



The Future of Luxury Travel

Five Trends Shaping the Market

Hear “luxury travel,” and you’re likely to envision a swirl of lavish destinations, accommodations, transportation, and experiences, all curated for the discerning traveler’s pleasure. “Ultra-premium,” “rare,” “authentic,” and “exotic”—from private villas, private islands, and private jets to special chef-inspired menus and members-only offerings, luxury travel providers aim to present the best travel experiences money can buy.

Luxury travel is bouncing back

However you define it, luxury travel is big—and getting bigger. One market research survey valued the 2021 global luxury travel market at US\$638 billion, with Compound Annual Growth Rate (CAGR) projected at 8.9% through 2031. Another pegged it at US\$1.2 trillion, with a projected CAGR of 7.6% through 2030.

The rising demand is likely driven by several factors. High-net-worth travelers continuing

to seek unique vacation experiences are being joined by middle- and upper-middle-class buyers from around the world, particularly Asia. And fueled by years of pent-up demand, the segment is quickly returning to pre COVID-19 pandemic levels; bookings at five-star hotels rose 19% over the first three quarters of 2022 compared to the same period in 2021. Finally, there’s the impact of social media, where images of “Instagram-worthy” destinations are raising awareness of more remote locales.

In this three-part look at this lucrative market, we explore five trends currently shaping luxury travel, and what they might mean for the hospitality industry as a whole.

Five emerging luxury travel trends

We’ve identified five noteworthy trends shaping the future of luxury travel:

- Luxury travel advisers
- Digital innovation
- Ecosystem collaboration

- Sustainability
- Hyperpersonalization

We’ll start with the first three, then take a deep dive into the final two trends in subsequent articles.

Luxury travel advisers. In an age of DIY online research and booking, high-end travelers are turning the clock back. These luxury travel agents serve as one-stop curators of unique, hassle-free travel experiences. A full 85% of luxury travelers surveyed view them as the best way to book personalized luxury travel, while 74% say that travel advisers can create a truly “luxury experience.” Travel advisers can also bring practical advice to the table, with detailed knowledge of travel restrictions and health and safety guidelines, along with easy, secure payment and on-call troubleshooting before, during, and after a trip.



Digital innovation. Luxury travelers show a strong preference for the integration of digital and mobile tech into each step of a journey—from planning and booking through onsite and post-travel experiences. To appeal to this market, luxury travel brands should present a consistent, authentic brand experience at each touchpoint, including user-generated content. Innovations here include Virtual Reality experience previews and mobile control of IoT-enabled in-room preferences, both of which can help customize guest experiences and maximize customer satisfaction.

Collaboration across the luxury brand ecosystem. Another emerging trend is lifestyle tourism based on cross-brand alliances, which entice high-end travelers with opportunities to experience brands in new ways. Hotels are working with designers and galleries to create one-of-a-kind interiors, fashion and beauty brands to offer premium vacation and spa packages, and luxury transportation providers to provide end-to-end travel experiences—epitomized by the collaboration between Accor Hotels

and the Orient Express.

For luxury brands, collaborations with hospitality and restaurant groups can offer an opportunity to extend their influence as tastemakers and trendsetters. The Maldives' One&Only Reethi Rah, for example, has worked with Italian fashion house Missoni to design the Missoni Resort Club, complete with signature vibrant prints. In 2025, Fila House will be opened under the JdV by Hyatt brand in Shanghai, reflecting the global sportswear brand's "free-spirited attitude and legacy of style." Fashion houses have also set their sights on the gastronomic space. Gucci, for example, has expanded into restaurants, with locations in Florence, Los Angeles, Tokyo, and Seoul.

Multiple benefits for luxury brands

Tracking, anticipating, and building on hospitality trends can help luxury travel brands boost customer engagement and brand loyalty, driving visibility through positive online reviews, word-of-mouth recommendations, and ultimately increase revenue. Deloitte boasts a strong track record in advising luxury travel providers,

with extensive experience developing strategies, enhancing digital innovations, and designing meaningful partnerships for the market.

Join us for the next installment in our series, on the importance of sustainability.

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