BUZZ vs. REALITY

Edition #3

Decoding the Luxury Traveller’s Mindset: **Spotlight China**

In partnership with

ALTIANT

Powering Luxury & Wealth Insights

ILTM ASIA PACIFIC

From the perspective of affluent and high-net-worth individuals in China

Contents

As one of the last countries to remove pandemic-related restrictions, China's travel industry has faced particularly acute challenges. Chinese tourism has undergone dramatic changes with international trips off the agenda for an extended period, leading to domestic and regional tourism coming to the fore. While the pandemic and other global issues are likely to continue impacting travel trends and behaviour, there is now cause for real optimism.

Many affluent Chinese travellers are looking to spend more on travel in the year ahead, often significantly so, and to make up for lost time via 'revenge travel.' Having been unable to travel freely since the outbreak of Covid-19, the majority now plan to take more celebratory and extravagant trips.

The pandemic has been a clarion call for the affluent Chinese individuals to seize the day and enjoy their money. It has also put a renewed focus on the need for healthy lifestyles, with both mental and physical wellness holidays set to rise further in popularity. The need for more considerate travel also extends to their desire to minimise their environmental impact when taking trips.

Post-Covid travel is also about reconnection and exploration. China's restrictions meant that its citizens had limited options for an extended time, something which is now being countered with a rise in extended family holidays. Many are now also looking for new and unique experiences on their holidays and to visit places they have not been to previously. Travel Advisors will remain a key part in helping wealthy Chinese travellers discover these new experiences, but also to help with any additional bureaucracy involved in international travel.

Our industry is well placed to cater to this new era of travelling 'better' and adapt to the changing travel landscape, which is at the heart of this report. It remains particularly important for us to be well-attuned to what travellers now desire most in their holidays.

In this new China-focused report, again partnering with Altiant, we bring a unique and comprehensive representation of what luxury travel now means to affluent and High Net Worth Chinese individuals.

We hope that it will be a valuable resource for you and your teams for 2023 and beyond.

Alison Gilmore
Portfolio Director - ILTM

China was one of the last countries globally to remove all Covid-related restrictions, only doing so in early 2023. The pandemic, therefore, continues to have a particularly notable impact on Chinese travellers' behaviour. Here are some key trends reflected in our research.

What's Staying...

- Experiences over goods: **63%** prefer the former vs only **3%** the latter
- Wellness as a key driver in travel planning: **91%** say it is now a major factor for trips
- Flying less often and staying for longer than a week (**52%**)
- Desire for new venues/ experiences on holiday (**80%**)
- Health and safety concerns persist: **53%** say it will be important in their next booking
- Travel Advisors remain essential: **58%** plan to use them for half or more of their bookings

What's Growing...

- Revenge travel: making up for lost time (**80%**) with a focus on extravagance (**78%**)
- Sustainable/eco-friendly travel on the rise: **84%** plan to take more of these types of trips
- Family and multi-generational trips: **46%** plan to take next year (+8 vs July 2022)
- Travel spending should rise notably: **73%** plan to spend more (vs 55% in July 2022)
- Mental wellness as a priority: **41%** plan to take one of these trips next year (+5)
- Personal safety/security as a growing concern: **71%** cite this as a deterrent (+15)
- Luxury collaborations/affiliations when choosing a hotel: **83%** say this is important to them
- Growing comfort in the use of AI and technology as part of holidays (**65%**)

What's Slowing...

- Privacy/seclusion as a guiding choice: just **39%** now prefer this
- Local/regional trips falling (**18%**) as international trips are back on the agenda (**60%**)
- Beach holidays remain popular: **62%** plan to take one of these, though this is -8 points vs July 2022
- Interest in more active/busy breaks (**7%**) falling behind relaxing/slow holidays (**79%**)
- Familiar locations/places where travellers have been before: only **9%** prefer these trips
- Planning last-minute trips (18%) falling behind trips planned well in advance (**66%**)

SECTION 1.
Recent and Future Travel Trends

KEY POINTS

1/ Domestic travel will remain popular but there is strong intent from many affluent Chinese travellers to recommence trips to Europe and Asia Pacific again in 2023.

2/ Extended/multi-generational family trips will continue to represent a clear growth area as travellers look to reconnect and spend more time with their families.

3/ A wide variety of destinations appeal to wealthy Chinese travellers for 2023, led by Japan, France and the US.

