 2020**

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

OVERVIEW

- **What you need to know**
- **Key issues covered in this Report**
- **Impact of the January 2021 lockdown and the vaccination rollout**
- **Economic and other assumptions**
- **Products covered in this Report**

EXECUTIVE SUMMARY

- **Impact of COVID-19 on luxury travel**
Figure 1: Short, medium and long-term impact of COVID-19 on luxury travel, 6 January 2021
- **The market**
- **Slower recovery for overseas travel**
- **Effective insurance vital for Brits booking holidays**
- **Brexit worries add up to already high levels of uncertainty**
- **Companies and brands**
- **Kuoni moves towards virtual call centres and video chat service**
- **MGM offers 'work away from home' trips in Las Vegas**
- **Viking installs laboratory on cruise ship, while Abercrombie & Kent offers discounts on tests**
- **The consumer**
- **Volume of Mintel's luxury traveller segments**
Figure 2: Luxury traveller segments, September 2020
- **A difficult 2020 has increased the emphasis on making memories**
Figure 3: Meanings attached to luxury holidays, August 2019 and September 2020
- **Villas and cottages gaining popularity during COVID-19**
Figure 4: Changes in appeal of luxury holiday types compared to prior to COVID-19, September 2020
- **Italy is the most desired destination for a luxury holiday**
Figure 5: Most considered Luxury travel destinations, by luxury travellers, September 2020
- **The majority of five-star big-ticket spenders want well-known destinations**
- **Multi-centre trips are particularly appealing to luxury travellers**
Figure 6: Interest in multi-centre holidays, by luxury traveller segment, September 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Five-star big-ticket spenders are the main market for luxury train travel**
Figure 7: Interest in luxury train travel, by luxury travel segment, September 2020
- **Most luxury travellers are set to cut back on holidays in the next year**
Figure 8: Changes to spending on travel, by luxury travel segment, September 2020
- **Limiting environmental impact remains important for luxury travellers**

ISSUES AND INSIGHTS

- **Additional flexibility remains key to boost luxury travel during COVID-19**
- **Multi-centre trips offer strong opportunities for luxury travel operators in the longer term**
- **Luxury travellers are keen to make memories once restrictions are lifted**
- **UK trips and staycations set to thrive in the short term...**
- **...before a post-COVID-19 demand for multi-centre trips abroad takes over**

THE MARKET – KEY TAKEAWAYS

- **Brexit worries add up to already high levels of uncertainty**
- **Positive signs for domestic travel with a slower overseas recovery**
- **The long-term outlook on the holiday market remains positive**

MARKET BACKGROUND

- **Impact of COVID-19 on luxury travel**
Figure 9: Short, medium and long-term impact of COVID-19 on luxury travel, 6 January 2021
- **Strong domestic summer season expected**
- **Slower recovery for overseas travel**
- **Long-term outlook on holiday market remains positive**

MARKET DRIVERS

- **Lockdowns will prolong the recovery of the holiday market**
- **Holiday spending continues to be hit by COVID-19**
Figure 10: Holiday spending intentions for the next month compared to usual, 25 June–19 November 2020
- **First Brits given COVID-19 vaccination but travel uncertainty will remain**

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Effective insurance vital for Brits booking holidays**
Figure 11: Attitudes towards the impact of COVID-19 on travel, June 2020
- **Brexit worries add up to already high levels of uncertainty**
Figure 12: Plans to book a holiday in the next three months, January 2019 to November 2020 (fieldwork dates in November 2020: 5-18 November)
- **Brexit changes could make staycations and long-haul destinations more popular**
- **Top earners household income grew 9% in 2018/19**
Figure 13: Average annual household income after tax and benefits, by quintile, 2008/09-2018/19
- **Volume and value of HNWIs in the UK grew over 6% in 2019**
Figure 14: Top 10 nations for number of HNWIs*, 2015-19
- **Almost half of high earners are confident about their financial situation**
Figure 15: Consumer sentiment among high earners for the coming year, May 2019-November 2020
- **Remote employment will boost working travel**
Figure 16: Interest in working holidays, by demographics, July 2020
- **The cruise industry will have to do its utmost to regain travellers' confidence**
Figure 17: Volume of UK & Ireland sea cruise holidays (number of trips), 2013-19
- **Outdoor activities have become more important when promoting wellness breaks**
- **Some wellness operators maintain price levels to protect premium feel**

