

TRAVEL AND HOSPITALITY

Luxury travel, in mark of optimism, to grow 10.35pc next year

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Technavio has debuted its latest market research report titled *Global Luxury Travel Market 2023-2027*. Image credit: Technavio

By LUXURY DAILY NEWS SERVICE

The luxury travel industry is set to grow to \$703.14 billion by 2027, per a new report from Technavio.

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The report, titled *Global Luxury Travel Market 2023-2027*, covers the landscape expected for the travel field in the upcoming years. It outlines the data behind why cruises, resorts and other stays within the market, as well as companies that own them, will experience the growth of 11.5 percent during the time outlined.

Next year alone, the market is expected to grow 10.35 percent compared to this year's numbers.

Flights to fancy

Exploring the growth of both domestic and worldwide travel brands, **Technavio** reported an uptick in competitive measures throughout the market.

Luxury travel companies are looking to the future when it comes to their financial planning, putting aside profits to put towards expansion. Many are reformulating their images, reworking their current services offered.

Efforts reported include the creation of further inventory offerings, redesigns, taking business into new countries, pushing services and growing contributors.

The report also showed that brands are paying close attention to trends, embracing popular technology in the name of relevancy. It is forecasted that this will increase the level of competition within the sector.

Already, brands are bulking up luxury travel offerings.

For example, Absolute Travel Inc. is now providing high-end New York concerts and tours centered around music, while Classic Journeys is pushing group luxury travel packages for family trips, honeymoons and destination weddings.

With the demand for travel increasing, travel companies are increasing the countries they serve as well, with Technavio analyzing which areas will experience the biggest popularity boost.

Twenty-nine percent of the total growth accounted for will be due to Europe's growth in the travel industry.

The report shows that the rising desire for custom trips and fresh places, as well as increased culinary festivals, higher incomes largely due to a rise in dual paychecks and senior travelers all account for the rapid escalation of travel in the region.

Tripping out

It is also expected that out of all the market sectors, adventure travel will experience the highest levels of expansion more so than customizable, food-related or cruise travel. This is due to the adventurous nature of millennial travelers, who want to experience unfamiliar places and nature-centric activities when taking a trip.

Because of this uptick in demand, the options are growing. It should also be noted that travel options within the adventure space are also increasingly ambitious, including many experiences for one price.

Another corner of the travel space that is expected to experience growth is that of sports experiences, as sports fans seek out international events such as the FIFA World Cup and Wimbledon Tennis. Many companies within the market are now meeting that demand with options that include tickets to these events, along with perks.

Despite the rapid growth however, there are still potential obstacles to the expansion.

Natural disasters, as well as the COVID-19 pandemic and human rights violations are keeping further growth at bay.

Government corruption, protests, disease, climate change and other aspects of biodiversity destruction are all players in the tourism reduction.

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