



Luxury Retreat – the Nayara Tented Camp (*) in Arenal National Park of Costa Rica (picture Nayara Resorts)

The Luxury Travel Segment is on the Move

On the initiative of the Leading Hotels of the World (LHW), international travel experts discussed at the first "Leading Luxury Summit" in Gstaad

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(Google Translation from original text in German)

The current crises have also upset the luxury travel segment, and with it its serving hotel industry. But, and this became clear at a conference in the Hotel Palace in Gstaad, this segment in Europe and America is healthy again, more flexible than ever, and growing. According to a study by LHW, luxury travelers from America and Europe, who are not LHW-customers, are already traveling an average of five times a year and staying a total of 10 nights in the hotel. So-called "LHW travelers", who are also supported by loyalty programs, are more active and already on the road eight times a year, staying an average of 27 nights a year in a luxury hotel; 96% of them in a leading member hotel.



Shannon Knapp, President and CEO of LHW, came with her management team from New York to the Hotel Palace, where Director Andrea Scherz, who is also Chairman of the Leading Hotels of the World, hosted the conference. Hôtelière and hoteliers, travel journalists and business experts were invited, and the topic was: how is the luxury travel segment developing and which factors will influence this path.

Already in implementation

It is already known that the trend towards individualization is continuing, both in terms of demand and the industry's developed ability to adapt to customers at short notice and flexibly. Keywords are,

for example, health pillows, individual advice in the wellness sector, flexibility in the kitchen (not just vegetarian and vegan) and a proactive attitude when it comes to rebooking and cancellation. Digitization is also no longer a foreign word. Here, the luxury hotel industry has more the problem of professionally accompanying both groups, those digitally savvy travelers and those people who are traveling "without technology", either because they can't or because they don't want to. Just as Six Senses introduced "No Shoes No News" years ago, asking for a ban of smartphones in public areas of the resort.

What will the luxury hotel industry now have to adjust to and what are the new target groups? Among other things, the participants of the Gstaad Summit recorded the following:

Modern Family Travel

According to studies, almost a quarter of all families in western countries consist of one parent. On the part of the families, this triggers new demands for appropriate family-offers and care systems during the stay. So that even a "single parent" can have his/her own recovery time. This means that children are no longer simply handed over by the hour to a kindergarten, but that they are looked after professionally for half a day or even all day long with interactive events, excursions and learning programs (theatre, singing, sports).

Generation Alpha

This fits perfectly with the young people who, depending on the source, were born between 2010 and 2015. This generation Alpha should no longer be "just tolerated" in a resort, but should be cared for interactively and in an age-appropriate manner with a variety of locations and services.

LGBT+ Community

This segment is also becoming more and more self-confident, often part of a patchwork-family, and no longer wants to "hide" in the holiday resorts. They rightly demand to be fully accepted and served just like any other family.

Target Audience Henry

Another target group is also pushing for recognition, and quite loudly. The Henrys are the "High Earners, Not Rich Yet" representatives who are conquering the luxury resorts with tremendous speed. Eventually, millionaires come out of this segment. According to an estimate, every year there are 13,000 new millionaires worldwide. Experts assume that furthermore that the "high-end" demand from China will grow extraordinarily. A veritable China boom is likely to emerge in the luxury travel segment.

Gamma Destinations

These travelers are specifically looking for extraordinary countries, regions and cities, new on the map, not yet visited by the masses. These are countries like Bhutan, Rwanda, Eswatini or Costa Rica. Or cities like Linz, Reims or Cardiff. It must simply be "new" and relatively undiscovered.

Ultra-Architecture

What is attracting a lot of attention in established and new destinations, are the new, extraordinary hotel and resort developments – ideal to satisfy each travellers own Instagram community. Like the Hotel J in Shanghai, which opened a little late due to the pandemic, where you sleep at 630 meters above sea level. Also the ME Dubai impresses or the Hotel Veil in Astana. In Chile, the Tierra Chiloé is

an exclusive lodge on the Rilan Peninsula, and in Iceland, right next to a geothermal power plant, the Ion Hotel has been available for a couple of years now. All are extraordinary buildings. And it will soon be even wilder in Saudi Arabia. There, architects can fulfil their wildest dreams and delight the luxury traveler. The hotel groups Jumeirah, Six Senses, St Regis, Fairmont, Raffles and Grand Hyatt are on their way to the Red Sea. And star architect Jean Nouvel is also involved; he is building near the Al-Ula Oasis and the Unesco World Heritage Site of Hegra; there they are building right into the rocks. Ultra-Architecture!

Sustainability

Because the demand for sensible and responsible holidays is also increasing in the luxury travel sector, every developer or operator will have to explain well, what exactly is sustainable. The Generations Y and Z are more conscious in choosing resorts and destinations that take on the challenge of “negative emissions”. Some of this clientele might probably soon no longer get on a plane, the others demand understandable actions and compensation options. It is fitting that at the moment only a small country in Southeast Asia has managed to do what no other nation has managed to do in the industrial age: Bhutan is the first country with a negative CO2 balance. The curse is, with this ranking, the demand could increase disproportionately, and create a kind of small "over-tourism". There are already a few resorts that are successful from this point of view, two examples from Southern Africa: Grootbos Resort at Walker Bay or Desert Grace in Namibia.

New Age Wellness

What is probably growing even faster is the demand on hotels for knowledge and services in the field of health - both for the body and for the mind. The mostly loveless fitness rooms have been around for too long, monotonously coloured, insufficiently supervised, emotionless. The human element should now be added to all of this, with fun, empathy and specialist expertise. There are already wellness concierges – and some first hotels now even offer spiritual concierges: Hotel employees who are trained health coaches or 'soul consultants', with specific expertise and the necessary language skills to exchange with the customer and to plan well the available holiday time.

The keyword in the luxury travel segment is therefore interactivity - and no longer "just being left alone", as many luxury hotels have been celebrating for decades (those were the elegant but quiet and boring business lounges on the top floor). Now, Luxury hotels will want to offer proper member zones within which guests can be brought together, introduced to one another and triggering the personal exchange of knowledge and interests. It is well-known, that getting to know new, exciting people is also very good for the soul.

(*) About the Nayara Tented Camp

Colombian Leo Ghitis, 64, MBA graduate from Harvard Business School, founded the Nayara Resorts with, today, 3 hotels in Costa Rica, two in Chile (one on Easter Island) and the Bocas del Toro in Panama. Ghitis focuses on unique travel destinations that offer extraordinary experiences - he sees himself as an ambassador for sustainable and regenerative tourism. The Nayara Tented Camp in La Fortuna, Costa Rica opened in 2019 as one of the first luxury camps in Central America. It is in the heart of Arenal Volcano National Park and surrounded by natural hot springs. Built on stilts, the 29 tents blend in with nature in the middle of the rainforest. The holiday paradise offers spring-fed pools, yoga and meditation exercises and massages with volcanic mineral mud. The catering is based on the regional Costa Rican cuisine.