

LUXURY TRAVEL MARKET USA

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Heli Mende

GLOBAL LUXURY TRAVEL MARKET

The value in 2021 was 1,2 trillion USD

Expected to grow at a CAGR of 7.6% during 2022-2030

Reaches the value of 2,3 trillion USD in 2030

“Key factors that are driving the luxury travel market growth include the increasing spending by elite travelers to visit unexplored destinations and gain new experiences, and the growing trend of micro trips.”



Visit Finland

Source: Grandview Research

LUXURY TRAVEL

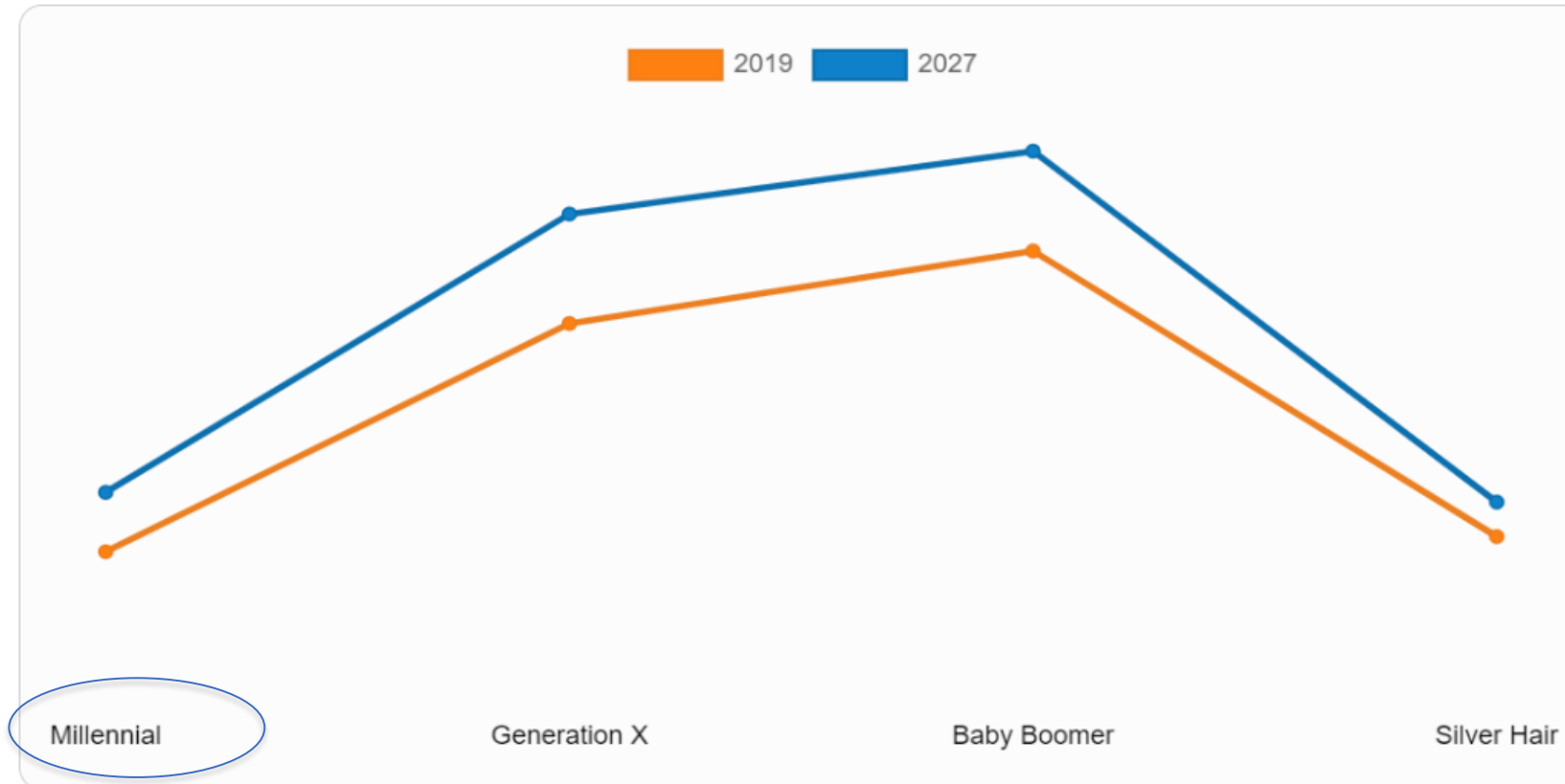
“Luxury travel today is defined less by thread count and Michelin stars and more by access to the people, places and experiences that represent all that is authentic about a destination.