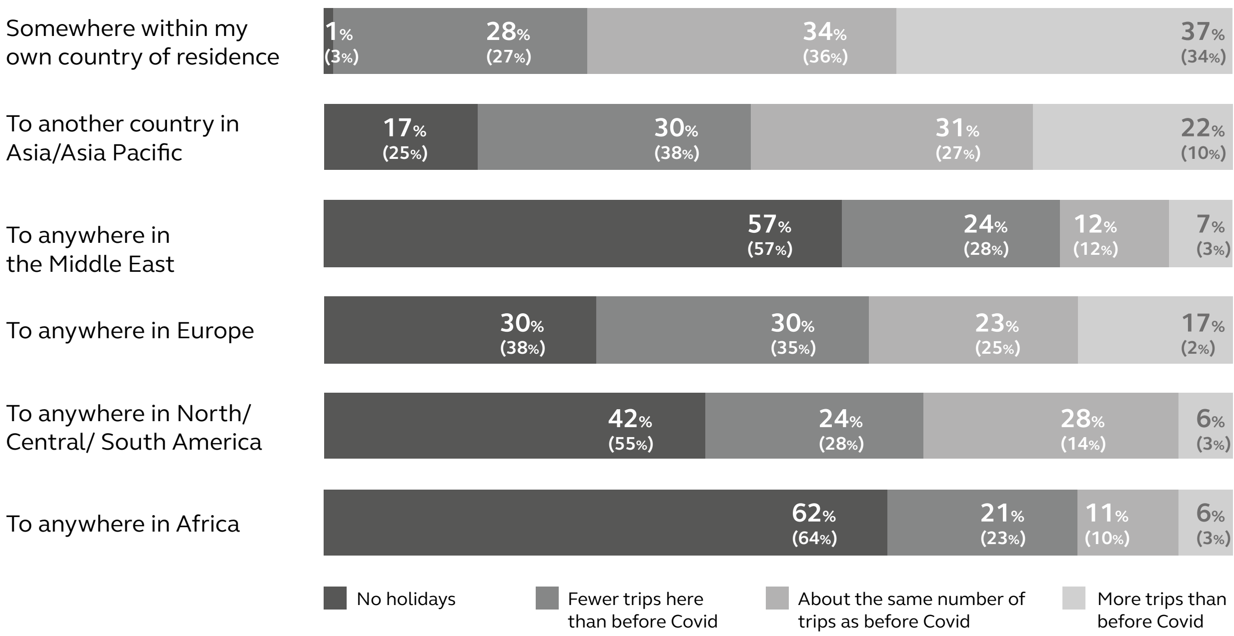
4/ There is a clear intention to make up for lost time and enjoy travel more, with 73% planning to spend more on holidays vs pre-Covid trips.

Looking back: Travel remained popular despite ongoing lockdowns

While every country was significantly affected by the Covid-19 pandemic, China felt its impact more than most. The Chinese government enforced various localised lockdowns throughout 2022 at a time when restrictions had been largely removed elsewhere. As expected, this strongly shaped travel plans, with relatively few wealthy Chinese individuals willing or able to leave their locality. With caution prevailing, domestic and regional travel came to the fore as a result over 2021/22.

Over the past 12 months, did you take more, fewer or about the same number of holidays than pre-Covid to the following locations?

Fig. 1



* Note: Numbers in brackets represent the percentage point change vs July 2022

Last year saw Chinese travellers inching back towards normality and capitalising on periods when lockdown restrictions were not in place. A number of holiday types saw an upturn in popularity vs the first wave of research in July 2022, most notably physical wellness trips (+7 points) and extended family holidays (+9 points).

Having been unable to even see their families at times over the past few years, Chinese travellers capitalised on being able to do so again, with half taking multi-generational trips.

Mental and physical wellness holidays also increased in popularity as people looked to destress and recuperate after the stresses of the pandemic. On the other hand, solo travel saw a downturn in popularity (-8 points) as travellers looked to reconnect and see the world in the company of others.

Which of the following types of holidays have you taken within the past year?

Fig. 2

	%
City break	65% (=)
Beach holiday	65% (-7)
Extended family holiday (e.g. with parents/grandparents)	49% (+9)
Rural/countryside	47% (+4)
Nature-based/low carbon travel (e.g. conservation)	46% (+2)
Physical wellness	43% (+7)
Cultural trip	42% (-2)
Travelling holiday (e.g. river cruise, coach/train trip)	39% (+2)
Boat cruise	33% (+5)
Workations (e.g. extending a business trip)	33% (+5)
Activity holiday (e.g. golf, cycling)	30% (-3)
Solo travel	27% (-8)
Mental wellness	27% (+2)
Private transportation (e.g. private jets, yachts)	16% (-6)
Virtual Tour (e.g. Virtual visit of the Egyptian pyramids, Le Louvre museum)	16% (-1)
Educational trips	10% (+2)
None of these	0% (-1)

* Note: Numbers in brackets represent the percentage point change vs July 2022

International travel set to accelerate in 2023

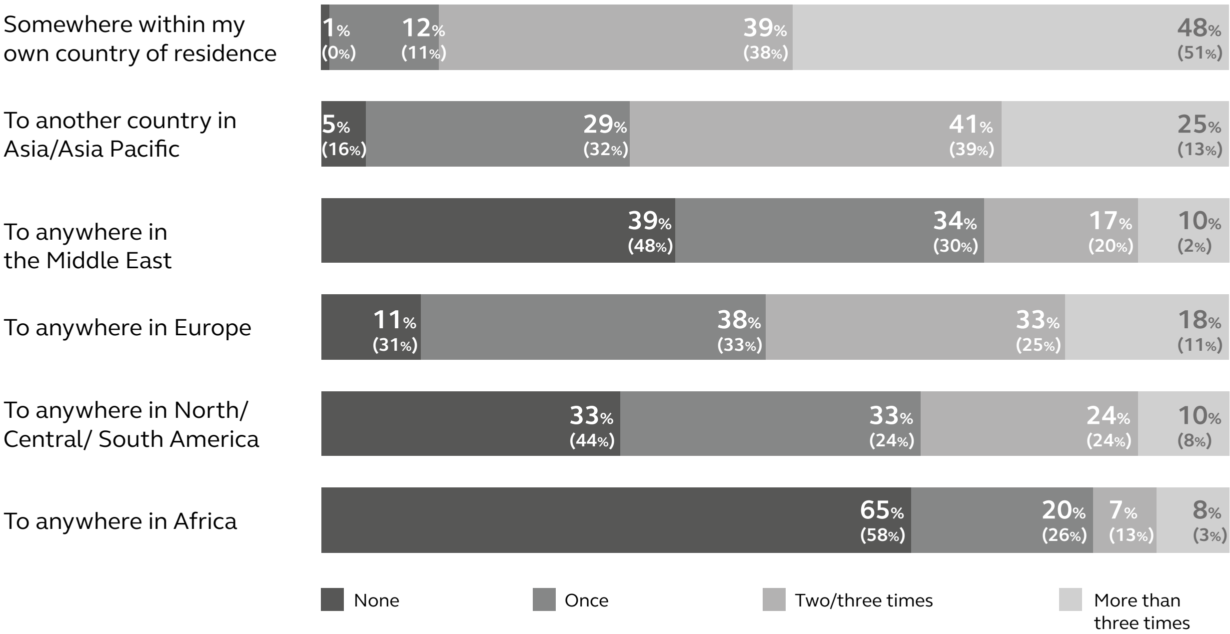
The next 12 months are likely to see an acceleration in the recovery of travel as all remaining restrictions have been removed (at the time of writing). A significant number of affluent Chinese travellers will continue taking domestic trips, but many are now also looking to take multiple international trips, notably to Europe and elsewhere in Asia-Pacific.

