



## What are the opportunities for luxury tourism from Europe?

Europe is a key source market for luxury tourism. It is also growing quickly, as Europeans increasingly choose experiences over possessions. This is fuelling the market for luxury tourism. Tour operators need to offer high levels of service, accommodation and food. If you can combine this with unforgettable experiences and a personal touch, you have great opportunities on the market for luxury tourism from Europe.

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## 1 . Product description

There is no strict definition of luxury tourism. Most importantly, it includes the delivery of superior services and products in a convenient and engaging way. What travellers see as “superior”, “convenient” and “engaging” is subjective, and therefore hard to define.

European luxury travellers are generally looking for such things as:

- personalised service, preferably one on one
- good-quality beds with good-quality bed linen
- reliable transport
- comfortable seats when travelling, with plenty of legroom
- good-quality food and wine
- exclusivity
- positive and professional interaction with staff.

## Tips:

- Put your customer at the heart of the experience and express a passion for your job.
- Provide accommodation with rooms of good size and quality, with luxurious touches.
- Give your luxury tourism products an exclusive feeling. Offer customisation and add local aspects to provide a unique experience.

## Health and safety measures

Health and safety are important to European travellers, especially luxury travellers. They often inquire about the safety of their destination and expect your company to keep them safe. Personal safety and the safety of their personal belongings are very important to them. Especially safe driving can be a concern. They want to know what the qualifications of their drivers are, and how and when the equipment is tested. Unclean rooms and a lack of (or faulty) smoke detectors are unacceptable.

## Tips:

- Pay attention to health and safety measures. Tour operators should, for example, regularly check vehicles and equipment, as well as hire experienced guides that know the area. Accommodation establishments should have safety measures in place, such as smoke detectors, fire extinguishers, emergency exits, first-aid kits and 24-hour medical assistance.
- Show the outcomes of safety checks and licences to your clients.

## Political stability

Safety is important to European travellers, especially because some developing countries are politically unstable. Most commercial tour operators do not offer holidays to countries that their Ministry of Foreign Affairs has declared unsafe. This has previously led to a drop in tourism arrivals in countries such as Mali, Egypt and Kenya.

## Tips:

- Keep (potential) customers updated on changes in the safety situation in your area, for example through your website and through your staff. Be open and honest in your communication: which areas are safe, or where safety might be an issue. Your client has plenty of information sources, too.
- Share safety experiences from customers on your website. Let them write about how safe they felt, because people value the experience of other travellers.
- If your region is “unsafe”, commercial tour operators will most probably not go there. Check your country’s current safety status on the Ministry of Foreign Affairs website of your target countries, such as [Ireland](#) and the [United Kingdom](#).

## Personalisation

Personalisation has become a key factor in luxury travel. European long-haul luxury travellers generally seek a combination of relaxation and entertainment. They like to create their own unique holiday and demand flexible itineraries to get the most out of their holidays. However, they still need your expertise to tailor their holiday for them.

### Tips:

- Surprise your guests by personalising their holiday. Ask them about meal preferences, or look on social media what kind of food they like to eat. Find out what their favourite drink is, and surprise them by serving it to them upon arrival.
- Be flexible in your offering, with tailor-made products and services. Allow your customers to build their own package with plenty of options to choose from.
- Offer tailor-made itineraries for small groups or individuals. A specialised offer will also be more difficult for your competitors to copy.

## Traveller profile

### Leisure luxury

Leisure luxury travellers come in all shapes and sizes. Some are used to luxury in their daily lives, others save up for a special holiday. No matter their background, they like personalisation that gives them the feeling their experience is “made for me”. They appreciate originality and exclusivity.

Traditionally, luxury travellers are looking for the best and most glamorous travel experiences. They want to live life to the fullest and indulge in luxury. Travellers in this segment often like to travel with family and/or friends. For example, they may hire a luxury yacht for a group of friends. For this type of traveller, sharing their luxury experiences on social media is very important. They consult luxury influencers to enhance their trips.