COMPANIES AND BRANDS – KEY TAKEAWAYS

- **Luxury travel operators are adapting to the COVID-19 era**
- **The increased importance of private experiences**
- **Hotels look to boost demand with working holiday options**

LUXURY TRAVEL SPECIALISTS

- **COVID-19 will see dramatic decline in 2020 turnover**
- **Kuoni has been the luxury travel market leader for several years**
- **COVID-19 sees Kuoni close several stores and shift to virtual call centres**
- **Kuoni launches Talent Finder to help affected employees find new opportunities**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 18: Kuoni financials, 2017-18

- **Kuoni reports couples are upgrading honeymoons after cancelled trips in 2020**

Figure 19: Top 10 most popular luxury travel destinations, January 2020*

- **Prior to COVID-19, Audley Travel was the fastest-growing luxury travel specialist**

Figure 20: Audley Travel financials, 2017-18

- **Bliss Topco sees revenue decline before the COVID-19 outbreak**

Figure 21: Bliss Topco financials, year to end April, 2017-19

- **Kenwood Travel's 2020 financial year badly hit by COVID outbreak**

Figure 22: Kenwood Travel financials, year to end March, 2018-20

- **Abercrombie & Kent looks to small group trips to boost travel**

Figure 23: Abercrombie & Kent financials, 2017-18

- **Destinology saved from closure by Brooklyn Travel Holdings**

Figure 24: Destinology financials, year to end January, 2018-19

- **Scott Dunn streamlines brands to cope with the pandemic**

Figure 25: Scott Dunn financials, year to end October, 2017-19

LAUNCH ACTIVITY AND INNOVATION

- **Luxury travel operator Kuoni invests in online customer service and booking flexibility**
- **Lockdown sees stores closed and a shift to online customer service**
- **Shift to video appointments as customers seek face-to-face interaction**
- **Kuoni launches Flex+ to encourage 2021 bookings**
- **Travel restrictions see Kuoni offer more UK and Ireland trips**
- **A&K's focus on booking flexibility, financial incentives and private experiences**
- **Abercrombie & Kent looks to increase booking flexibility**
- **Abercrombie & Kent offers £50 discount towards a COVID-19 test**
- **Abercrombie & Kent's sales event to encourage bookings**
- **Abercrombie & Kent looks to 2021 with new private jet expedition**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Ritz-Carlton launches 'villa club' to provide guests with a more private experience
- Hotels look to boost demand with working holiday options
- MGM offers 'work away from home' trips in Las Vegas
- Marriott launches new Bonvoy initiative for working travellers
- Peninsula Hotels set to make check-in and check-out times more flexible
- Cruise industry prepares for reopening after COVID-19 hits
- Scenic looks to boost future demand with super early bird discounts
- Viking installs industry-first laboratory on cruise ship
- Airbnb looks to raise \$2.5 billion with IPO
- Investment continues in potential space tourism
- Virgin Galactic aiming for passenger trips by the end of 2021
- EOS-X Space looks to offer a more accessible space experience
- Rising competition as start-up Space Perspective boosts investment

THE CONSUMER – KEY TAKEAWAYS

- High interest in multi-centre holidays
- Huge growth potential for villas and cottage holidays
- Higher emphasis on making memories and feeling special

DEFINING THE LUXURY TRAVELLER

- **Mintel's approach to defining the luxury traveller**
Figure 26: Amount spent on most expensive holiday taken, August 2019 and September 2020
- **Signs of growth in longer trips**
Figure 27: Duration of most expensive holiday taken, August 2019 and September 2020
- **COVID-19 implications could drive long trips among younger people**
Figure 28: Duration of most expensive holiday taken, by age profile, September 2020
- **A third of British travellers have stayed in accommodation rated five stars or above**
Figure 29: Use of premium/luxury holiday accommodation, September 2020
- **Volume of Mintel's luxury traveller segments**
Figure 30: Luxury traveller segments, September 2020

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Older demographics are more likely big-ticket spenders**

Figure 31: Luxury traveller segments, by age and household income profile, September 2020

MEANING OF LUXURY

- A difficult 2020 has increased the emphasis on making memories**

Figure 32: Meanings attached to luxury holidays, August 2019 and September 2020

- Definitions of comfort may have changed due to COVID-19**

Figure 33: Meanings attached to luxury holidays, by rank, September 2020

- Making memories and feeling special are key for five-star big-ticket spenders**