Given that almost 10 million Chinese tourists visited the European Union in 2019, bringing revenues worth $12.2 billion*, their return in a post-pandemic world will be warmly welcomed. However, it is thought that significant outbound travel to other continents such as Europe may only accelerate in the second half of 2023 due to logistical factors such as insufficient direct flights, staffing shortages and visa backlogs.

*Source; World Travel & Tourism Council

Now looking at travel over the next 12 months, how often do you plan to travel to the following regions?

Fig. 3



* Note: Numbers in brackets represent the percentage point change vs July 2022

Over the next year, there are some clear shifts in preference for holiday types. Extended family trips should continue to show strong growth, with 46% planning to take one. Visiting family and friends or overseas property remain two of the main holiday drivers for affluent travellers. Meanwhile, mental wellness may come to the fore ahead of physical wellness, with 41% planning to take a holiday which specifically improves their mental wellbeing.

Beach holidays and city breaks remain the most popular planned holiday types, with around three in five affluent Chinese individuals planning to take these over the next year. However, projections for taking these holidays are down vs mid-2022, a likely consequence of the changing travel mindset brought about by the pandemic.

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

Fig. 4

	%
Beach holiday	62% (-8)
City break	57% (-1)
Nature-based/low carbon travel (e.g. conservation)	49% (-4)
Extended family holiday (e.g. with parents/grandparents)	46% (+8)
Cultural trip	43% (-9)
Rural/countryside	43% (+3)
Mental wellness	41% (+5)
Activity holiday (e.g. golf, cycling)	38% (+2)
Boat cruise	36% (+2)
Travelling holiday (e.g. river cruise, coach/train trip)	36% (-6)
Physical wellness	33% (-7)
Private transportation (e.g. private jets, yachts)	31% (+5)
Solo travel	25% (-3)
Workations (e.g. extending a business trip)	24% (-6)
Virtual Tour (e.g. Virtual visit of the Egyptian pyramids)	15% (-12)
Educational trips	14% (-1)
None of these	0% (-1)

* Note: Numbers in brackets represent the percentage point change vs July 2022

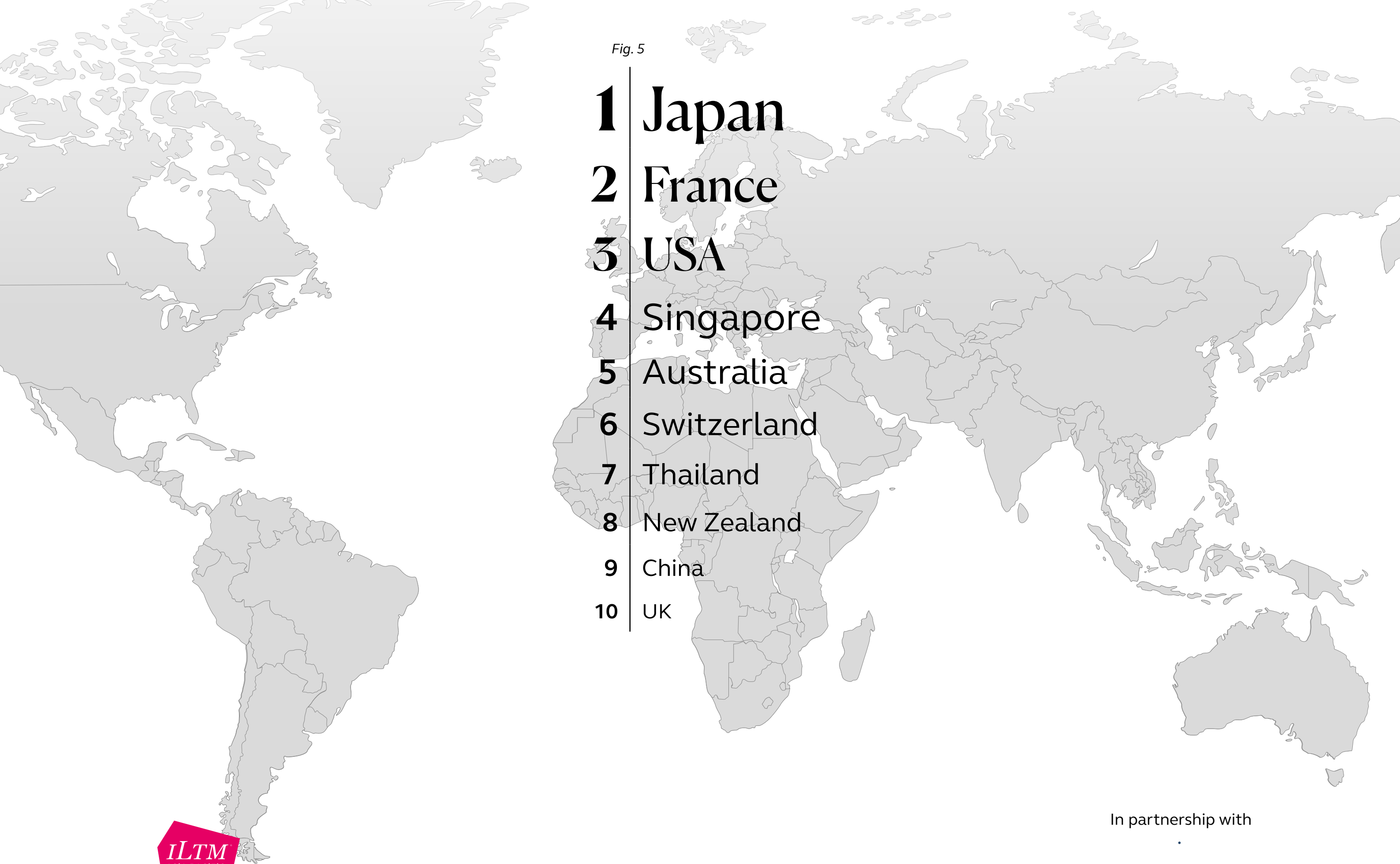
Last year, holidays within China were comfortably the most popular choice among wealthy Chinese travellers, many of whom were still concerned about the pandemic. However, the picture is very different nine months on, with a clear shift in willingness to travel internationally. While many are still eager to remain close to China and visit Japan and Singapore, countries such as France, the US, Australia and Switzerland are all cited by a significant minority as their ideal holiday destination for 2023.