However, nowadays, many luxury travellers do not wish to put their spending on display. They want authentic, unique experiences that may be relatively expensive due to their exclusivity, rather than high-end luxury. Some choose luxury travel when they want to pamper themselves or try something new, such as a luxury yoga retreat in the Amazon or a cookery weekend in Vietnam. They may travel alone, with family or with a select group of friends.

Those that saved up and/or travel for a special occasion, like a honeymoon, a marriage proposal or a mother-daughter trip, generally seek “wow factor” experiences. They are willing to compromise on comfort if it means they get an incredible travel experience, such as staying in a wilderness camp with basic standards to go on an independent guided safari.

Travellers that demand the highest level of luxury on holiday are a small segment. They are used to this standard in their daily lives and, for example, travel in first class or by private jet. This small group is not very interesting for you, as these travellers demand a degree of luxury that is hard to meet.

## Tips:

- Offer original, unusual experiences. Emphasise the authenticity of your experiences.
- Promote your products as an experience, rather than just activities.
- Provide a local contact (concierge) that can guide your luxury guest to local experiences.
- If your guest is travelling for a special occasion, personalise your product by providing extras to enhance this. This could entail making things extra romantic, providing bonding activities or arranging a photographer to capture the highlights of the trip.
- To host (large) groups, offer accommodation with a well-equipped kitchen, spacious dining, multiple bedrooms and good outdoor space.
- For a detailed analysis of luxury traveller “tribes”, see Amadeus’ [Shaping the Future of Luxury Travel](#).

## Business luxury

[Business travellers represent around a quarter of luxury trips](#), making them a sizeable minority. Although the main purpose of their trip is business, these travellers often have the seniority and salary to extend their trip with some luxury leisure travel. For example: after fulfilling business obligations in Nairobi, they fly their family in to enjoy a luxury safari together.

When busy professionals do travel strictly for leisure luxury purposes, they require flexibility. Due to their business obligations their plans often change last minute. They are willing to pay for expertise to manage this, so they often outsource their travel planning. These busy travellers require excellent planning. They don’t want to waste time waiting for transport or standing in line.

## Tips:

- Offer 24-hour or 48-hour services at your destination.
- Provide itineraries and city guides.
- Offer the possibility to book last-minute tickets to a concert or sports game, or a reservation in an exclusive and popular restaurant.
- Give busy travellers different options to choose from, and be prepared to change plans at the last minute. Do your utmost to help them get the maximum out of their holiday.

## 2 . Which European markets offer opportunities for luxury tourism?

## Luxury travel segment is growing fast

With around 54 million trips in 2016, [the luxury travel market accounts for 7% of international travel](#). However, due to its relatively high prices (in this case defined as over €500 per night) [it makes up for 20% of travel spending](#). This makes luxury travel an especially interesting segment.

The luxury travel market is booming. Between 2014 and 2016 [luxury travel grew twice as fast as international travel in general](#), growing by 18%. Around three quarters of these trips were for leisure purposes, such as touring holidays.

## Main European source markets for luxury tourism

[The leading European source markets for luxury tourism are the United Kingdom, France and Germany](#). These are also the main markets for trips to developing countries, making them especially promising for you.

For more information, see our study about [European demand for tourism in developing countries](#).

## 3 . What trends offer opportunities on the European market for luxury tourism?

### Shift in values from the material to the experiential

The one key trend driving the future of luxury travel is a shift in values, away from the material. In mature markets (like western Europe), luxury has evolved to become increasingly based on experiences rather than things. Instead of saving up to buy luxurious possessions, people choose to spend their money on experiences.

Luxury travellers often look for exclusive one-off experiences. They don't want travel products that they consider to be pre-packaged and inauthentic. In the coming years, luxury travel will be about having access to the most incredible experiences that money can buy.

#### Tips:

- Develop unique experiences that European luxury travellers cannot find elsewhere. Combine them with the highest level of comfort and individual services.
- Emphasise this uniqueness in your marketing.
- Try to strike an emotional chord with consumers. This will give you a competitive advantage over luxury tourism suppliers that only rely on the quality of their material offering.

