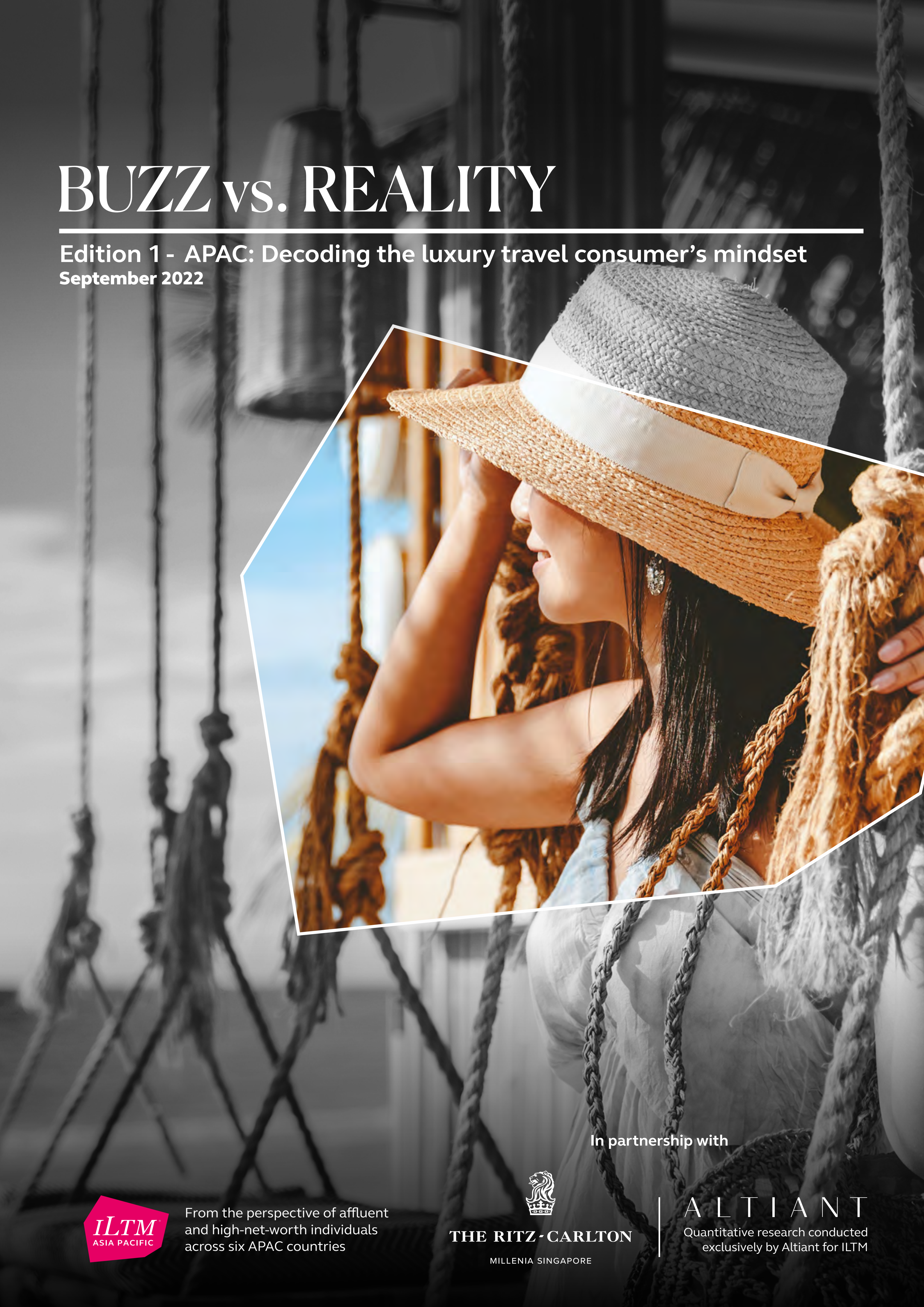


# BUZZ vs. REALITY

## Edition 1 - APAC: Decoding the luxury travel consumer's mindset

**September 2022**

In partnership with

ILTM ASIA PACIFIC

From the perspective of affluent and high-net-worth individuals across six APAC countries

THE RITZ-CARLTON
MILLENIA SINGAPORE

ALTIANT
Quantitative research conducted exclusively by Altiant for ILTM

# Contents

# Introduction

The past two years have seen our industry confronted by unique and unprecedented challenges. Predictions have been particularly difficult as we have tried to make sense of a global travel industry that was brought to an abrupt halt in spring 2020. Things have been gradually moving back towards a "new normal" over the past year, with genuine reasons for optimism as tourism bounces back strongly. Having been unable to travel for an extended period, many wealthy individuals are looking to make up for lost time with unique and memorable holidays.

International travel now has an extra layer of bureaucracy, something that has made agents and advisors more important than ever. Expertise, a personal touch and facilitating stress-free trips are just three reasons why advisors will remain vital for affluent travellers. Covid-19 continues to pose many challenges and is now impacting travellers' behaviour. For example, mental and physical wellbeing appear to be more important to travellers than ever, and wellness and sustainability are likely to be at the forefront of the new era of conscious tourism. Other factors such as social distancing, multi-generational trips and booking preferences are also seeing clear changes due to the pandemic.

The rapid evolution of post-Covid travel means that, as an industry, we have to listen more closely to individuals' wants and needs. There has been much discussion over the past two years about which of these behaviours will now accelerate, which will stabilise and which will recede. As such, ILTM has collaborated again with affluent research specialist Altiant to bring you this new report to understand which trends are being reflected in reality, and which are mere speculation. Surveying almost 500 validated wealthy APAC travellers from six countries, this is a unique and reliable barometer of luxury sentiment and habits in 2022.

This research will help you to continue thriving in the coming years, and we hope you find it valuable.

Alison Gilmore
Portfolio Director, ILTM

# What's Staying, Growing, and Slowing

When conducting this research, we wanted to test some of the trends that are receiving coverage for being key growth sectors in the tourism industry. The pandemic has had a fundamental impact on traveller behaviour, with some trends accelerating, some slowing down, and others stabilising. The non-exhaustive list below shows a selection of these changes from the six countries within our study.

# What's Staying...

- Fly less often, but stay in places for longer
- Family and multi-generational trips
- Experiences over goods
- Slow, recuperative travel
- Wellness as a key driver in travel planning
- Health and safety concerns resulting from Covid-19

# What's Growing...

- Revenge travel – making up for lost time and doing so on more lavish trips
- Travel agents are becoming more important in holiday planning
- Travellers becoming ready to mix again (e.g. city breaks)
- Planning well in advance rather than last-minute
- Interest in sustainable/eco-friendly trips

# What's Slowing...

- Privacy and seclusion as the only travel choices
- Local or regional trips only
- Superficial jumping from one place to another
- More active and high-intensity breaks
- Familiar locations/places where travellers have been before

# Key Findings

1/ **Travel agents will continue to play a critical role in holiday bookings as 92% of affluent APAC individuals plan to use them over the next year**. 86% plan to use them the same or more than they did since the start of the pandemic, reflecting the importance of having some expertise to help plan stress-free trips. **The fact that two-thirds (65%) say that an agent will be influential when booking holidays over the next 12 months underlines their enduring importance**.

2/ **Many affluent individuals are looking to resume travelling in style**. Almost half (48%) plan to spend more on holidays than pre-Covid trips, while only 16% expect to cut back.

3/ Spontaneity is becoming less common, with advance planning preferred by many. **Holidays booked in advance (62%) and relaxing/slow holidays (61%)** are now strongly preferred over last-minute bookings and more active trips.

4/ Wealthy APAC travellers are also increasingly looking to **fly less often/stay longer (50%) and take holidays that last longer than a week (45%)**. In terms of deterrents, health and safety concerns (59%) lead the way, showing that for many travellers, COVID remains an ongoing preoccupation.

**5/** Despite domestic and regional trips being the most popular options for many wealthy travellers over the past year, there is a cohort that is already travelling further afield, with **trips to see family members being one of the main motivations**. However, ongoing concerns about COVID and sudden changes such as outbreaks mean that some will remain anxious about going too far. Health and safety (59%) remains the leading factor influencing both the last and next booking choices.

**6/** Beach holidays (48%) are the most popular planned holiday type over the next year. This is followed closely by c**ity breaks (43%), signalling a returning willingness to mix**. Extended family trips (38%) are still popular, while 61% say that health and wellness is also now a big factor when planning a trip.

**7/** Around half of wealthy APAC travellers **prefer luxury experiences over goods**, with a similar share **having bucket lists of places and experiences that they are trying to complete**. Overall, around half say they would prefer more free time rather than a little extra money, but this rises **to 86% in China**.

**8/** Close family, partners, and friends have the most influence over holiday bookings, while **two-thirds (65%) say that a travel agent will be influential over the next 12 months**.

**SECTION 1.**

# Recent and Future Travel Trends

KEY POINTS

1/ 82% of wealthy APAC individuals took at least one domestic holiday within the past year, while just over half went to other Asian countries.

2/ Overall, city breaks, beach holidays and extended family breaks were the most popular holiday types last year and are projected to remain so over the next 12 months.