"I would choose Singapore: beautiful scenery, welcoming residents, comfortable climate, perfect for a holiday."
35-44-year-old female

"Japan is one of the few countries where I can go on vacation, it has a pleasant climate, clean air, varied shopping and is relatively convenient."
35-44-year-old female

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

Fig. 5



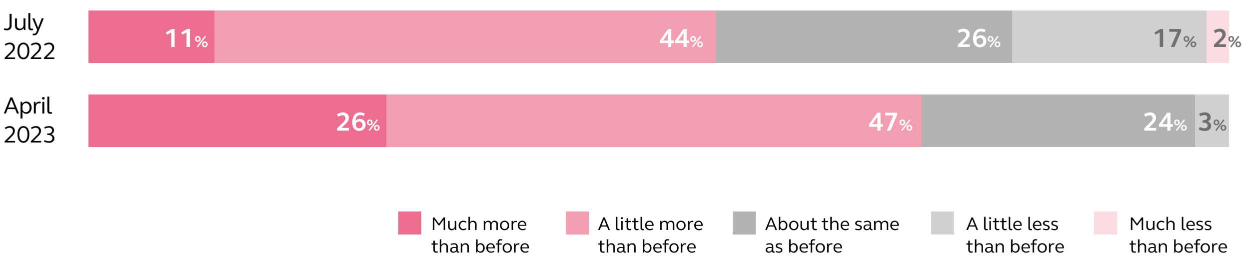
1. Japan
2. France
3. USA
4. Singapore
5. Australia
6. Switzerland
7. Thailand
8. New Zealand
9. China
10. UK

A strong 'revenge travel' mentality comes to the fore

There has been a clear upturn in planned spending on holidays since July 2022. At that time, 55% of affluent Chinese individuals anticipated spending more on holidays than on pre-Covid trips. This figure has now risen to almost three-quarters (73%), with only 3% anticipating spending less. Indeed, 26% say they plan to spend much more than before, underlining how travel has become even more important to these wealthy individuals

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

Fig. 6



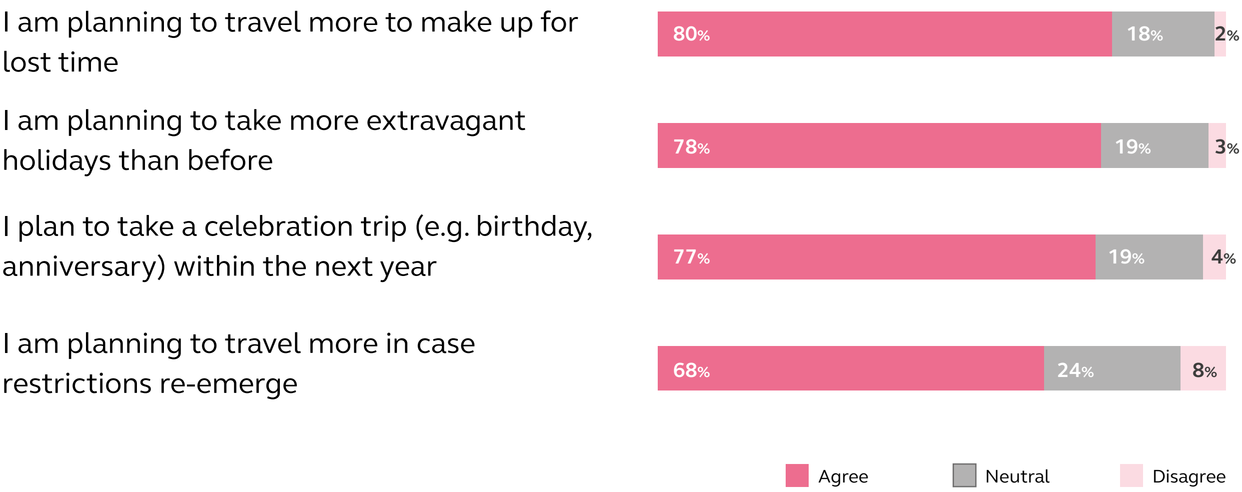
"Due to the pandemic, travel was closed-off for too long. I wanted to go to several countries and regions to rest and relax, enjoy different beautiful sceneries and experience more entertainment activities, including family travel."
35-44-year-old male

"I discovered how rare it is to be able to travel freely and want to go out more when I have the means to compensate for the time that has been lost."
35-44-year-old female

"Because of the epidemic for more than 3 years, I feel physically and mentally exhausted, and I need to make up for it after the lockdown is lifted!"
35-44-year-old male

Do you agree or disagree with the following statements?