There’s no denying that comfort factors still apply and **high standards of accommodation and dining will always feature on the luxury traveller’s wish list. However, today’s luxury traveller seeks more depth of understanding and immersion into local culture than ever before. People don’t just want to see – they want to participate.**

The sales process is also critical and whilst the online proposition can be an asset in terms of booking more simple arrangements, **clients looking for luxury experiential travel require a deep level of sophisticated knowledge and confidence during the sales process.”**

GLOBAL LUXURY TRAVEL MARKET

By Age Group



70% of US Millennial travelers are looking to spend big on leisure travel in 2022. They are planning to spend more, or the same, in 2022 than pre-COVID-19, putting them ahead of other affluent generations such as Gen X-ers (67%) and Baby Boomers (61%).

Source: Avail, Survey of the American Generations

Millennial segment is expected to grow at a highest CAGR of 11.9% during the forecast period.

ket Research

GLOBAL LUXURY TRAVEL MARKET

Luxury Travel Market

By Types of Traveler



MANY LUXURY TRAVELERS ARE RESPONSIBLE TRAVELERS

40%

of the global affluent say that they will prioritise travelling responsibly in the future

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Base: 422 global affluent/HNWIs | Source: LuxuryOpinions® /Altiant

LUXURY TRAVEL MARKET USA

The value of US luxury travel in 2021 was 321 billion USD

Expected to grow at a CAGR of 7.8% during 2022-2030

Source: Grandview Research

“The rich are just getting richer in the US”

David Kolner, Virtuoso

AFFLUENT AMERICANS APPRECIATE PRIVACY IN POST PANDEMIC TRAVEL

Private jet use rises despite environmental concerns



36%

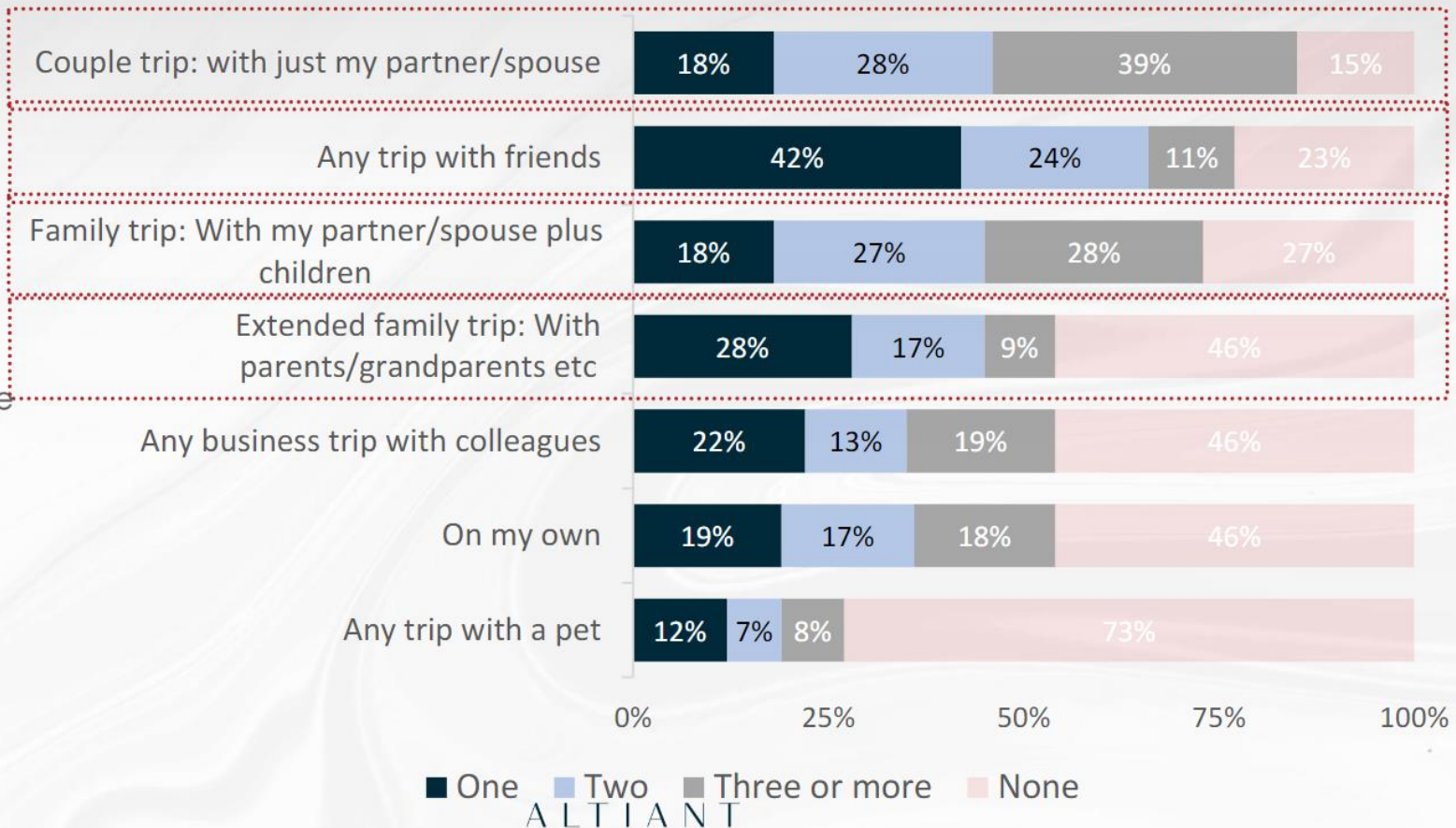
of wealthy
Americans use
private transport
such as jets