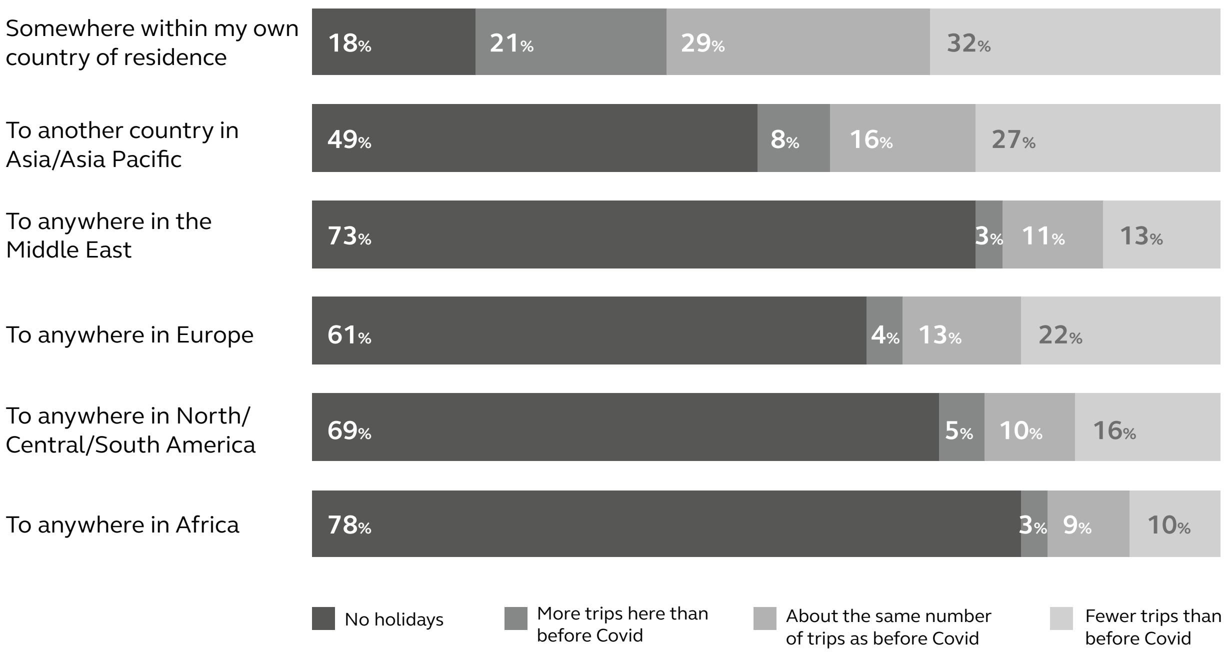
3/ Almost half (48%) plan to spend more on holidays than pre-Covid trips, while only 16% expect to cut back.

4/ Two in five are planning to travel more to make up for lost time and to take more extravagant holidays than before.

# Looking back: Travel has remained resilient in challenging circumstances

Thinking about your leisure holidays over the past 12 months, did you take more, fewer, or about the same number of holidays than pre-Covid to each of the following locations? Consider any holiday to be for more than three nights' duration.

*Fig. 1*



# Multigenerational and extended family trips continue to be a key growth area

By way of introduction and to provide some context, let us first look at travel over the past year. As expected, there has been a clear decrease in the overall number and in all types of holidays since summer 2021. Most individuals say that they travelled less than before Covid-19 as the impact of the pandemic saw many travellers eschewing long, or even medium, distance trips to stay closer to home. As expected, domestic tourism therefore became preferable for many last year.

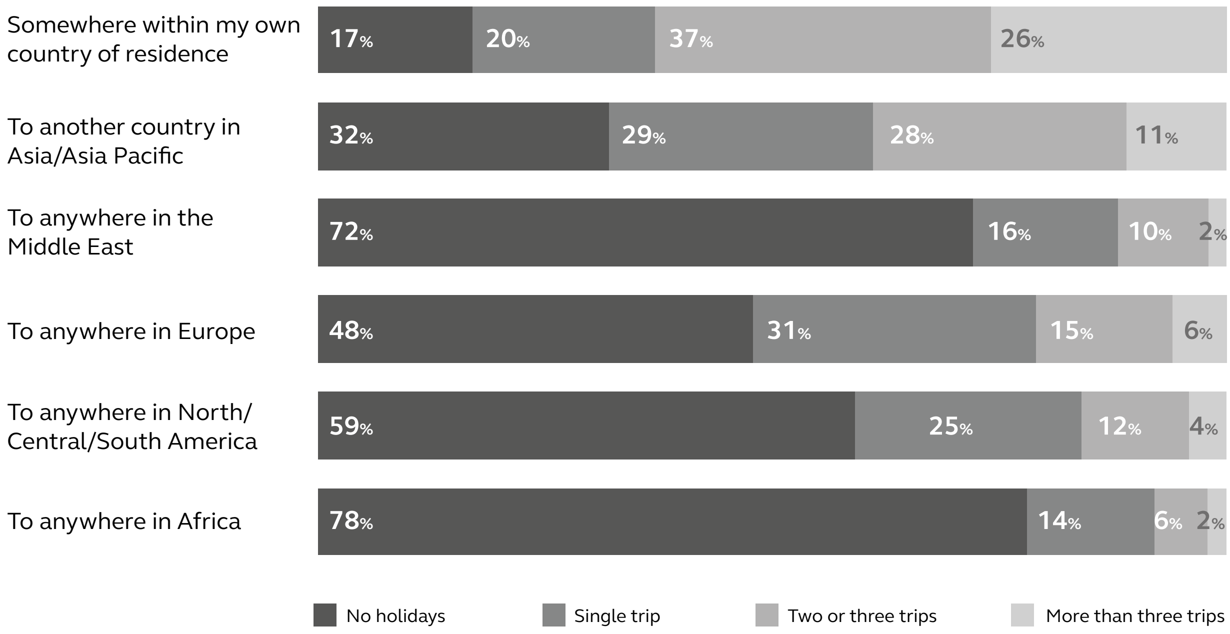
**Multigenerational and extended family trips have been projected to be a key growth area in recent years, and this is reflected in our data. Thirty-six percent took one of these trips last year, only marginally behind the most popular types: city breaks (41%) and beach holidays (38%).**

Rural/countryside trips were also taken by almost a third of wealthy APAC travellers, a likely reflection of the increased desire for seclusion and privacy since the pandemic. Most types of holidays were much more likely to be taken by under-45s than over-45s, reflecting the willingness of the former to resume travelling sooner than the older cohort.

# Looking forward: Domestic travel likely to remain popular

## How often do you plan to travel to the following regions over the next 12 months? Again, consider any holiday to be more than three nights in duration

*Fig. 2*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

Looking forward, **most affluent APAC travellers are still showing a preference for domestic or regional trips**, for reasons such as health, convenience in case of COVID outbreaks, but also to support their country's economy. Almost two-thirds (63%) expect to take two or more domestic trips over the next year. Regional trips will also remain popular and are expected to be taken by 68%, with 39% anticipating taking two or more of these.

**However, we are also seeing signs of the desire to travel further afield again**. More than half (52%) expect to visit somewhere in Europe over the next year, with Chinese, Hong Kongers and Singaporeans most likely to do so. The Americas, and the USA in particular, should also see a boost in in-bound tourism, with 41% of wealthy APAC travellers planning at least one visit, while only around a quarter plan to visit the Middle East or Africa.

# If you could only travel to one country anywhere in the world within the next year, where would you go and why?

[Mentions by country]

