

TRAVEL AND HOSPITALITY

Luxury travel will return later this year: study

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Luxury travel will return this year, according to a new report from International Luxury Travel Market. Image credit: International Luxury Travel Market

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The global luxury travel market is expected to rebound within a year, with most wealthy travelers planning their next vacation within a year, indicating a hopeful outlook for an industry walloped by the COVID-19 pandemic.

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Fifty percent of luxury travel buyers predict that the luxury travel industry will return within a year, according to a survey by the International Luxury Travel Market (ILTM). Only 38 percent expect this recovery to take up to two years, with Chinese buyers the most likely to expect this two year outcome and European buyers more confident, with 51 percent predicting less than two years for a return to normal.

"Even in what can feel like the darkest hour for the luxury travel industry, buyers from across the entire ILTM Collection are telling us that while bookings have slowed and are less profitable, the fundamental desire to travel has not," the report said.

"Travelers are not only booking trips amid the ongoing crisis 52 percent within the next three months but over 50 percent of buyers are also confident that the luxury travel industry will have returned within a year."



Lockdown travel

ILTM polled more than 4,000 buyers private travel designers and global retail travel agencies in June to understand the travel behaviors of wealthy consumers, as borders begin to open around the globe and lockdowns ease.

Things are not as bad as they seem for the travel industry, per the report. Sixty-four percent of travel agents have received bookings since the start of the COVID-19 crisis began, with bookings most common in the Americas, Russia and Europe.

Among consumers willing to travel by air, 39 percent are traveling domestically and only 27 percent will take long-haul flights.

"Whilst this still represents a huge hit to revenues, it is certainly a step in the right direction and becomes increasingly positive when we apply time frames to when these bookings will take place," read [the report](#).

Fifty-two percent of bookings are for trips that will be in less than three months from the booking, and thirty-nine percent will take place within three to six months, suggesting that people are not planning ahead.

"Despite the ongoing uncertainty and a reluctance of many to travel internationally as of yet, this swift return to traveling at all is undoubtedly a relief and it is not the only sign of latent demand that the industry is displaying," the report said.



Sunny side up: Four Seasons Anguilla. Image credit: Four Seasons

Beach getaways

As HNWI's begin to book trips, the overall trend is to stay closer to home.

European travelers, for instance, are looking at Greece, France, Spain, Italy and the Maldives.

Asia-Pacific clients are seeing trips to Australia, China, New Zealand, Europe and Africa.

Beach holidays are the most common type of vacation in Asia-Pacific, with almost 70 percent of buyers in this region headed to the beach. Fifty-five percent of trips are family holidays and 42 percent were private villa trips.

"In light of the lockdown and the separation from family that we have had to endure, the surge in family bookings shows the key role that our industry will play in bringing loved ones back together," the report said.

"Despite travel being a complicated business right now, we are not seeing a big impact on the desire to travel and this is supported time and again by the buyer research."

The big difference this year is that some travelers are wary of airplanes and 59 percent of affluent travelers are considering cars as an alternative mode of transport. Another 22 percent of travelers were considering private travel options including jets, planes and yachts.

Health concerns and quarantine rules made up 64 percent of the reasons people are not traveling.

Even still, buyers that have not booked travel for clients estimated that travel will begin again soon, with 72 percent anticipating bookings to increase in the next three to nine months.

In Asia Pacific, buyers are split between expecting bookings in three to six months and six to nine months. European buyers predict an increase in business within three to six months.

Forty-two percent of travel professionals in the Middle East expect more bookings in less than three months. Forty

percent of North American buyers who have not had bookings expect it to increase in a six-to-nine-month period.

"These relatively short-term turnaround estimations reveal a confidence that the industry couldn't imagine back in March," the report said.

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