## Increasing attention to inner wellness

[Wellness tourism is a growing segment within global tourism](#), accounting for 6.5% of the market. Travellers are increasing their spending on wellness considerably. [Wellness tourism revenues grew more than twice as fast as for overall tourism](#), by 14% between 2013 and 2015. They are projected to grow another 38% by 2020.

Demand is now expanding to include an increasing focus on inner (emotional, intellectual and spiritual) wellbeing, as well as physical wellness. This is also true for luxury travellers. In a recent

Skift study, [around three quarters of luxury travellers indicate that improving their physical and emotional wellbeing is more of a focus for them today](#) than it was three years ago.

### Tips:

- Offer exclusive (inner) wellness experiences, such as yoga classes at a remote location, or high-tech sleep enhancement therapy programmes.
- For more information, see our studies on [inner wellness tourism](#) and [physical wellness tourism](#).

## Sustainable travel and organic food

Sustainable travel is a niche within the luxury travel market. Only a small number of European luxury travellers actively demand sustainable travel options. However, European luxury travellers do expect their accommodation to have installed sustainable and environmentally friendly practices.

The organic label is most important when it comes to food. European luxury travellers often demand high-quality food. They see organic labelling as positive for their health and as a quality label.

### Tips:

- Incorporate sustainable and environmentally friendly practices. For example, install water-saving taps and showers, work with local products, or use solar power and/or solar cookers.
- For more information and best practices, see the [UNESCO World Heritage Sustainable Tourism Toolkit](#). In addition, see our study about [the need for sustainable suppliers](#).
- Accommodation providers can encourage their guests to act responsibly, for example by using less water, energy or paper towels. For more information, see wikiHow's [How to Create a Green Hotel](#) and Global Stewards' [tips for green accommodation](#).
- Consider your organic options, such as using organic products or offering visits to organic wineries and farms.
- If you offer organic products/services, clearly promote this. You can submit your details to organic tourism websites like [Organic Holidays](#) and [Organic Travel](#).

## Increasing use of online research

European luxury travellers increasingly research and plan their trip online. To gather information and share experiences they use:

- peer review sites, like [TripAdvisor](#) and [Zoover](#)
- travel forums, like Lonely Planet's [Thorn Tree forum](#)
- social media, like [Instagram](#), [Facebook](#), [Twitter](#) and [YouTube](#)

- (online) travel agencies, like [Black Tomato](#).

Online research is a trend that has increased exponentially over the past years. Although growth has peaked, the use of internet to research tourism will continue to increase. It is predicted to remain the most important research channel for years to come.

You have to show European luxury travellers the experience you can offer them. Visual media like photos and videos are useful tools for this. Sharing pictures of their experiences on social media is very popular among luxury tourists. This makes social media especially relevant to luxury tourism.

### Tips:

- Maintain a strong internet presence and online marketing strategy, including social media.
- Use photos and videos to bring your story to life. For more information, watch this [webinar series on visual communication in adventure travel](#) by the Adventure Travel Trade Association (ATTA) and Libris.
- Use current customers as ambassadors for your company and area. Encourage them to share their experiences and visuals on social media, write blogs and review your company.
- For more information, see our [10 tips for online success with your tourism company](#).

For more information, see our study about [European tourism market trends](#).

## 4 . What requirements should your luxury travel product comply with to be allowed on the European market?

For general tourism requirements, see our study on [what requirements your services should comply with to attract European tour operators](#).

There are some voluntary safety standards for where luxury tourism overlaps with adventure tourism.

### Voluntary adventure tourism safety standards

Luxury tourism has some overlap with adventure tourism. For more adventurous experiences, three ISO (International Organization for Standardization) standards support safe adventure practices: [21101](#), [21102](#) and [21103](#). Some countries also have their own voluntary standards, such as [BS 8848](#) in the United Kingdom.