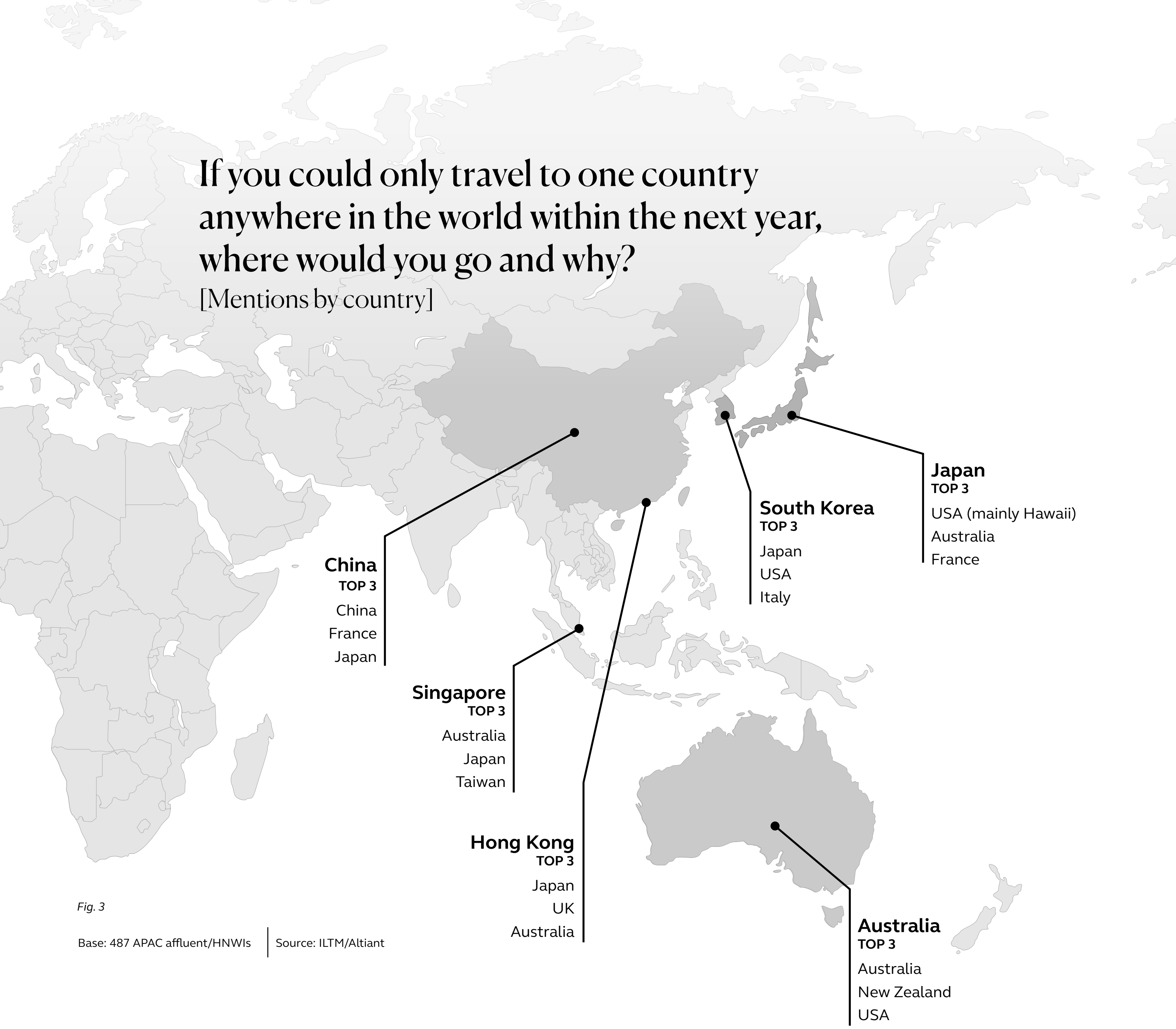



*Fig. 3*

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

Reflecting their relatively strict travel protocols, Australians and Chinese are most likely to continue to prefer domestic trips. Indeed, a quarter of Chinese say this, often making the assertion that they feel that their government is controlling Covid-19 better than elsewhere. Countries such as Australia and Japan remain particularly popular among wealthy APAC travellers, while Hawaii is also a desirable venue based on its accessibility from eastern Asia.

Visiting family and overseas properties, which may not have been possible over the past two years, are two prominent reasons given for overseas holiday plans.

# Which of the following types of holidays do you expect to take within the next year?

*Fig. 4*

| | Next year | Change |
|---|---|---|
| Beach holiday | 48% | 10 |
| City break | 43% | 2 |
| Extended family holiday (e.g., with grandparents) | 38% | 2 |
| Cultural trip | 31% | 8 |
| Rural/countryside | 31% | 1 |
| Travelling holiday (e.g., river cruise or coach/train trip) | 28% | 8 |
| Activity holiday (e.g., golf or cycling) | 26% | 7 |
| Mental wellness | 25% | 9 |
| Nature-based/low carbon travel (e.g., conservation) | 24% | 6 |
| Physical wellness | 23% | 3 |
| Workations (e.g., extending a business trip) | 20% | 1 |
| Solo travel | 19% | 1 |
| Boat cruise | 18% | 6 |
| Private transportation (e.g., private jets or yachts) | 13% | - |
| Virtual Tour (e.g., virtual visit to the Egyptian pyramids) | 12% | 1 |
| Educational trips | 10% | 4 |
| None of these | 6% | -7 |

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

**The assumption that travellers are eager to resume their trips in earnest is borne out here, as most types of holiday see an upturn in popularity for the year ahead**. Beach holidays (48%), city breaks (43%), and extended family breaks (38%) remain the most popular holiday types for planned trips. Some notable increases over the next year include affluent Chinese travellers' wish for mental wellness trips (+16 percentage points), Singaporeans' desire for cultural trips (+18 points) and the Japanese desire for more activity and beach holidays (+15 points). Once again, under-45s are considerably more likely than over-45s to take all of these types of holidays over the coming year.

China
↑16

Singapore
↑18

Japan
↑15

"Planning holidays in quieter times, to less busy places, with more open fresh air such as beaches or rural."

**45-54 year old Japanese female**

# Almost half expect to spend more on travel than they did before COVID

## Over the next 12 months, do you plan to spend more on holidays than on pre-Covid trips?

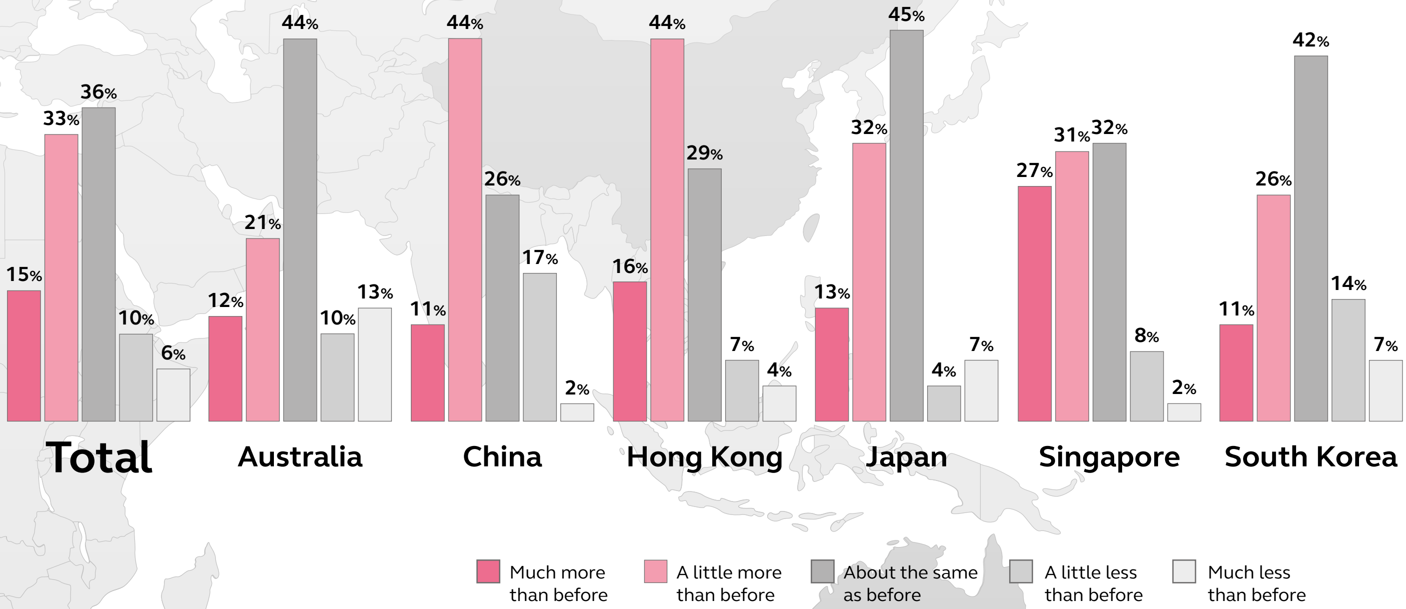



*Fig. 5*

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

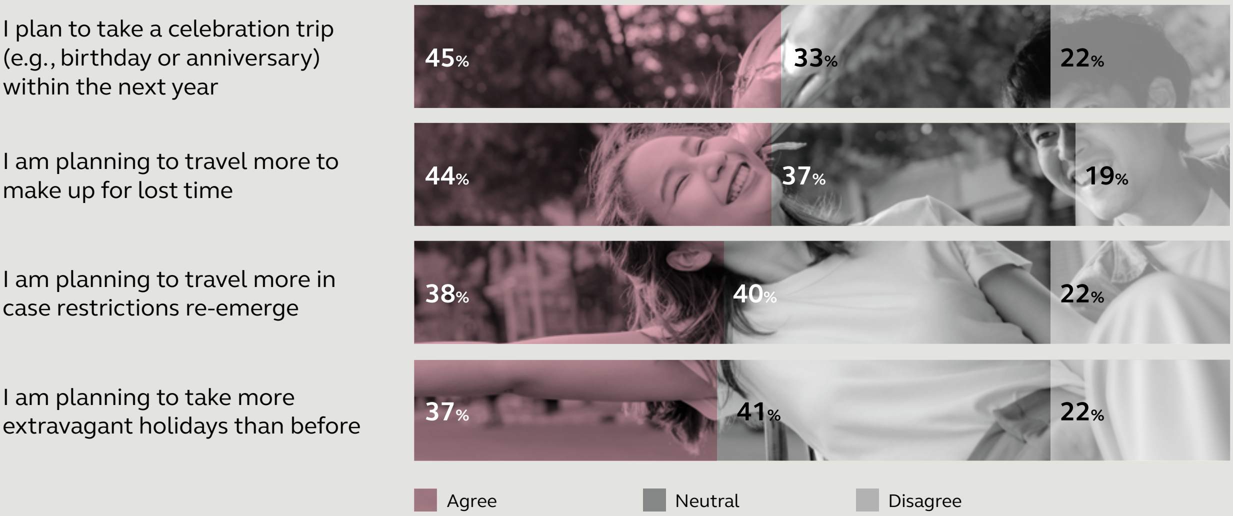
**Encouragingly for the travel industry, there is a clear positive sentiment to spend more on holidays in the year ahead, with 48% expecting to increase their spending versus pre-Covid trips**. Singaporeans plan to increase their spending the most, with 27% saying they will spend much more than before, and another 31% a little more. Under-45s are also more likely than over-45s to be planning an increase in spending (58% vs 38%, respectively). Overall, 36% expect to spend about the same and only 16% anticipate cutting back on spending.