Fig. 7



There has also been a clear upturn in the desire to travel more to make up for lost time, with 80% planning to do so (vs 56% in July 2022). A similarly high share also say that they are planning to take more extravagant trips than before (+18 points) and to take a celebratory holiday (+7 points) within the next year, both of which should bode well for luxury travel providers. Chinese citizens are particularly attuned to sudden and stringent restrictions being enforced, helping to explain why 68% say that they are planning to travel more in case restrictions are reimposed.

SECTION 2.

Push and Pull Factors

KEY POINTS

1/ Health and safety (53%) remains the most influential factor in holiday bookings, followed closely by the retail/food and drink offering (49%) and sustainability credentials (46%).

2/ Health and safety concerns (54%) also act as a notable deterrent to visiting a location or travelling there more, trailing only personal safety and security concerns (71%).

3/ Holidays planned in advance (66%) and relaxing/slow holidays (79%) are now strongly preferred over last-minute bookings and active holidays.

4/ There is also a clear desire to visit new venues/experiences (80%), trips where travellers explore the local area (69%) and the resumption of international holidays (60%).

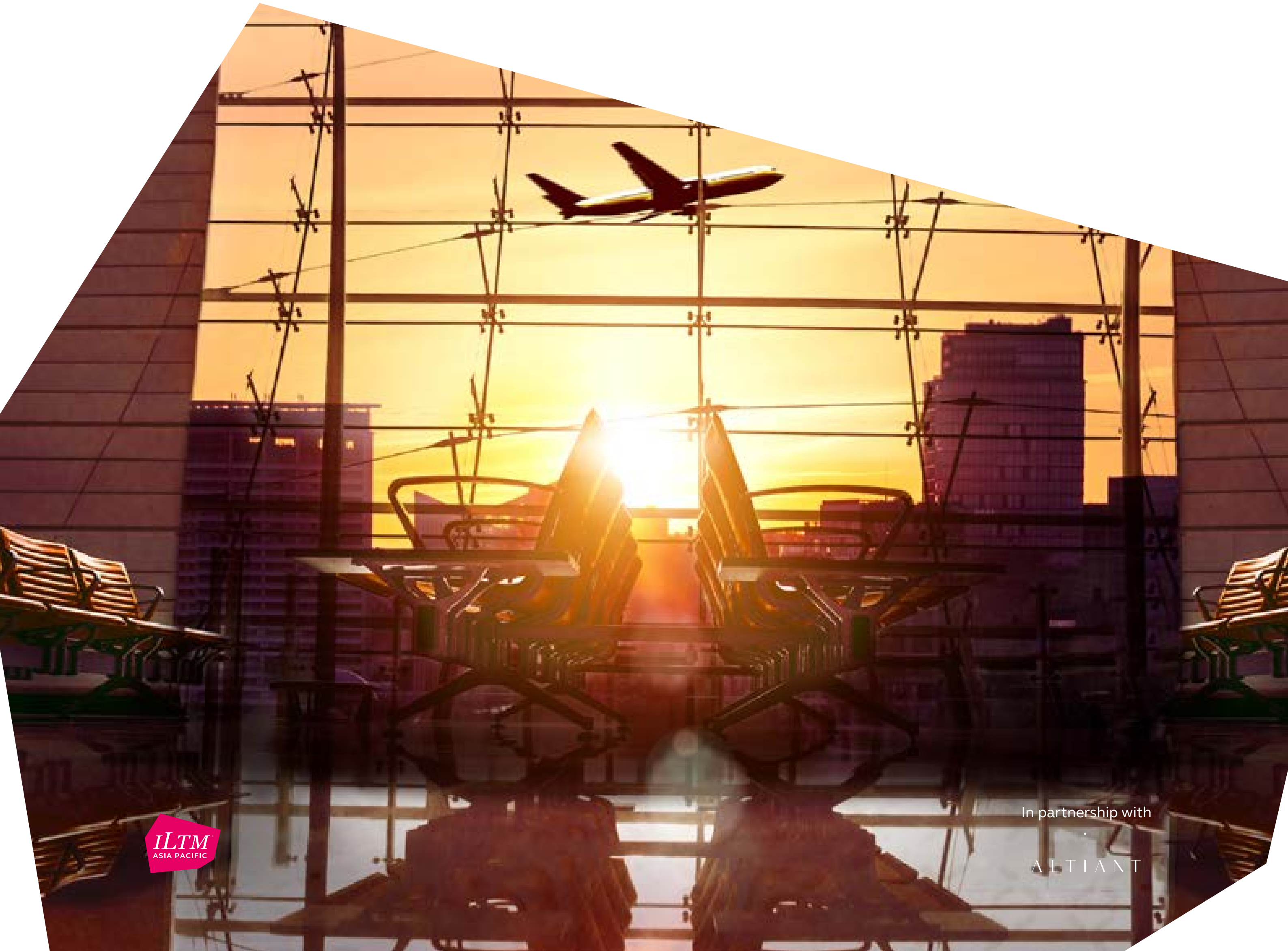
Health and hygiene continue to shape plans

There is broadly little change in priorities when it comes to affluent Chinese travellers' last and next holiday bookings. Overall, the health/safety and hygiene of the location is the most important factor for upcoming bookings (53%), although this has receded a little from previous bookings in line with the threat of Covid.

