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Luxury travel boom

BY MARK CHESNUT

Prices may be up. Demand may be high. But luxury travel continues to enjoy strong sales. Read on to discover why.

According to the 2023 Global Travel & Tourism Whitepaper by YouGov, consumers are spending more on travel, booking longer trips, taking more vacations and shortening their bucket lists. Affluent travelers, according to the study, are especially likely to seek vacations with elements that include wellness, sustainability, personalization and unique experiences.

Travel advisors concur about continued growth in the segment.

“Our percentage of trips booked in the luxury market segment continues to grow,” says Andrea Norfolk, president of Shoreline Destinations in Eldersburg, Md. “I attribute this to the fact that there still is pent-up demand, along with a ‘go big or go home’ mentality. Whether that’s because people are unsure of what next year could bring or because they realized how important travel is after not being able to do it, I’m

unsure. Maybe it’s a bit of both.”

Paloma White, owner of Paloma White Travel in San Diego, Calif., is also witnessing exceptional growth in luxury travel sales. “The demand for travel has reached unprecedented levels,” she says. “Every agent I know is on track to surpass their 2019 sales — and most by a substantial margin.”

Wallis Fairvalley, a travel advisor at Red Letter Travel, an independent affiliate of Brownell Travel, a Virtuoso Agency in Atlanta, Ga., predicts continued growth. “The demand for travel is higher than ever, and many travelers are willing to pay the elevated hotel rates without any hesitation,” she says. “The present scenario has been nothing short of extraordinary, and it appears that the travel industry is in for an exhilarating ride in the near future.”



Sensira Resort & Spa REMO Workspace

Club Med Kiroro Peak



THE EVOLUTION OF LUXURY TRAVEL

Advisors around the country are seeing changes in how affluent clients plan vacations. “This year, luxury travelers have demonstrated a significant shift in their priorities and preferences,” says Fairvalley. “While high-end accommodations and personalized services remain essential, the desire for unique and immersive experiences has become even more prominent. Luxury travelers want to connect with local cultures, enjoy exclusive activities and savor culinary delights. Moreover, there has been a significant uptick in eco-tourism and sustainable travel, as travelers become more aware of the impact of their journeys on the environment and local communities.”

Norfolk, meanwhile, is finding that some types of luxury travel are rebounding faster than others. “I still find the guided-tour segment lagging a bit and there’s still some work to be done in the luxury cruise/river cruise market,” she says. “I’ve had more requests for independent travel and private tours throughout Europe, versus small, guided tours and luxury cruising. I personally feel that people want to have the freedom to make changes and edits to their itinerary closer to the travel date and are willing to spend more for a private experience. Our business with custom trips throughout Europe is booming. Those that are committed to going are spending more and staying longer in destination.”

When it comes to booking windows, timing depends on the client, according to Heather Haas Gragg, a luxury travel advisor and partner at Synergy Luxury Travel in League City, Tx. “They are booking both last-minute trips in the next few months but are also ready to plan bucket list for upcoming years and get it on books,” she says. “It’s all about the custom experiences, whether it be a White Lotus experience through Sicily, or Bali or Africa — whatever is on their list. They have short-term and long-term lists.”

The challenge of booking with less advance notice, of course, is finding availability, notes Mitch Krayton, owner and travel advisor at Krayton Travel in Aurora, Colo. “People want to go, and they are definitely asking for upgrades and longer trips,” he says. “But they are asking for much shorter lead times: three to eight weeks, which is a challenge because so many opportunities are already booked.”

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— Wallis Fairvalley, a travel advisor at Red Letter Travel

THE EFFECT OF INFLATION

Surging prices are never popular, regardless of the type of travel. But affluent travelers are proving resilient when it comes to accepting the higher cost of travel, according to multiple observers — even as some travelers change their approach to booking in response to inflation.

“In 2022, travelers were scrambling last minute to find anywhere in Europe to go and would pay anything to do so,” says Brad Beaty, owner of Lush Experiences, a sales, marketing and representation organization that specializes in luxury hotel properties. “This year, comparatively, there has been no gate holding anyone back, thus the steadier pace. However, the pricing has yet again increased beyond reality, and this has priced many out of their usual hotel accommodations.”



Conrad Tulum spa



The Breakers Palm Beach

As a result, according to Beaty, “some travelers are downgrading categories, rather than length of stay, or changing hotels and destinations to align more with what they feel is reasonable to spend.”

Inflation has also affected the flying patterns of some upscale travelers, according to Norfolk. “The biggest component on itineraries that we are still struggling with is air,” she says. “Affluent travelers expect business class, and pricing on that class of service has increased 50 percent, at a minimum. In the past, I’ve had clients who refused to fly anything but business. However, now they’ve become open to exploring premium/comfort class seating where it makes sense to save.”

Fairvalley says she’s spending more time helping clients to find the best value for their trips. “Many travelers have accepted this increase, but for those weary of adapting to rising prices, I have been working closely with them to find creative solutions that meet their needs and budget without compromising on the quality of their travel experiences,” she says. “This may include adjusting travel dates or exploring alternative destinations.”