**More than half of affluent Chinese travellers expect to spend more in the year ahead, and they are also notably more likely than average to be planning celebratory trips such as milestone birthdays (70% vs 45% overall), more extravagant trips (59% vs 37%) and more travel in general to make up for lost time (56% vs 44%).**

This perhaps reflects the sporadic lockdowns that have been imposed specifically in China over the past two years. Under-45s are also significantly more likely than over-45s to be planning to take more trips in general over the coming 12 months.

## Do you agree or disagree with the following statements?

*Fig. 6*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

**SECTION 2.**

# Push and Pull Factors

KEY POINTS

1/ Holidays booked in advance (62%), and relaxing/slow holidays (61%) are now strongly preferred over last-minute bookings and active holidays.

2/ Wealthy APAC travellers are also much more likely to want to fly less often and stay somewhere for longer (50%), and to take holidays which last longer than a week (45%).

3/ Health and safety/hygiene of the location is the most influential factor over holiday bookings, with 57% prioritising it.

4/ Health and safety concerns (59%) are also the most likely deterrent to visiting a location or travelling there more.

# Health and safety/hygiene lead the way in importance for holiday bookings

## Thinking about your last and next holiday bookings, which of the following factors were most important to you?

*Fig. 7*

| | Last booking | Next booking |
|---|---|---|
| Health and safety/hygiene of the location (e.g., country/city) | 57% | 57% |
| Retail and food/drink (e.g., shopping, restaurants or wine tasting) | 41% | 41% |
| Price | 35% | 34% |
| Sustainability and environmental protection of the accommodation | 31% | 31% |
| Seclusion and privacy | 31% | 31% |
| Culture/arts/history (e.g., theatre) | 29% | 28% |
| Physical wellness (e.g., fitness classes, health or beauty treatments) | 21% | 24% |
| Customised itineraries | 23% | 24% |
| Geo-political situation of the country/region | 23% | 23% |
| The people | 20% | 21% |
| Therapy retreats/services specially directed at mental health | 19% | 19% |
| Philanthropic travel (e.g., giving back to communities) | 11% | 13% |
| Nightlife/entertainment | 14% | 12% |
| Sporting and music events | 10% | 11% |
| Other | 2% | 1% |
| None of these | 3% | 2% |

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

Priorities for travellers' more recent holiday bookings are likely to be a good barometer for what will remain important when planning their next trip. **The impact of the pandemic on recent travel habits is immediately evident as the health and safety/hygiene of the location led the way for influential factors over the last holiday booking**. Overall, 57% listed this as an important consideration, and while it resonated highly in all six countries, it rose highest among South Koreans (65%). This is evidently one reason for the aforementioned popularity of domestic tourism, with many affluent travellers preferring to remain within their own country while there is still an element of uncertainty.

Overall, retail and food/drink is the second most important factor (41%), with Singaporeans particularly likely to factor this into their holiday planning (61%). Price follows close behind (35%), but this figure is quite heavily skewed by the price-sensitivity of Australian travellers (71%), while only 4% of affluent Chinese travellers list this as important in their decision-making process.

There has been a significant amount of discussion about travel 'building back better' after COVID to acknowledge the ongoing climate crisis. This is now resonating with many wealthy travellers as 31% say that sustainability/environmental protection is important in their holiday choice, rising to 66% of Chinese. Women and under-45s are also comfortably more likely than men and over-45s to factor in sustainability into their plans. Other country results which show a significant deviation from the average are:

**41%**
of Chinese value culture/arts/history in their holidays, vs. 29% overall

**37%**
of South Koreans identify mental health therapy/services as important, vs. 16% overall

**35%**
of Singaporeans identify physical wellness as important, vs. 17% overall

**35%**
of Australians value the people when booking holidays, vs. 23% overall

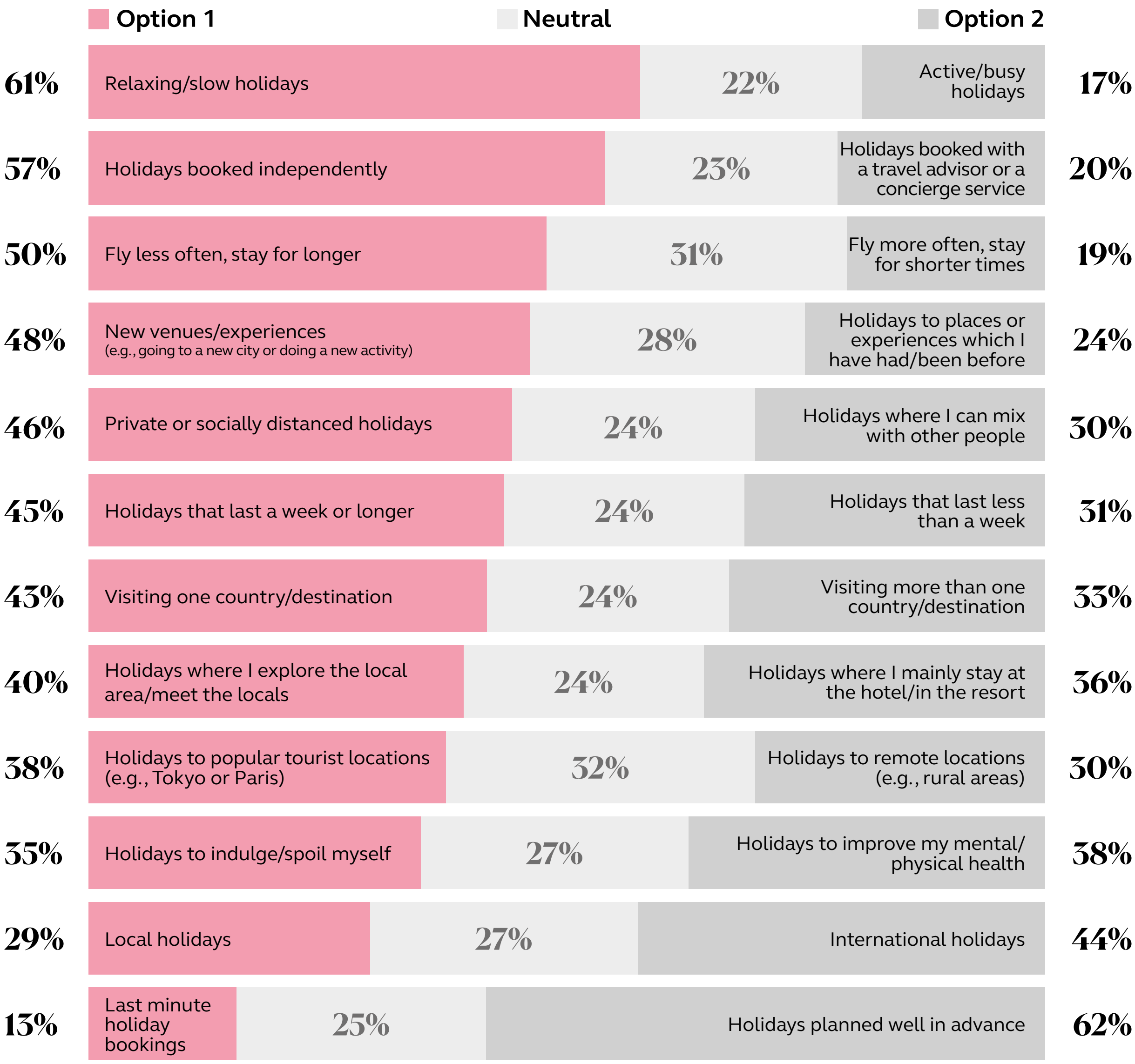
**13%**
of Japanese prioritise seclusion/privacy, vs. 32% overall

# Building back better after COVID is now resonating with many wealthy travellers

# Slower holidays planned in advance are of most interest to wealthy APAC travellers

## For each of the following, please select which is most relevant to your holiday plans over the next year.

*Fig. 8*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Almost two thirds prefer to plan their holidays well in advance, a direct result of the additional complexities of travelling post-Covid.

Spontaneity now appears to have fallen by the wayside when it comes to holiday planning. **Almost two thirds prefer to plan their holidays well in advance, a direct result of the additional complexities of travelling post-Covid.** Only 13% prefer to book at the last minute, showing that travel operators should be incentivising travel options with their clients well in advance.