MOST OF THE LUXURY TRIPS WITH SPOUSES

85% plan to take a couples trip next year

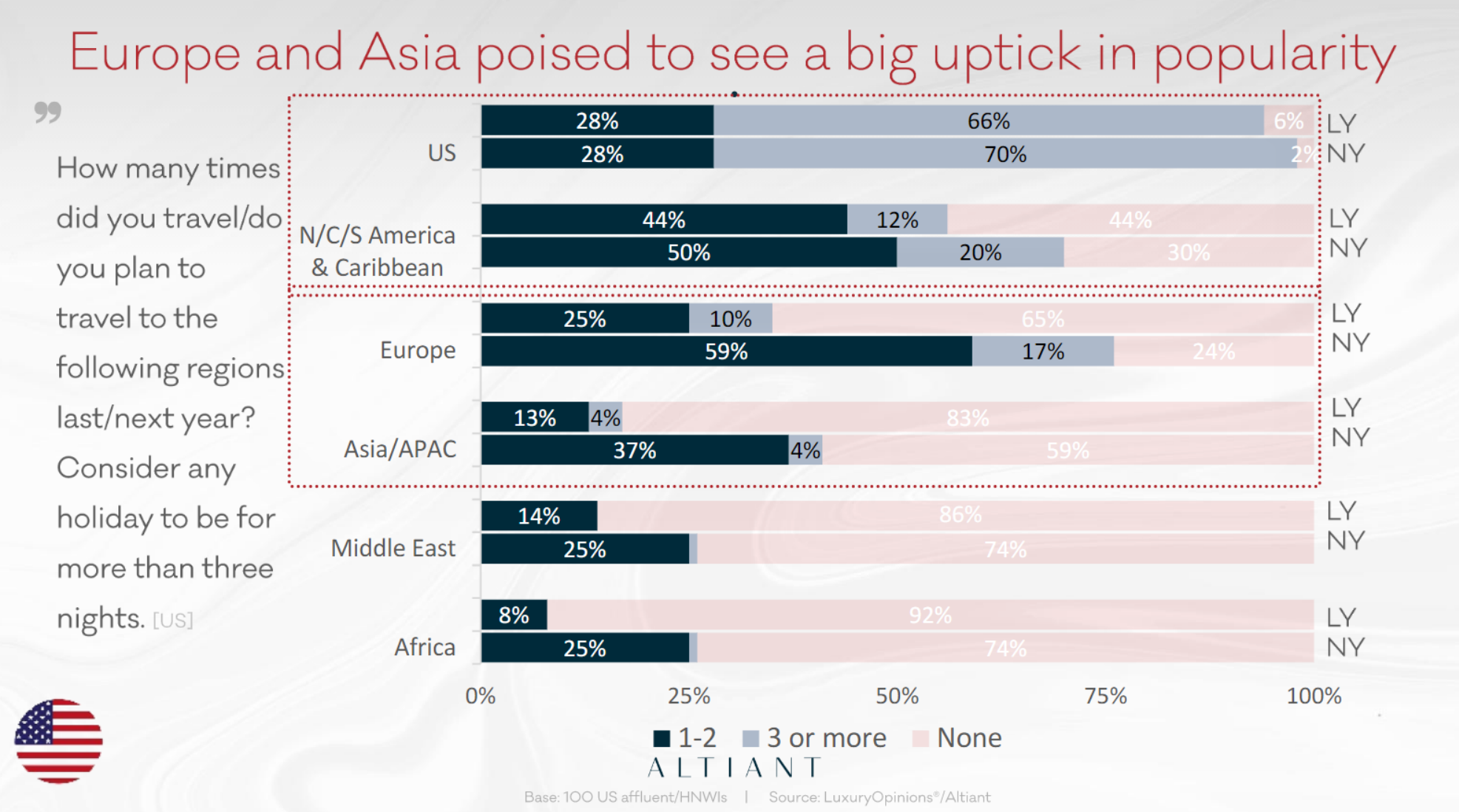
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And how many holidays do you plan to take with the following people over the next year?