Nevertheless, many travellers are still actively seeking out destinations which have low Covid rates. This is a likely reason for the ongoing popularity of domestic tourism, as seen in Section 1, with many affluent travellers still preferring the relative security of staying within China.

The retail/food and drink offering and sustainability credentials are the other leading factors, both cited by just under half as being important for their next bookings. There continues to be considerable debate about how travel fits into a world grappling with the climate crisis.

The need for the tourism industry to 'build back better' after Covid continues to resonate with many wealthy individuals who are factoring this into their holiday plans. Meanwhile, seclusion and privacy have come to the fore even more, with 31% saying this is important to them and several respondents stating their desire to visit less crowded destinations.



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

Fig. 8

	Last booking	Next booking
Health and safety/hygiene of the location (e.g. country/city)	59%	53%
Retail and food/drink (e.g. shopping/restaurants/wine tasting)	48%	49%
Sustainability and environmental protection of the accommodation	45%	46%
Physical wellness (e.g. fitness classes, health and beauty treatments)	42%	39%
Geo-political situation of the country/region	44%	37%
Seclusion and privacy	23%	31%
Culture/arts/history (e.g. theatre)	20%	25%
Customised itineraries	17%	22%
Therapy retreats/services specially directed at mental health	18%	19%
Nightlife/entertainment	23%	18%
Price	15%	17%
The people	21%	17%
Philanthropic travel (e.g. giving back to communities)	16%	13%
Sporting and music events	9%	11%
Other/None of these	1%	1%

Many wealthy Chinese Travellers are changing their travel behaviour

What is the one main thing you have started doing differently since the start of the pandemic when planning/taking holidays?

A variety of different behaviours have taken root over the past few years, mostly relating to planning and trying to mitigate unforeseen events. Some of the responses from this research are shown here:

"I am looking to reduce the number of flights, stay longer, low carbon and environmental protection, avoid jet lag."
35-44-year-old female

"I am looking for destinations that are niche and have few tourists."
35-44-year-old male

"Slowing down the pace of travel, I now pay more attention to the enjoyment of the soul rather than the rush of the itinerary."
35-44-year-old female

"I will get to know local people, because now that the restrictions are lifted, you can go to the local area to meet people and learn about cultural customs."
35-44-year-old female

"Travel used to be more casual, but since the beginning of the pandemic there are more things to consider, so I'm spending more time planning in advance."
25-34-year-old male

Planning holidays in advance come to the fore

Pre-Covid trends are now fully returning globally, albeit a little more slowly in China due to the slower removal of restrictions. As seen in the quote above, the pandemic appears to have impacted spontaneity when planning holidays. Two-thirds now say that they prefer to plan in advance, with many citing the additional safety and peace of mind which comes from doing so. Only 18% prefer to book at the last minute, suggesting that Travel Advisors should be exploring and incentivising travel options with their clients well in advance.

Overall, the least divisive factor in our research is that 80% prefer new venues/ experiences vs only 9% favouring ones which they have had before. The pandemic has led many to search for new and unusual experiences, a more adventurous mindset which also applies when travelling. Similarly, 69% say that they prefer holidays where they explore the local area, vs only 17% who prefer trips where they mostly stay at the hotel/resort.

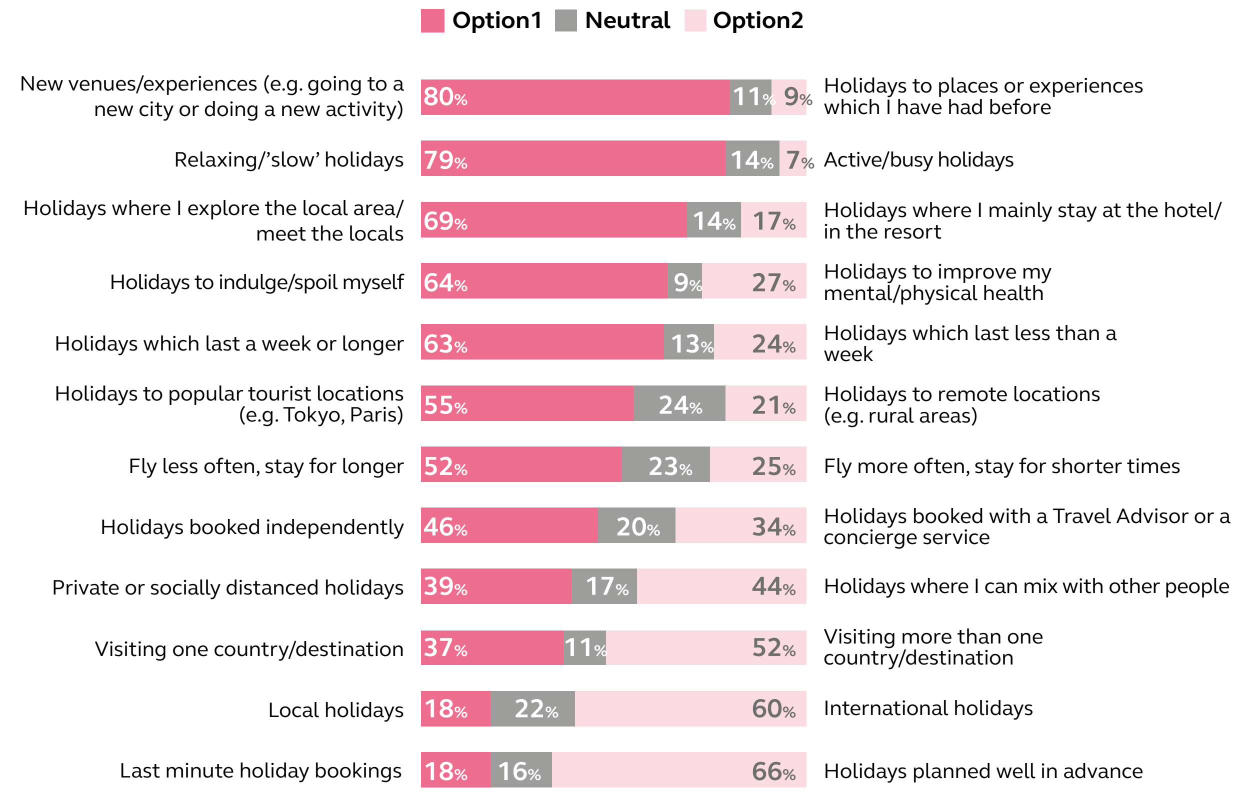
The pandemic has also meant that relaxing/ slower holidays are now more popular than active ones (79% vs 7%) as people look to unwind and recuperate after the past two years. This is also reflected in Section 1 of this report and should continue buoying growth in the wellness and therapy sectors. These results point towards more sedate and fulfilling holidays where travellers can unwind but also gain a greater understanding of the places and communities they visit.