**The other least divisive factor is a clear preference for taking relaxing/ slower holidays rather than more active ones (61% vs 17%)**. Much has been written about the mental and physical toll of the pandemic, leading to people wanting to unwind and destress after the past two years. This is certainly reflected in our data and is likely to drive further growth in the wellness sector.

Another trend which has accelerated since the pandemic has been the desire for longer holidays rather than whistle-stop, superficial breaks: 50% prefer the former vs only 19% for the latter. Almost half also prefer holidays to new venues/experiences (48%), trips which last a week or longer (45%), are single-destination (43%) and which enable exploration of the local area (40%). All of these results point towards more sedate and fulfilling holiday experiences, with travellers looking to unwind and really get under the skin of places and communities.

There are also clear signs of pre-Covid trends returning. **While 44% still prefer private or socially distanced holidays, 30% say that they would now favour trips where they can mix with other people and 38% are looking to visit popular tourist attractions.**

**These findings point towards a rising confidence in which some want to return to a more social way of travelling**. Similarly, 44% now prefer international holidays (vs 29% who prefer local ones) as they look to return to behaviours which were less feasible over the past two years.

Many wealthy travellers are also willing to pay a little extra for features which they perceive as added value. **Personalised itineraries, sustainable holidays and workations can all encourage a price premium of around 20-25% when looking at the median results**. Fewer than 10% are unwilling to spend any extra on these services and instead, an additional 10-20% price point is acceptable to many.

# Health and safety concerns remain a notable factor in bookings

## Which of the following would stop you from visiting a location or from travelling there more?

*Fig. 9*

| | **Total** |
|---|---|
| Health and safety concerns (e.g., relating to COVID) | 59% |
| Personal safety/security concerns (e.g., fear of discrimination) | 45% |
| Uncertainty about local politics/customs (e.g., alcohol consumption) | 37% |
| Transport infrastructure/difficulty getting around | 32% |
| Potential delays/cancellations of flights | 30% |
| Cost | 28% |
| The climate/temperature | 25% |
| Poor sustainability credentials (e.g., overtourism or damage to the environment) | 20% |
| The cuisine | 17% |
| Language barriers | 16% |
| Cultural differences from what I'm used to | 13% |
| Distance from home/time zone difference | 12% |
| Other | 1% |
| None of these | 4% |

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Health and safety concerns surrounding Covid-19 continue to shape travellers' plans

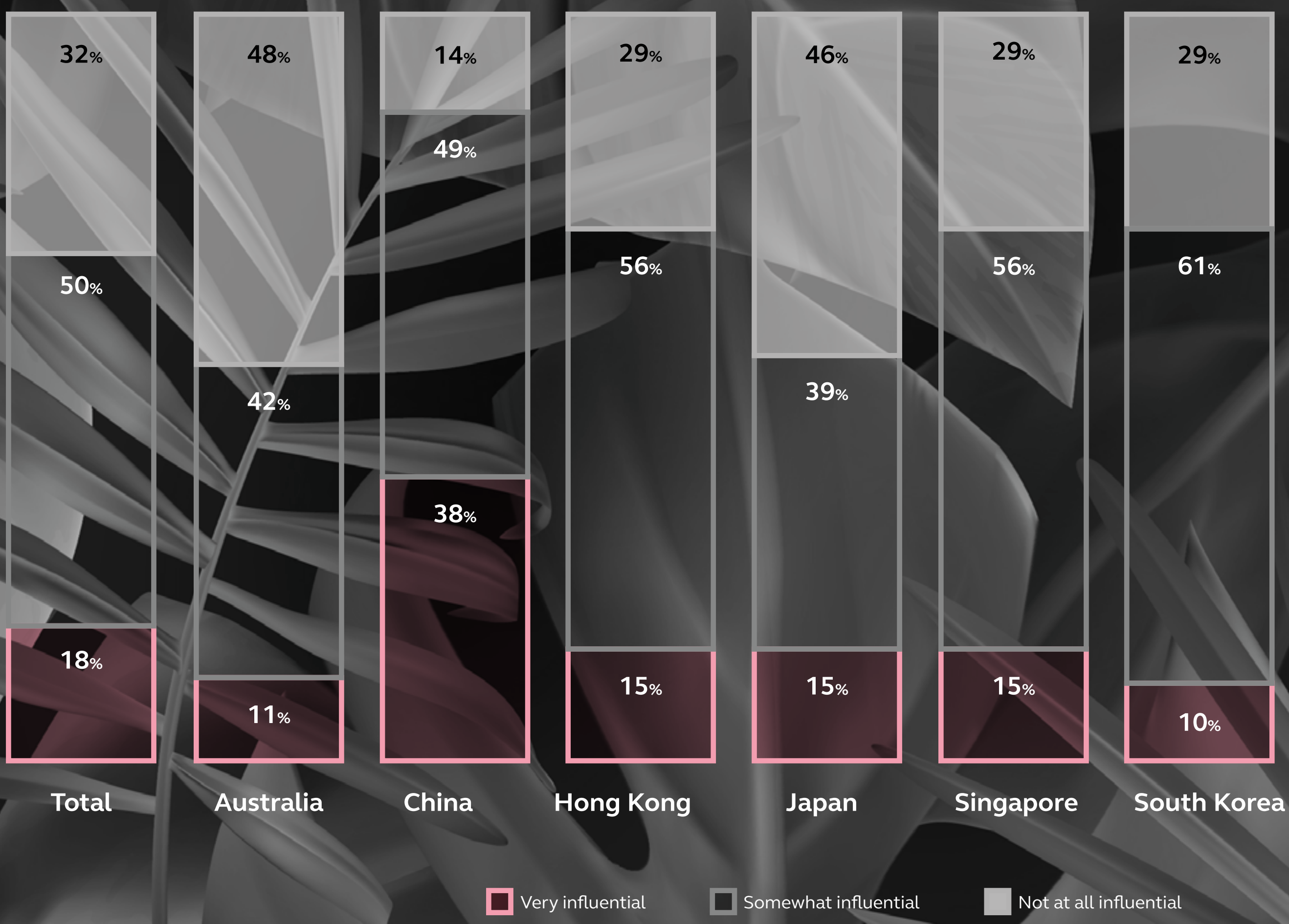
Many wealthy travellers say that they are now checking factors such as vaccination and infection rates in different countries before choosing whether to travel there. **This is the leading deterrent overall, cited by 59%, and rising to two thirds of over-45s, Japanese, and South Koreans**.

In a related vein, 37% say that uncertainty about local politics/customs, such as COVID restrictions, would be a deterrent. Potential flight delays/cancellations are another factor which has recently grown (30%), especially for flyers who use European airlines where staff shortages and delays have hampered services. Sustainability is also becoming a more important consideration, with the climate crisis gaining even more over the summer of 2022. One in five say they would be deterred from visiting somewhere by poor sustainability credentials, rising to 26% of women.

A watch out: There is a need to reassure travellers about safety and security. Some 45% of affluent APAC individuals say that concerns about their personal safety and security are an important consideration when deciding where to visit.

## Some travel companies are now including sustainability indicators to display environmental factors such as how much carbon is emitted on a flight or holiday. To what extent would these influence your booking decision if you saw them?

*Fig. 10*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Almost half agree that they are planning to take more sustainable/eco-friendly holidays in the future

With the climate crisis becoming increasingly urgent, the onus is on the tourism industry to promote green travel as much as possible. **Consumer concern is clearly moving in a more environmentally-friendly direction: almost half agree that they are planning to take more sustainable/eco-friendly holidays in the future** (see Section 3). Some companies and booking platforms are looking to tap into this mentality by including information about the environmental impact of their trip.

**More than two-thirds (68%) of wealthy APAC travellers say this would influence their booking decision to some extent**, although only 18% say that it would be very influential. As seen elsewhere in this report, the Chinese are the most likely to consider sustainable indicators such as these (87%), along with under-45s (80%). On the other hand, only half of Japanese and Australian travellers say that this would have an impact. That said, showing this information is unlikely to actively deter travellers and is liable to be ignored at worst. As such, clearly including this information to tap into the greater awareness of green tourism could be a helpful tool for many.

**SECTION 3.**

# Attitudes Towards Luxury Travel

KEY POINTS

1/ 86% of affluent Chinese individuals prefer more free time over money, versus around 50% across the whole sample.

2/ Around half of wealthy APAC travellers prefer luxury experiences over goods, as well as having bucket lists of places and experiences that they are trying to complete.