### Tips:

- Study the ISO standards on adventure tourism. Use them to enhance your safety performance.
- Check for possible voluntary standards in your target markets.

## 5 . What competition do you face on the European market for luxury tourism products?

China and Mexico are popular developing country destinations for luxury travel. Other emerging luxury travel destinations are mainly located in Latin America and Southeast Asia.

### Tips:

- Research the product offering, quality and price of competing luxury tourism markets.
- Define your destination's unique aspects. In your marketing, emphasise those elements that travellers cannot find in competing countries.
- Join forces with other tourism stakeholders in your country/region to create an image as a luxury tourism destination. Increasing consumer awareness is critical to creating demand. Develop a joint, integrated marketing plan for destination branding.
- Collaborating with stakeholders is also necessary to provide travellers with an end-to-end luxury experience.

Competition in the luxury tourism market does not differ from the tourism market in general. It mainly lies in the service and experience you can offer. For more information, see our study on [what competition you face on the European outbound tourism market](#).

## 6 . Which channels can you use to market your luxury tourism products in Europe?

### Selecting smaller specialised tour operators

European tour operators specialised in luxury tourism or your destination offer the best opportunities. They know their customers very well. This way, they can offer tailor-made tours and the personal service that especially luxury travellers are looking for.

You can identify relevant tour operators via trade associations, events and databases, such as:

- [International Luxury Travel Market](#) - luxury tourism trade event, held on several dates across the year, on different continents
- [ITB](#) - annual tourism trade event with a [luxury travel segment](#), March, Berlin
- [loop luxury fair](#) - luxury tourism trade event, held twice a year, Frankfurt and Tirol
- [Luxury Travel Fair](#) - annual luxury tourism trade event, November, London
- [World Travel Market](#) - annual tourism trade event, November, London.

### Emergence of homeworkers

[Travel agents are a relatively popular booking channel for luxury travellers](#), who appreciate a personal touch. A growing number of travel agents work from home. These independent travel counsellors organise tailor-made holidays for individual customers. They mainly work in the United Kingdom, Germany and the Netherlands, but are present in all European countries.



## Tip:

- Approach independent travel counsellors. Get in touch with national umbrella organisations for independent travel counsellors, such as the British [AITO](#) or the Dutch [ITAC](#).

## Generating direct sales

Although European luxury travellers mainly book through professionals, they do sometimes book their holidays directly with service providers at the destination. They do so mostly when they have recommendations from friends and family, or when they have done business with local service providers before. To increase your chances of direct sales, you can promote your product on (luxury) tourism websites/portals or via blogs, such as:

- [Condé Nast](#)
- [Luxury Travel Magazine](#)
- [The Luxe Travel](#).

For an overview of the trade structure for tourism, see our study on [the channels and segments of the European tourism market](#).

## 7 . What are the end-market prices for luxury tourism products?

Travellers have many destinations and types of holiday to choose from. This makes tourism a relatively price-sensitive and competitive industry. However, for the luxury segment, price is not the deciding factor.

Generally, the price of a long-haul trip consists of three dimensions:

1. The exchange rate between the currencies of the country of origin and the destination country.
2. The costs of transport to and from the destination country.
3. The price of goods and services the traveller consumes in the destination country.

European tour operators are not open about the purchasing prices of their tourism products. According to industry experts, their margins vary between 10-25%, for the luxury tourism segment, this can be even higher. Prices of holiday packages vary widely as they depend on a lot of factors, such as:

- availability
- destination
- modes of transport
- period of travel
- number of travellers
- length of stay
- type of accommodation
- included activities
- level of service and exclusivity.

## Tips:

- Check which countries have (direct) flights to your destination, for instance at [Skyscanner](#). This gives you a competitive advantage in those countries.
- You can compare prices for luxury travel products via portals like [Lonely Planet Luxury Travel](#).
- Tourism Council WA has some useful [online tools for pricing tours and accommodation](#). These help you determine the break-even point and ideal retail price of your tourism product.

For more information, see our study about [European tourism market channels and segments](#).

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