Another related trend which has accelerated since the pandemic has been the desire for longer holidays which last a week or more: 63% prefer these vs just 24% for shorter trips. Holidays are now sometimes also being appended to business trips, a trend which has been called 'bleisure': one-third of wealthy Chinese individuals took one of these trips last year. Similarly, almost half (52%) say that they prefer to fly less often and stay for longer rather than taking whistle-stop, more superficial breaks (25%).

Seclusion and privacy have also become more important factors when planning holidays since the outbreak of Covid-19 and, while 39% still prefer taking these, 44% now prefer holidays where they can mix with other people. In a related vein, 60% now prefer international holidays and only 18% prefer local ones, again underlining how many are eager to resume pre-pandemic habits and explore the world again.

Which of the following is most relevant to your holiday plans over the next year?

Fig. 9



Health and safety concerns will continue to influence bookings

Perhaps more than in most other countries, health and safety concerns continue to shape Chinese travellers' plans. While the immediate threat of Covid-19 has somewhat receded, it is still a preoccupation for many, especially those in the older age groups. Many affluent Chinese travellers are now doing their own research before making holiday bookings and checking factors such as vaccination and infection rates and hotel cleaning protocols.

However, this deterrent has fallen away (-9 points to 54%) since the last wave of research in July 2022. Nevertheless, it remains important for travel companies to focus on exemplary cleaning standards and reassuring guests of their safety whenever possible. Similarly, there has also been a notable drop in those citing potential delays/cancellations of flights as a deterrent, an issue which reached a high point during summer last year.

Instead, personal safety/security concerns have risen to the top of the list, with 71% now saying that this would stop them from visiting a location. There has also been a 6 percentage point increase in those citing uncertainty about local politics/customs as a deterrent, rising to 51%. Other factors such as transport infrastructure, sustainability credentials and the climate are all cited as discouraging factors by a significant minority.

"I would like hotels to give me good advice, because after 3 years of the pandemic, my confidence in my physical health is not as high as before! And now I also think that health is the first thing!"

35-44-year-old male

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

Fig. 10

	%
Personal safety/security concerns (e.g. fear of discrimination)	71% (+15)
Health and Safety concerns (e.g. relating to Covid)	54% (-9)
Uncertainty about local politics/customs (e.g. alcohol consumption, Covid restrictions)	51% (+4)
Transport infrastructure/difficulty getting around	37% (+6)
The climate/temperature	29% (-2)
Poor sustainability credentials (e.g. overtourism, damage to environment)	26% (-2)
The cuisine	21% (-1)
Potential delays/cancellations of flights	16% (-10)
Language barriers	14% (+3)
Cost	11% (+6)
Cultural differences from what I'm used to	9% (-8)
Distance from home/time zone difference	5% (-1)
Other/None of these	1% (=)

* Note: Numbers in brackets represent the percentage point change vs July 2022

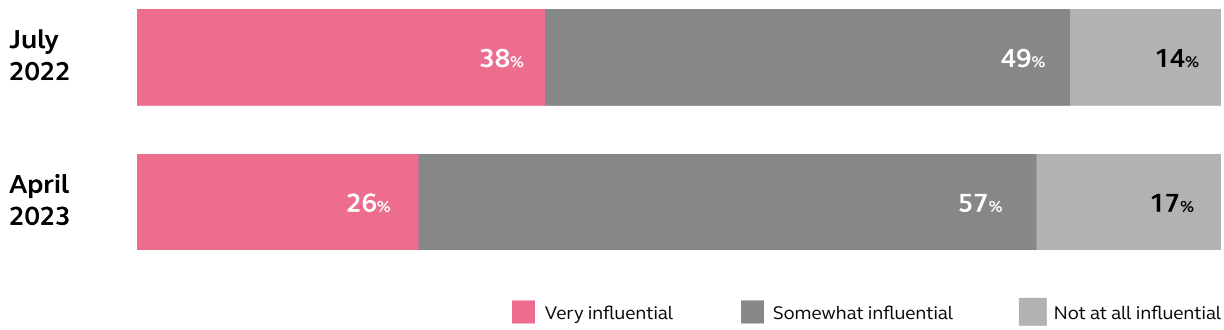
Sustainability indicators for holidays can be influential

Climate change remains a vital and ever-growing issue globally, placing the onus on the tourism industry to proactively promote green travel as much as possible. In most luxury categories, consumer sentiment continues to become more environmentally aware and companies are under increasing pressure to also play their part. For example, 84% of wealthy Chinese travellers are now planning to take more sustainable/eco-friendly holidays in the future (see Section 3).