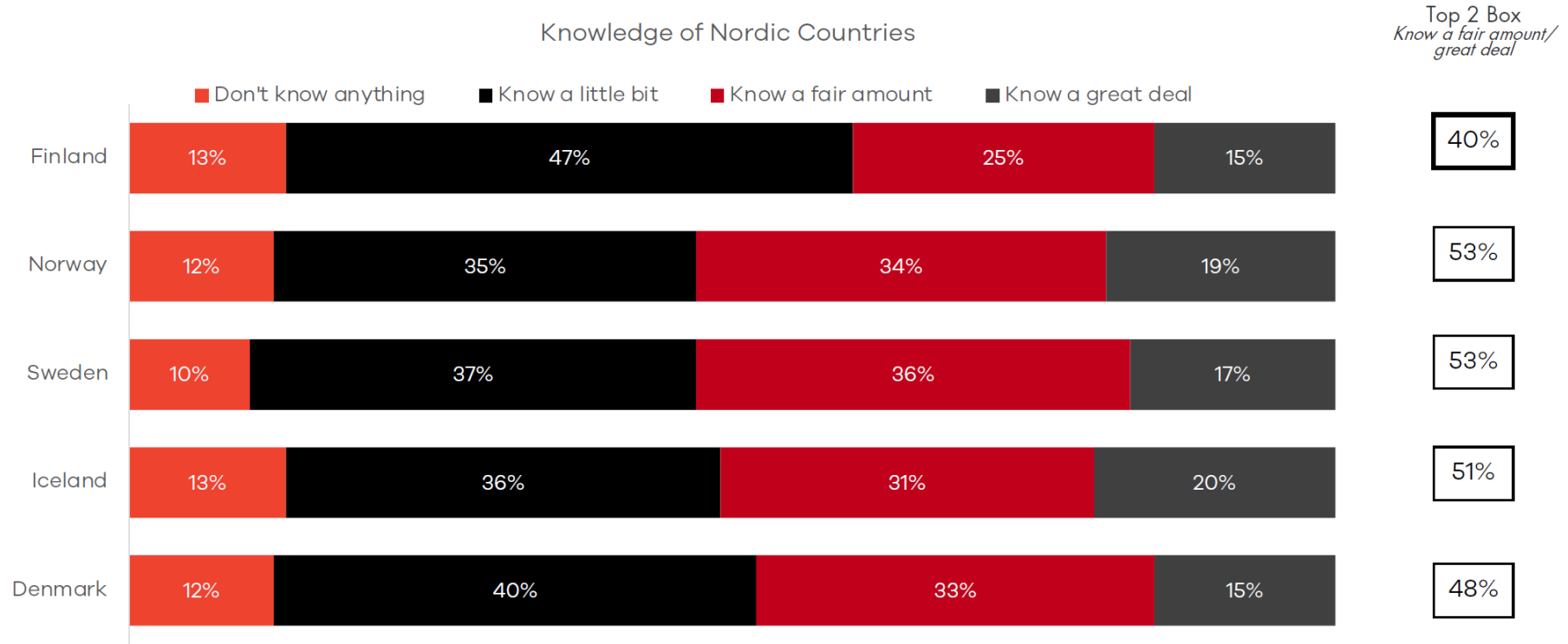


Base: 196 UK/US affluent/HNWIs | Source: LuxuryOpinions®/Altiant

EUROPE IS TRENDING BIG IN THE US AFTER THE PANDEMIC



Knowledge of Finland is lower than other Nordic countries.



Base: American international travelers (n=2,024)

Source: MMGY Global's 2022 *Portrait of American International Travelers™*

MMGY
Travel
Intelligence

The top associations with Finland are natural wonders and the safety of the destination.