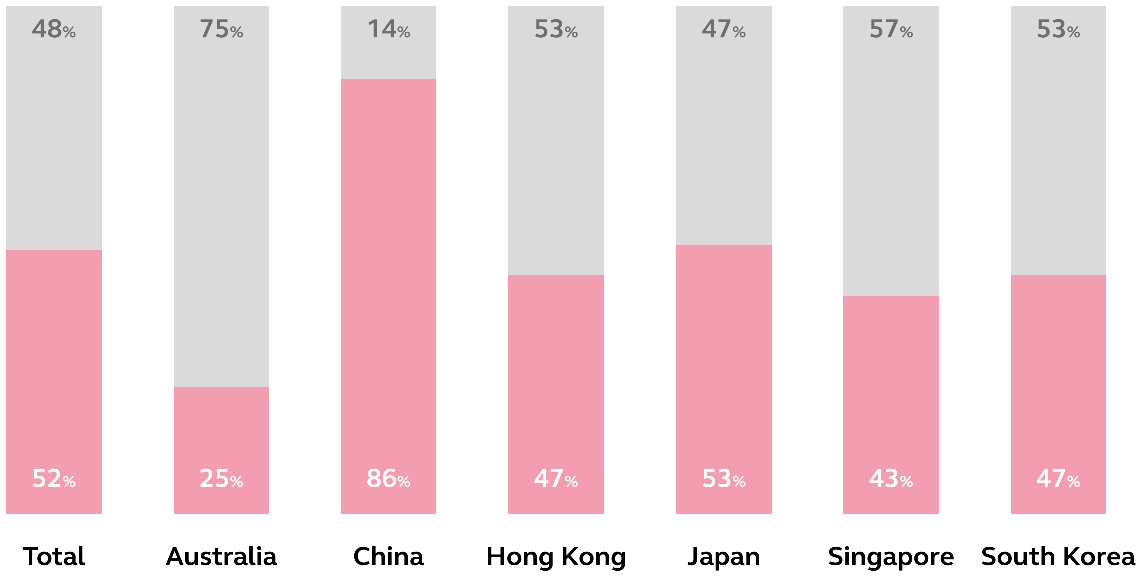
3/ 61% say that health and wellness is now a big factor when planning a trip, rising to 79% in China.

4/ Close family, partners, and friends are the most influential people over holiday bookings, while two thirds (65%) say that a travel agent will be influential over the next 12 months.

# Chinese travellers are most likely to prefer extra time over money

## Would you prefer to have RMB 4,000 more per week [or equivalent] or 5 hours of free 'me time' each week to pursue your interests/hobbies?

*Fig. 11*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

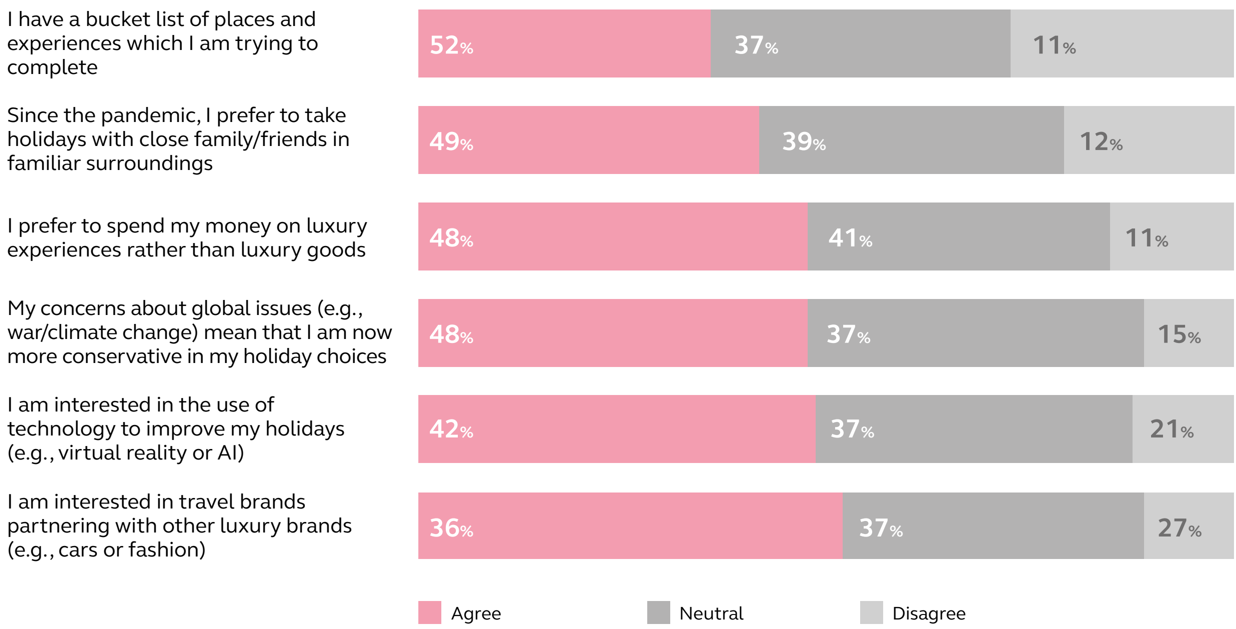
The outbreak of the pandemic has led to many people reappraising what is important to them in life. This is also true for the wealthy, who often sacrifice their free time for their careers. As the immediate threats of Covid-19 recede, travel is ideally placed to capitalise on those wealthy individuals who are now looking to make better use of their free time.

Overall, there is a broadly equal split between those preferring the extra time (52%) and the money (48%). While four of the six countries reflect this pattern, Australia and China show significant variance, with the affluent Chinese most likely to prefer the extra time (86%), whereas Australians were much more likely to prefer the money (75%).

# Bucket lists and holidays with family/friends remain popular

## Do you agree or disagree with the following statements?

*Fig. 12*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Greater focus on experiences rather than material goods

**The COVID pandemic has shifted consumer behaviour in a variety of ways, one of which has been a greater focus on experiences rather than material goods. Almost half (48%) now say that they prefer to spend their money on luxury experiences such as travel rather than goods**, with a broadly equal response across the six countries.

Another shift has been the preference for taking holidays with close family/friends in order to maintain a degree of distance from strangers and mitigate COVID risks, particularly if travelling with the elderly or vulnerable. While half (49%) still do so, the fact that 51% are neutral or disagree with this statement perhaps shows a gradually returning confidence to mix with people.

With travel returning towards normality, around half (52%) are also trying to complete bucket lists of places and experiences, rising to 63% in China. However, these wishes might clash with ongoing global concerns such as the climate crisis or international conflicts, something that is making almost half more conservative in their holiday choices. The use of technology is something which more travel brands might be able to use in the coming years, both in advance and during a holiday. Two in five (42%) are interested in this, with affluent Chinese travellers particularly receptive (70%).

"We are not getting any younger and we have to tick off more from our bucket list of destinations and experiences."
**55-64 year old Australian female**

# Health and wellness and sustainability will remain key travel trends

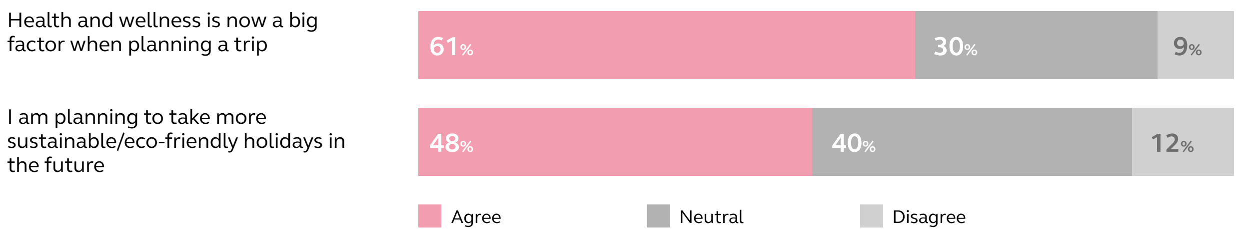
## Do you agree or disagree with the following statements?

Health and wellness travel was already thriving prior to the pandemic and was valued at $4.9 trillion by the Global Wellness Institute. While its value dropped back to $4.4 trillion in 2020 due to Covid-19, traveller interest in this sector has remained robust. **The stresses of the pandemic, coupled with the increased focus on needing to live a healthy lifestyle, should drive the industry back into strong growth. Three in five affluent APAC travellers now say that health and wellness is a big factor when planning a trip, rising to 79% in China.**

Chinese travellers are also strongly guided by sustainability and environmental protection. 81% are planning to take more sustainable/ eco-friendly holidays in the future, a figure which sits between 30-50% in the other five countries. Younger age cohorts continue to exhibit a greater consideration for their environmental footprint, with under-45s (58%) particularly likely to take more eco-friendly holidays in the future.

For hotels, minimising water usage and eliminating single-use plastics are now the very least many travellers expect. Instead, strategies such as using renewable energy, growing food on-site and partnering with local conservation organisations will be enthusiastically received.

*Fig. 13*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Two thirds say that a travel agent will be influential when booking holidays

## How influential would the following be when booking a holiday over the next 12 months.

*Fig. 14*

| | Very influential | Somewhat influential | Not influential at all | Not applicable |
|---|---|---|---|---|
| Partner (e.g., spouse) | 57% | 24% | 12% | 7% |
| Family members | 47% | 40% | 11% | 2% |
| Friends | 36% | 42% | 18% | 4% |
| Travel blogs/vlogs | 24% | 48% | 23% | 5% |
| Travel agents/concierge services | 23% | 42% | 29% | 6% |
| Advertisements on social media (e.g., Instagram) | 22% | 41% | 33% | 4% |
| Online advertisements/articles (e.g., on YouTube or in online newspapers) | 21% | 45% | 29% | 5% |
| Work colleagues | 19% | 38% | 35% | 8% |
| Social media influencers | 15% | 39% | 40% | 6% |
| Doctor/medical staff/therapist | 14% | 32% | 46% | 8% |
| Print advertisements/articles (e.g., on T.V. or in newspapers) | 14% | 50% | 31% | 5% |

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

# Travel agents remain important for postpandemic travel

Perhaps as expected, close family, partners and friends are the most influential people over holiday bookings. Four in five (81%) wealthy APAC travellers list these as important, with partners having the most influence overall as 57% say they are 'very influential', rising to 65% of Singaporeans and 60% in Hong Kong.

