

Luxury Travel - UK - 2022

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This report looks at the following areas:

- How the cost of living crisis is impacting the luxury travel market.
- The performance of top luxury specialists and new launch activity and innovation.
- What destinations and holiday types are being considered.
- What luxury travel means to consumers.
- Interest in holiday upgrades.
- Attitudinal and behavioural similarities and differences between luxury and non-luxury travellers.

Authenticity is an important aspect of a holiday for luxury travellers, with 72% saying they want to immerse themselves in local life during their trip. However, this can be a challenge when luxury hotels and resorts are isolated from the most vibrant and interesting parts of a city or region. Travel companies need to work hard to ensure they strike the right balance between luxury and authenticity so that their customers can truly experience what a local culture is like.

Although wealthier consumers tend to be more immune to the negative impacts of economic downturns, Mintel research clearly reveals that the current cost of living crisis is impacting confidence among luxury travellers. More than half say they will take less expensive holidays, or fewer holidays, than they would like in the 12 months following August 2022.

As environmental, social and governmental issues continue to grow in importance, it is likely that many luxury travel companies will face increased scrutiny from various types of organisations, regulators and consumers. While there are more efforts being made to make luxury travel more sustainable, delivering an ultra-luxury experience via a private jet or yacht comes with an environmental cost. Offsetting carbon emissions can help but companies need to find more tangible ways to show how they are helping travellers minimise their impact on the environment.



“The luxury travel market has typically outperformed the overall travel market during periods of economic difficulty, and this is likely to be true again during the current period of economic malaise.

– **George Zaborowski,**
Senior Analyst, November 2022

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While the cost of living crisis has created a new set of challenges, the desire to travel remains particularly strong coming out of the pandemic. Indeed, the removal of COVID-19 travel restrictions around the global is helping to reinvigorate demand for extended multi-centre holidays in far-off destinations. As worries about high inflation dissipate, those who have built up supplemental savings during the pandemic will become more comfortable to use these funds to treat themselves to a long-awaited holiday.

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