ASSOCIATIONS WITH FINLAND	STRONGLY ASSOCIATE	SOMEWHAT ASSOCIATE	DON'T ASSOCIATE	NOT SURE
Experiencing natural wonders (the northern lights, midnight sun)	69%	26%	3%	1%
Safe travel destination	61%	33%	4%	3%
Variety of winter/snow activities	56%	33%	4%	6%
Family-friendly destination	53%	28%	9%	10%
Luxury accommodations	52%	34%	8%	6%
Undiscovered destination/off-the-beaten-path	50%	36%	10%	3%
Extra-ordinary accommodation options	48%	31%	12%	9%
Sauna experiences	47%	36%	6%	10%
Culinary experiences and local delicacies	46%	35%	13%	6%
Variety of summer/outdoor activities	42%	38%	10%	9%
Interesting architecture and design	40%	44%	10%	6%
A sustainable travel destination	40%	38%	10%	12%
Interesting local festivals and other special events	40%	35%	14%	10%
Less crowded than other destinations	36%	48%	3%	14%
Affordable accommodations	36%	40%	15%	9%

Base: Finland prospects (n=371)

Source: MMGY Global's 2022 *Portrait of American International Travelers™*

- There is opportunity to educate prospects on affordable accommodation options, interesting local festivals and culinary experiences that Finland offers as these are least associated with Finland.

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US HIGH END TRAVELER TO FINLAND

High end travelers are an important target group

- Affluent FIT, small groups
- Affordable luxury, luxury upgraded, ultraluxury
 - Traditional luxury / **Experiential luxury** (*Immersive, adventurous and authentic, Scott Dunn*)
- 55+, Millennials growing fast
- Couples
- Families and multigeneration families



US HIGH END TRAVELER TO FINLAND

Types of tours

- Nordic tours for FIT's and small groups
- Winter mono-destination tours: Helsinki and Northern Lights winter experience
- In the future: Helsinki & Lakeland and Helsinki & Archipelago summer experience, Lapland summer adventure
- Culture, heritage, weddings and celebrations



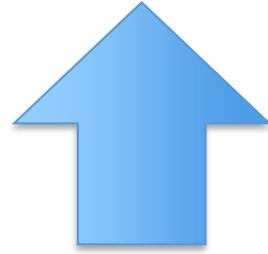
US HIGH END TRAVELER TO FINLAND

Experiences appreciated by US luxury and affluent travelers

- Boutique hotels but also brands they trust
- Spacious unique accommodations
- High quality dining with local ingredients
- Learning about local culture and food: handicraft workshops, cooking & baking lessons
- Meeting local people and learning about local lifestyle
- Sauna culture!
- Design, architecture, art, music, history



US HIGH END TRAVELER TO FINLAND



Custom designed

- High end services for high end travelers – don't think the Finnish way
- Quality is incredibly important!
- Service design (small things matter)
- Understand:
 - the travelers' mindset in all touchpoints
 - end customer perspective – empathy (show you care)
- Sustainability is important
- Learning about local culture, give opportunities to support the local economy



TRAVEL INDUSTRY DISTRIBUTION CHAIN / VALUE CHAINS IN THE USA

Companies
in Finland:

Transportation
companies
(airline, ferry
company)

Accommodation
providers

Activity
providers

Other
service
providers

Local destination
management
companies

Educate DMC's and incoming agencies!

Consolidators /
Whole sellers

Finnish and
Nordic DMC's

Tour
operators

Online sales and
marketing platforms

Online hotel booking
platforms

Online travel
agencies

Consortias

Travel agencies
with
own production

Travel agencies

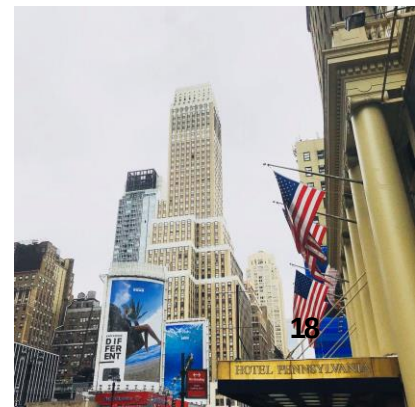
Independent
travel advisors
and designers

End
customer

- FIT
- GIT
- Group

MARKETING AND PR TO US BUYERS AND END CUSTOMERS

- Empathy and inspiration in message strategy
- Website
 - Use native english language proof readers or translators
 - Sustainable and responsible solutions must be well communicated
 - Special groups, children
 - Social media (in english), videos are important!
- PR Agency
- Travel agent marketing – email marketing
- Luxury tour operator marketing
- DMC and Incoming agency training, webinars
- Sales co-op with other operators in Finland
 - ILTM North America, other events



KIITOS!

VISIT FINLAND USA

Heli Mende