**It is clear how important travel agents remain for postpandemic travel: 65% say they are either very or somewhat influential, slightly behind the share for travel blogs/vlogs (72%), and rising to 79% among affluent Chinese travellers**. The popularity of blogs/vlogs underlines travellers' growing desire for authenticity and expertise, and represents a potential avenue for agents to utilise further.

While two-thirds list print and digital advertising as influential, with a similar story for advertisements on social media. Doctors/medical staff, work colleagues and social media influencers are the groups who are least likely to be influential over holiday bookings. Only a quarter of affluent Japanese and Australian travellers say that social media influencers have any sway over their decision, indicating that this strategy may be less effective in these countries.

**SECTION 4.**

# Travel Agents and Advisors

KEY POINTS

1/ 92% of wealthy APAC travellers plan to use travel agents for at least some of their holiday bookings over the next year, with 86% planning to use them the same or more than they did since the start of the pandemic.

2/ Finding the best special offers (43%) is the leading reason why wealthy APAC travellers plan to use travel agents, followed closely by their knowledge/ specialisms (41%).

3/ Personalised itineraries, sustainable holidays and workations can all encourage a price premium of around 20-25%.

# The majority use travel agents for a combination of reasons

## For each of the three time periods below, how often do you use travel agents, concierge services and tour operators.
[Share of those who use agents for 50% or more of bookings]


*Fig. 15*

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

As seen in the previous section, travel agents are influential for many wealthy APAC travellers. The assumption that the increasing bureaucracy and complexity of travel since the pandemic should benefit agents does indeed come through in our data. Around 90% say they used agents when booking at least some of their holiday trips before Covid-19 and **nine in ten expect to use them for projected trips over the next year. Indeed, just over half of these travellers say that they plan to use agents for more than half of their holiday bookings**. Their popularity is broadly at this level across all six countries but rises to 66% of wealthy South Koreans.

## You stated that you have used a travel advisor since the start of 2020. Which of the following do you use travel advisors for when booking holidays.

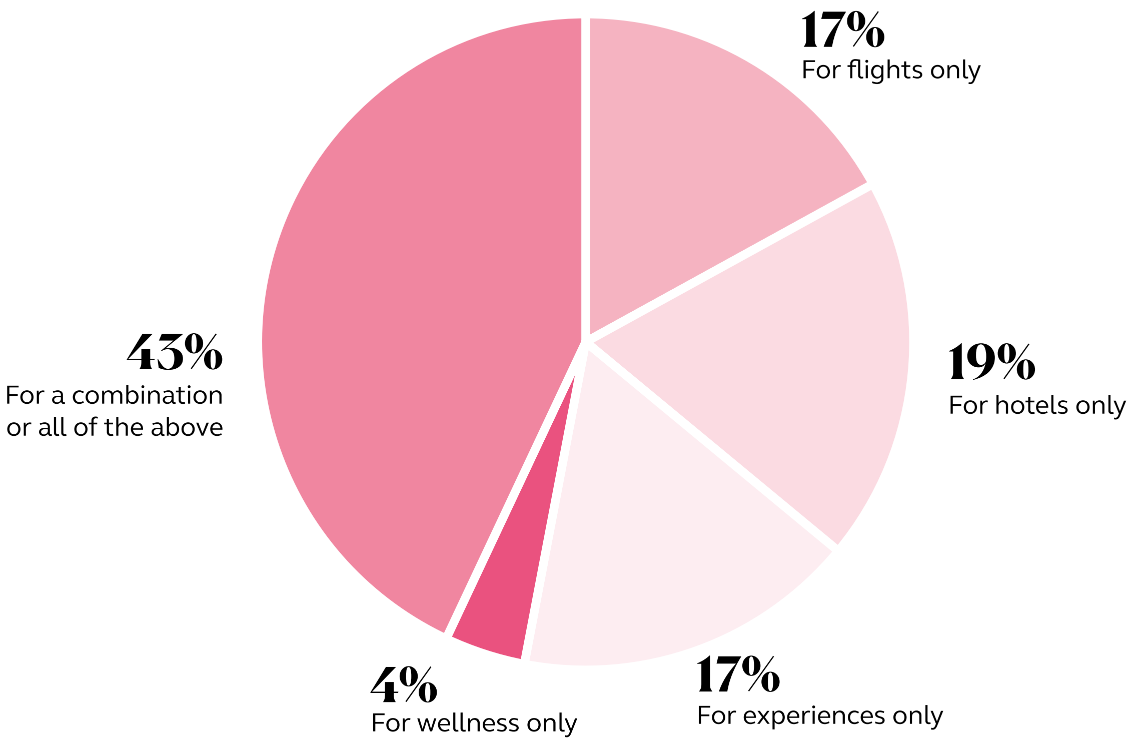



*Fig. 16*

Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

Relatively few affluent travellers who use agents do so only to help book flights or hotels. Instead, they are more likely to be used for a combination of services (43%), with 57% of Chinese travellers doing so. **Encouragingly for travel agents, 86% of wealthy travellers plan to use them the same or more than they have since the start of the pandemic**. The new complexities and bureaucracy of travel mean that many are looking for assistance and expertise in planning stress-free holidays