Figure 34: Meanings attached to luxury holidays, by luxury traveller segment, September 2020

- Older luxury travellers prioritise comfort...**

- ...while younger demographics are seeking adventure**

Figure 35: Meanings attached to luxury holidays, by age, September 2020

COVID-19 AND TYPES OF LUXURY HOLIDAY

- Villas and cottages are gaining popularity during COVID-19...**

- ...while the cruise industry suffers from consumer caution**

Figure 36: Changes in appeal of luxury holiday types compared to prior to COVID-19, September 2020

Figure 37: Changes in appeal of luxury holiday types compared to prior to COVID-19, positive vs negative (percentage points), by luxury traveller segment*

- Big-ticket spenders more interested in self-driving holidays**

Figure 38: Changes in appeal of luxury holiday types compared to prior to COVID-19, by big-ticket spenders, September 2020

- Five-star big-ticket spenders show the most desire for villas and cottages**

Figure 39: Changes in appeal of luxury holiday types compared to prior to COVID-19, by five-star big-ticket spenders, September 2020

- Rental houses are viewed as more authentic and unique experiences**

Figure 40: Perceptions of accommodation types, August 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

LUXURY TRAVEL DESTINATIONS

- **Italy is the most desired destination for a luxury holiday**
- **Older demographics are showing a reluctance to travel further**
- **England is the most popular destination for the over-55s**
- **Younger demographics showing more appetite for long-haul trips**

Figure 41: Considered luxury travel destinations, September 2020

- **Potential new entrants to the market are more likely to stay closer to home**

Figure 42: Most considered luxury travel destinations, by luxury travellers, September 2020

- **Strong demand for luxury English breaks among big-ticket travellers**
- **The US continues to appeal to a quarter of big-ticket spenders**

Figure 43: Most considered luxury travel destinations, by luxury traveller segment, September 2020

- **The majority of five-star big-ticket spenders want well-known destinations**

Figure 44: Well-known destination preference, by luxury traveller segment, September 2020

- **Multi-centre trips are particularly appealing to luxury travellers**

Figure 45: Interest in multi-centre holidays, by luxury traveller segment, September 2020

LUXURY TRAIN HOLIDAYS

- **Nearly half of British travellers are interested in luxury train holidays**

Figure 46: Interest in luxury train travel, by age, September 2020

- **Five-star big-ticket spenders are the main market for luxury train travel**

Figure 47: Interest in luxury train travel, by luxury traveller segment, September 2020

- **Millennials living in the city are the most interested in luxury train holidays**

Figure 48: Interest in luxury train travel – CHAID analysis, September 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

ATTITUDES TOWARDS LUXURY TRAVEL

- Most luxury travellers are set to cut back on holidays in the next year**
Figure 49: Luxury travel spending, by luxury traveller segment, September 2020
- Half of luxury travellers are booking last minute due to COVID-19**
Figure 50: Last minute bookings, by luxury traveller segment, September 2020
- Over half of five-star big-ticket spenders only take luxury holidays**
Figure 51: Frequent vs occasional luxury travellers, by luxury traveller segment, September 2020
- Over half of luxury travellers prefer to book package holidays**
Figure 52: Package booking, by luxury traveller segment, September 2020
- Many luxury travellers are willing to pay more for additional safety measures**
Figure 53: Additional safety measures, by luxury traveller segment, September 2020
- Private transport vital for five-star big-ticket spenders**
Figure 54: Transportation preferences, by luxury traveller segment, September 2020
- Limiting environmental impact remains important for luxury travellers**
Figure 55: Attitudes towards minimising impact on the environment while travelling, August 2019 and September 2020

APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- Definitions**
- Abbreviations**
- Consumer research methodology**
- CHAID analysis methodology**
Figure 56: Luxury Travel – CHAID – Table output, September 2020

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

| | |
|----------|----------------------|
| Visit | store.mintel.com |
| EMEA | +44 (0) 20 7606 4533 |
| Brazil | 0800 095 9094 |
| Americas | +1 (312) 943 5250 |
| China | +86 (21) 6032 7300 |
| APAC | +61 (0) 2 8284 8100 |



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.