Fairvalley’s business colleague (and mother), Debbie Fairvalley, finds a greater challenge in cities where one airline is dominant. “As travel demand surges and hotel rates skyrocket, some clients are starting to question the exorbitant airfare prices, particularly in Atlanta,” she says. “While travelers are willing to pay a 50 to 100 percent premium for their hotel and land arrangements, they are now seeking alternative airlines to avoid Delta Air Lines’ monopoly on the Atlanta market. In this climate, airlines such as Turkish Air, Emirates and Qatar are emerging as top choices for travelers seeking more affordable and convenient travel options.”

White, meanwhile, has revised her approach to processing potential new sales. “Due to the current market conditions, I have recently updated my intake phone call process to include additional talking points regarding budget expectations,” she explains. “I have also raised my minimum spend per trip. It is

important for clients to be aware that what was previously a \$500 hotel room may now cost \$750 or more. By setting budget expectations upfront, my process has become more streamlined, leading to more successful outcomes.”

White has also learned when it makes sense to say no. “I have ... encountered situations where I had to respectfully decline potential clients who had budget expectations that were more aligned with pre-2020 rates,” she says.

WHAT LUXURY TRAVELERS WANT

Affluent vacationers are a diverse lot, and they’re looking for lots of different things when they book a trip.

“Luxury clients are looking for experiences that are personalized to what they enjoy,” says Norfolk. “They are looking for restaurants off the beaten path, and exploring islands and destinations that are much less about the tourist hot spots and are more focused on what is different and unique.”

Donna Alkarmi, president of Lone Star Travel in McKinney, Tx., reports strong interest in cruises and longer trips, including luxury small ship cruises, especially among the Greek islands. “I just completed a 23-day FIT, including countries around Europe,” she says. “My land clients are challenging me to find wondrous, unique tours off the beaten path. Last year it was Tahiti ... this year, more luxury sailings and high-end FIT’s to Europe.”

Both Krayton and Norfolk report strong interest in culinary travel experiences, especially in destinations known for great food. “Spain and Portugal are hot,” says Norfolk. “We’ve had more requests than ever, and the types of itineraries are very culinary driven. Private cooking classes, winery tours, restaurant reservations included, are all requests we’ve had this year in regard to Spain and Portugal.”

Haas Gragg, meanwhile, says that wellness travel is in demand among her clients, as well as far-flung destinations including Europe, the Maldives, Machu Picchu, the Galapagos Islands and Antarctica.



Suppliers make it easy to enjoy even the most heavily trafficked destinations in unique and exclusive ways. City Experiences, which is part of Hornblower Group, offers programs like The Key Master’s Tour: Open the Sistine Chapel, which provides exclusive, guided access to the Vatican Museums and the Sistine Chapel before they open to the public. The company has debuted a number of new offerings this year, including new walking tours with VIP access features in destinations including Seville and Paris.

WHO’S TRAVELING

Multigenerational luxury travel appears to be on the upswing for a number of travel advisors. “Most of my luxury travelers continue to be those that are retired or close to retirement who are either taking their family with them on their trip or exploring as a couple,” says Norfolk. “I have also seen an uptick in multigenerational travel where large luxury villas with chefs are a must.”

Haas Gragg reports similarly strong demand. “I’m seeing quite a bit of families — adults in their late 40s with older kids, and recent retirees,” she says. “Multigenerational has always been huge for me, as well as my Silversea-type clientele in their seventies and eighties.”

White, whose strongest client demographic is 40- to 65-year-old professional women, agrees. “I have had a huge increase in multigenerational bookings this year,” she says. “I’ve also had an uptick in clients with pre-existing medical conditions. Covid changed the ‘I’ll travel one day’ mindset. People are making the most of their time — especially with family.”

THE RISE OF BLEISURE

According to the 2023 annual luxury travel report by Flywire, 73 percent of luxury travelers surveyed say they’re more likely to combine business trips and vacations now than in the past. As a result, luxury travel advisors are more likely to help their

HOTELS UP THE ANTE TO ATTRACT *luxury travelers*

Hoteliers around the world are finding new ways to entice upscale travelers. In April, for example, Club Med unveiled a new brand identity as well as a series of corporate social responsibility initiatives, reinforced by a new campaign with the slogan “That’s L’Esprit Libre,” that emphasizes living a happy life.

In addition, Club Med last year relaunched its Club Med 2 sailing yacht and opened new properties, including three all-inclusive mountain resorts (two in the French Alps and one in Hokkaido, Japan).

Tying in with strong demand for wellness experiences, many hotels have introduced new ways to pamper through new spa treatments. The Grand Fiesta Americana Coral Beach Cancun All Inclusive Spa Resort, for example, debuted a variety of new spa treatments this year at its 40,000-square-foot Gem Spa, including a Maya Emperor Facial with Amethyst, a Maya Princess Massage and chocolate body wrap.