# Special offers and agents' specialism is most important to affluent travellers

## Why do you plan to use travel advisors the same, or more, than you have since the start of the pandemic?

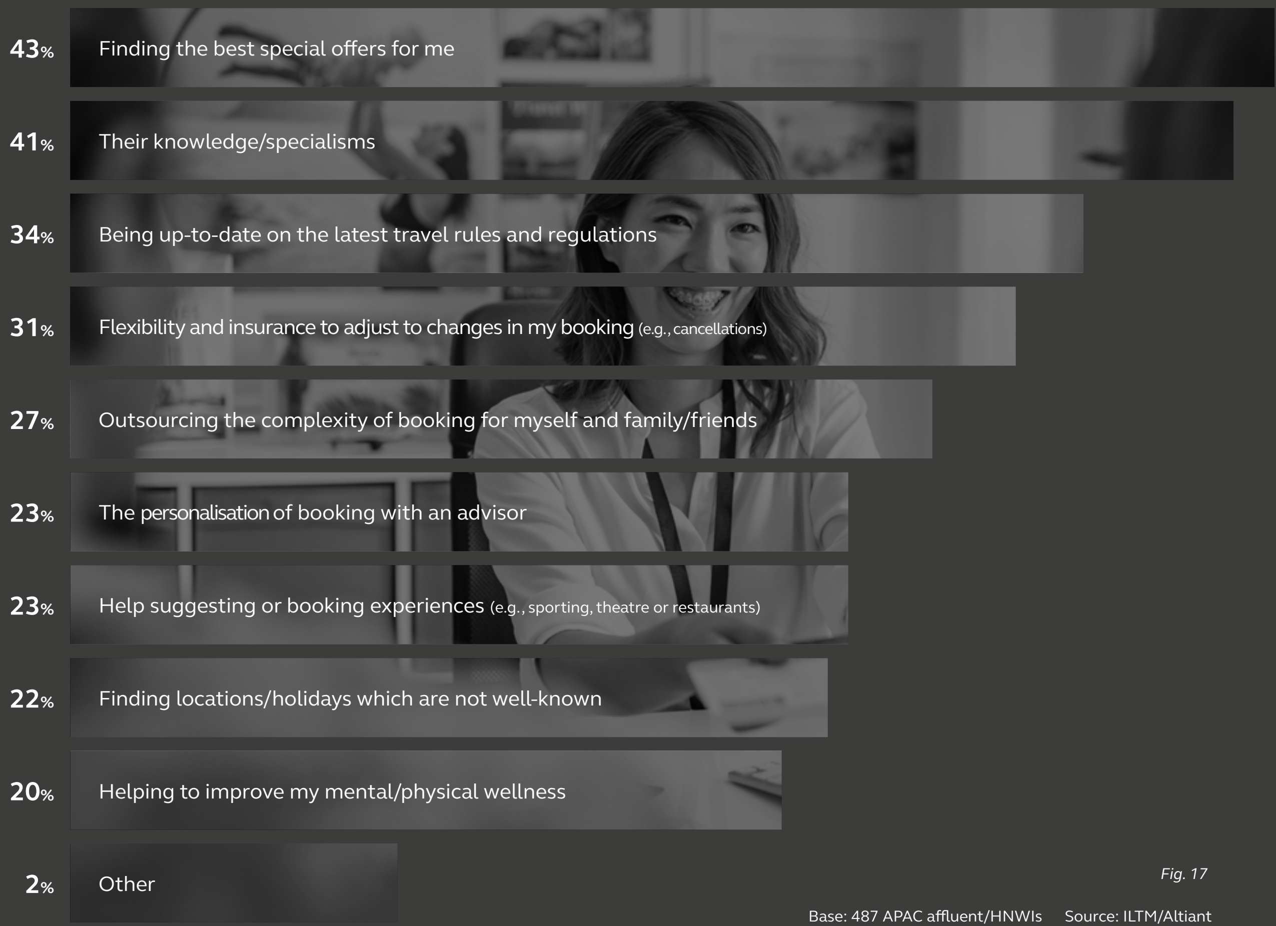



*Fig. 17*

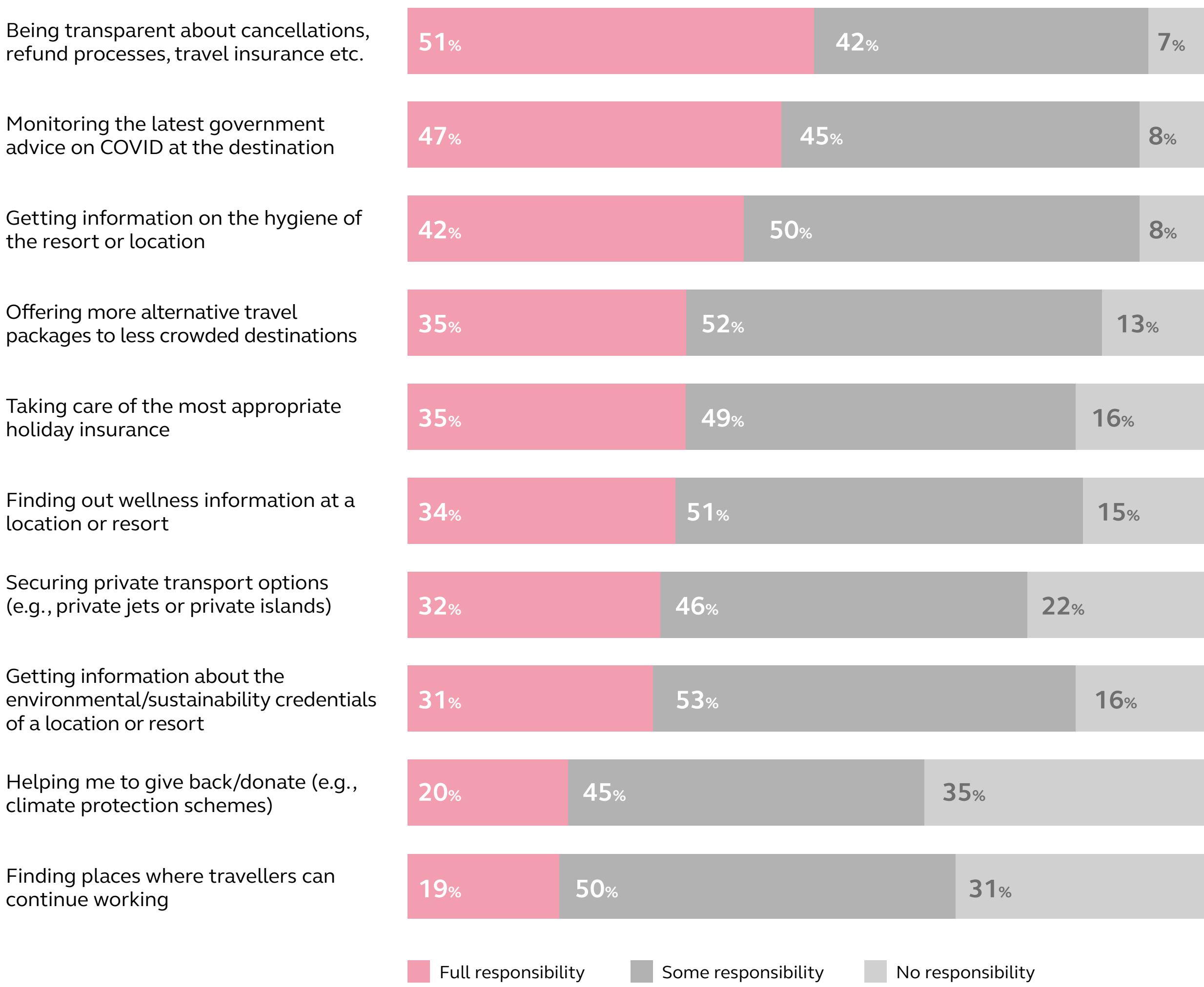
Base: 487 APAC affluent/HNWIs    Source: ILTM/Altiant

Finding the best special offers (43%) is the leading reason why wealthy APAC travellers use agents, followed closely by their knowledge/specialisms (41%). As experts in their field, agents are likely to remain much more useful than the likes of social media influencers when it comes to planning trips. Being up-to-date on the latest travel rules and regulations (34%), and flexibility to adjust to booking changes (31%), are two other reasons which have become considerably more pertinent since the start of the pandemic. Meanwhile, a quarter (27%) simply want to use agents to manage the increasingly complex nature of holiday bookings.

# New expectations for travel agents to meet

## Please indicate how much responsibility you would expect a travel advisor to take on each of the following areas for holiday bookings over the next year

*Fig. 18*




Base: 487 APAC affluent/HNWIs | Source: ILTM/Altiant

It is encouraging that travel agents occupy such a pivotal role in many wealthy APAC travellers' holiday decisions.

However, factors such as transparency around cancellations, monitoring COVID statuses and getting hygiene information are new responsibilities which most affluent travellers now expect to at least be partially taken care of for them. More than four in five are also looking for their agents to provide alternative travel ideas and resort information such as wellness facilities.

Expectations are now higher than ever, and travel agents are having to embrace a wide range of new responsibilities.

# Conclusions

The impact of the pandemic has caused behavioural changes that will shape holiday bookings for some time to come, ranging from concerns relating to health and safety to a renewed sense of appreciation of the value of travel.

**1/** APAC travellers are highly motivated to begin enjoying their lives again. They are looking to make up for lost time and see the world again .

**2/** There is a growing preference for planning holidays well in advance, something which ideally suits the expertise of travel agents.

**3/** The majority of APAC travellers plan to use travel agents when booking their trips over the next year .

**4/** Travel agents' expertise in navigating new stresses and bureaucracy when planning holidays is highly valued .

**5/** There is a widespread desire to spend more on unique and memorable trips

**6/** Trends that were already growing over the past year are accelerating as people look to "travel better".

**7/** There is a clear movement towards slower holidays: flying less but staying in places for longer to truly immerse in the destination and culture.

**8/** Multigenerational holidays will be a key growth area in coming years.

**9/** Wellness continues to attract a lot of interest as people look to de-stress and recuperate.

**10/** Sustainable and eco-friendly travel are also key considerations for many when planning travel.

# Buzz vs. Reality

## Edition 1 - APAC: Decoding the Luxury Travel Consumer's Mindset

**September 2022**

## Methodology and Sample

This unique piece of research focuses solely on affluent and HNW individuals' views on luxury travel. In July 2022, Altiant gathered quantifiable data (n=487) from their global community of affluent and high net worth individuals (HNWIs) in six APAC markets: Australia, China, Hong Kong, Japan, Singapore and South Korea. The survey was conducted online, using sampling methods and generating statistically significant insights based on gender, age groups and wealth levels. Participating members were exclusively extracted from the top 5% of their country's income earners or wealth holders, and each of them has been manually validated. 43% of the sample were USD millionaires ($1m in investable assets), the median investable assets of the total sample equating was just under RMB 5 million ($725,000).

## About Altiant

Altiant is a fieldwork entity specialised in quantitative market research and operating exclusively in luxury and wealth management industries. Through its private global online community of affluent and high net worth individuals (HNWIs) LuxuryOpinions®, Altiant empowers researchers, insights experts and marketing teams to make more informed insight driven decisions. Through a deep online quantitative research expertise, sophisticated tools and highly validated proprietary panel, they turn marketing and commercial questions into actionable insights - quickly and accurately. Altiant conducts affluent/HNWI research in over 15 countries. Their consultative approach helps find the optimal balance between the research objectives and what is possible within this hard-to-reach demographic. Altiant is relied on by dozens of the world's leading wealth and luxury companies as well as the best-in-class research agencies.

## About The Ritz-Carlton, Millenia Singapore

Centrally located overlooking Marina Bay, The Ritz-Carlton, Millenia Singapore features 608 luxury accommodations, a 4,200-piece art collection and a Club Lounge with sweeping views of Singapore. Indulgence is found in Cantonese cuisine at Michelin-starred Summer Pavilion, Asian delicacies at Colony, the award-winning Republic bar and treatments at The Ritz-Carlton Spa, a La Mer partner spa.

## About ILTM

ILTM is a global collection of invitation-only events that bring together leading international buyers to meet and discover the most luxurious travel experiences. Each event introduces an unrivalled selection of luxury travel brands to ILTM's extensive network of hand-picked luxury travel advisors through bespoke appointment programmes and networking sessions. Alongside global flagship events in Cannes and Asia Pacific, ILTM has three core local events; ILTM Arabia, ILTM Latin America and ILTM North America, as well as one specialist event, ILTM Africa.

## Contact Altiant

Our consultative approach and unique access to validated affluent panels help organisations to find the optimal balance between the research objectives and what is possible within this hard-to-reach demographic. We have a great wealth of experience in various aspects of luxury travel and luxury hospitality. Reach out to us at contact@altiant.com