

RESEARCH

European travel surges as US dollar strengthens: report

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European River Cruise

By KAYSORIN

This year will yield strong luxury travel bookings and there will be an increased preference for European excursions as the United States dollar strengthens, according to Travel Leaders Group's latest survey.

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Results indicate that travel will remain robust in 2015 as Americans look to explore new destinations and revisit old favorites. The survey also shows that Cuba is a popular “up and coming” destination for travelers looking for a new experience, now that the political situation between the U.S. and the island nation has improved.

"The most significant change Travel Leaders Group has seen has been among our “up and coming” destinations for luxury travel," said Kathy Gerhardt, manager for public relations at **Travel Leaders Group**, Plymouth, MN. "In 2015, Africa safaris, Croatia and Cuba are new to the list compared to 2014."

"The most intriguing of the up and coming destinations is certainly Cuba. Our survey was launched prior to the President's announcement of a process to normalize relations.

"With that in mind, this clearly indicates the huge interest for this destination, which has

been legally off-limits to nearly all Americans for more than a half century. The destination is intriguing and, particularly for luxury travelers, there is a desire to experience Cuba, now, before major changes take place."

Travel Leaders Group looked at data from 1,226 U.S. travel agency owners, managers and agents from the Travel Leaders' brand and affiliated organizations.

Old world charm

Luxury travelers are eager to return to their favorite European destinations, regardless of how many times they have been before. The favorable exchange rate, in addition to the time and money that luxury consumers have available to them, make Europe an ideal destination.

Four of the top five international destinations are located in Europe, namely European river cruises – the number one destination, Italy, Mediterranean cruises and France. Australia was the fifth most popular destination and the only one of the top five located outside of Europe.



Eiffel Tower in Paris, France

When asked what region of the world was most popular, the majority of participants responded Western Europe, for instance, France, Germany, the Netherlands and more. Cruises were the second most popular, followed by Southern Europe, with Italy, Spain, Monaco, etc., the United Kingdom and Ireland and lastly the Caribbean.

The top travel destinations in North America were Mexico, Caribbean cruises, Jamaica, the Dominican Republic and Costa Rica. The top international “up and coming” destinations were African safaris, Vietnam, Croatia, the United Arab Emirates, South Africa and Cuba.



City of Havana, Cuba

Travel agents argue that Cuba is the destination to watch, as it is expected to surge in popularity following President Obama's decision to normalize relations with the country. Interestingly, survey results indicating Cuba's popularity were collected before the president's announcement, making it likely that there will be an even greater increase in travel in the coming year.

Participants were asked what component of a trip is most important to luxury travel clients, and the majority answered that travelers were most willing to spend money on high-end accommodations. First or business class airfare was the second most important component, followed by unique activities, exclusivity and finally ultra luxury accommodations.



A beach in popular luxury travel destination, Cuba

Ninety percent of participants agreed that luxury travel bookings had increased or remained on par with reservations from the previous year. Of respondents, 48.3 percent argued that bookings were higher.

Going on vacation

Previous reports have also confirmed that travel will increase in the coming year. Affluent consumers will continue to spend on luxury travel experiences in 2015 despite the fact that the number of those who identified as undecided about their travel plans has doubled since 2013, according to a report from Unity Marketing.

Luxury consumers plan to take an average of three vacations this year, spending approximately \$8,000 on each trip. Some subtle changes they will make this year include using less travel professionals and carefully scrutinizing travel rewards programs as they schedule these vacations ([see story](#)).

While the Travel Leaders Group report predicted that the strength of the dollar would encourage travel, another report argued that travel would persist in spite of the expense. A range of factors contribute to the expected rise in prices for airfare, hotel rates and ground transportation in 2015, according to a report by American Express Global Business Travel.

Supply and demand dynamics are being affected by airline consolidations, stricter corporate travel policies, constrained hotel supply and other factors, according to the report. For luxury brands, the overall price increases will likely have little impact on consumer demand ([see story](#)).

Whatever the reason, luxury travel is expected to be robust in 2015. This means there will be an need to travel agencies and other hospitality companies to focus their attention on luxury consumers.

"What we believe has the most impact on travelers' choices is the knowledgeable and expertise of their luxury travel specialist," Ms. Gerhardt said. "Not all travel agents offer the specialized and personalized service our Travel Leaders Group luxury travel agents are able to offer affluent travelers.

"Their extensive knowledge and expertise allows them to guide each client to the best options for that individual's particular tastes. Ultimately, travel is all about personal connections, and that includes the trust built between travel agent and client."

Final Take

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