Additional Mexico hotels with unique spa treatments include the Conrad Tulum Riviera Maya, which blends wellness and local experiences with a Kinich Ahau Journey inspired by the Mayan god of the sun, and the Waldorf Astoria Cancun Spa, which offers spa experiences inspired by the Yaxche (tree of life) and the Mayan cosmovision.

Other hotels, meanwhile, offer memorable transportation options for upscale travelers. In Florida’s Palm Beaches, The PGA National Resort recently launched a partnership with Blade Air Mobility to provide helicopter transfers to and from the resort properties, which can also tie in with private BLADEone flights from New York City and other destinations. And Chalet del Sogno, a new member of the Lush Experiences hotel collection in Italy’s Dolomite mountains, offers “ski-in, ski-out” capabilities for globetrotters who are truly dedicated to the sport.

Travelers can also indulge with unique accommodation options. Lush Experiences, for example, also recently added a private island villa called Isla Sa Ferradura, located off the Spanish coast, to its portfolio, while Sandals was slated to open Sandal’s Dunn’s River by press time. The revamped resort, located in Ocho Rios, Jamaica, features unique room categories including Beachfront Skypool Suites with a Tranquility Soaking Tub and Coyaba Sky Rondoal Villas with private soaking tubs and oversized swim-up pools.



Club Med



BLADE PGA Resort

clients combine work and play when they're on the road.

"I have several clients who now spend a month or more traveling and working remotely during the summer," says White. "Given the high costs associated with summer camps, some clients have found it more financially viable to allocate those funds toward a family vacation instead. Additionally, most of these parents are still able to join their family for dinner in Europe, where it is typically served later in the evening, so they really do get to mix business and pleasure."

Haas Gragg also notes that bleisure travel mixes well with family travel. "I have done quite a bit of this lately, where families go meet their dad to explore Europe after his work trip," she says. "It is definitely on the rise and people are taking advantage of it. I have a ton of clients that are now remote that have done multiple trips a year because they can work from anywhere."

Norfolk says that cultural shifts, spurred in large part by pandemic-era realities, have helped to make bleisure travel an easier sell. "Working remotely doesn't have the negative connotation that it used to before COVID," she explains. "Employers understand that work can indeed get done efficiently without being in an office setting. With this relaxed approach, I believe it's allowed travelers to take the time they want and need to explore a destination without feeling that they can't do some work while away."

Hotels have responded to the demand for bleisure travel by creating innovative spaces that make it easier to stay productive. In Mexico, for example, Sensira Resort & Spa Riviera Maya last year launched a partnership with U.S.-based office space provider REMO Workspaces to create a one-of-a-kind, rooftop work facility that features three small buildings, each of which is divided into two well-equipped private offices that hotel guests can rent.

POSITIONING FOR SUCCESS

Regardless of the type of luxury travel, successful advisors need a strategy for selling. For Norfolk, that means sharing her own personal connections

through marketing and social media. "It's all about showcasing what I bring to the table," she explains. "I love to include our value in social media posts as it relates to our ability to produce itineraries that clients know they would not have been able to do on their own. I am a believer that people want and need personal content. Stock images are a no-no in our company. I want to showcase that I have met with leadership teams of companies and am invested in doing a 'deep dive' into understanding the brand, destination and experience I'm recommending to clients."

Wallis Fairvalley has also found success in promoting luxury travel through social media channels. "In the past months, our approach to selling luxury travel has evolved significantly by emphasizing social media as a tool to better educate our clients on destinations, travel news and ways to work with us," she says. "Specifically, our agency has been using social media to post stories that help set expectations for clients, such as explaining the longer-than-usual turnaround times we are seeing from our partners when it comes to proposals." ■

|||> Luxury ON THE SEAS

Various operators within the cruise industry have built strong followings among luxury travelers, and they continue to hone their offerings to reflect current trends.

In 2022, Celebrity Cruises repositioned itself with the phrase "relaxed luxury" that highlights a "resort at sea" experience. Guests can now choose from room categories including two new suite classes on its Edge Series ships: Edge Villas, which are two-story luxury residences and the 1,892-square-foot, two bedroom Iconic Suite. The company also launched a new ship, the *Celebrity Beyond*, and in November of this year will launch the *Celebrity Ascent*, the fourth ship in the company's Edge Series. On the culinary scene, Celebrity launched a new restaurant called *Le Voyage*, the result of a partnership with Chef Daniel Boulud, aboard *Celebrity Beyond*, with plans to introduce the concept on the *Celebrity Ascent* as well.

Regent Seven Seas Cruises has also debuted several new features this year, including a new collection of immersive culinary experiences as part of its Epicurean Perfection program, each tied to a Pacific Northwest theme. The company has also debuted two new Spotlight Voyages, both designed to take guests on a journey into the world of Fabergé, with a series of master-class programs, jeweled egg demonstrations, lectures, screenings and exclusive access to shore tours.