Some holiday providers are looking to tap into this by including information about the environmental impact of their trip. Clearly including this information about greener tourism could be a helpful tool for many and would be unlikely to actively deter travellers. Indeed, sustainability indicators would be generally well-received among affluent travellers; overall 57% say that it would be somewhat influential, while 26% deem them very influential. The key lies in how these are implemented. With growing pushback about obfuscating carbon offsetting and net zero claims, companies using such indicators should do so with full transparency and honesty.

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. 11



SECTION 3.

Attitudes Towards Luxury Travel

KEY POINTS

1/ Travel is the most popular category for affluent spending. Nearly all affluent Chinese individuals spent on travel last year, and 11% spent more than a fifth of their total expenditure on holidays.

2/ Over three-quarters (78%) say they would prefer an extra five hours free time per week, with only 22% preferring RMB 4,000 per week more, highlighting the importance of spending leisure time well.

3/ Over two-thirds (63%) now prefer to spend their money on luxury experiences rather than luxury goods, up from 52% in July 2022. The pent-up desire to travel again can be seen in three-quarters having bucket lists of places and experiences which they want to complete.

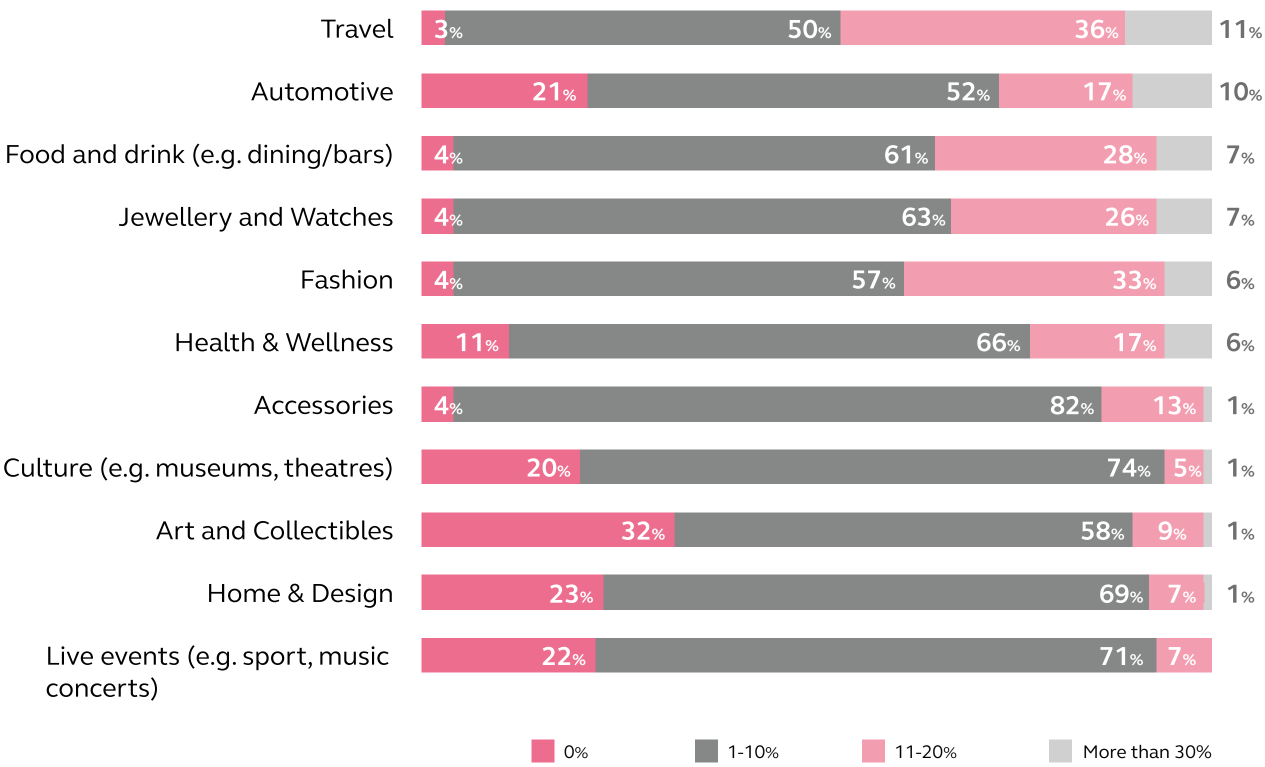
4/ Health and wellness is very influential to affluent Chinese individuals: nine in ten (91%) say that it is a big factor when planning a trip.

Travel leads the way for affluent spending

Affluent/HNW Chinese individuals like to spend their money in a wide variety of categories, with travel leading the way. Nearly all (97%) of these individuals spent on holidays last year, with 11% spending more than a fifth of their annual total specifically on travel. Food and drink, health and wellness, and culture are three other popular categories which can also form a central part of travel expenditure.

Thinking about your total spend on luxury goods and services in 2022, approximately what percentage of your spend was made in each of the following categories?

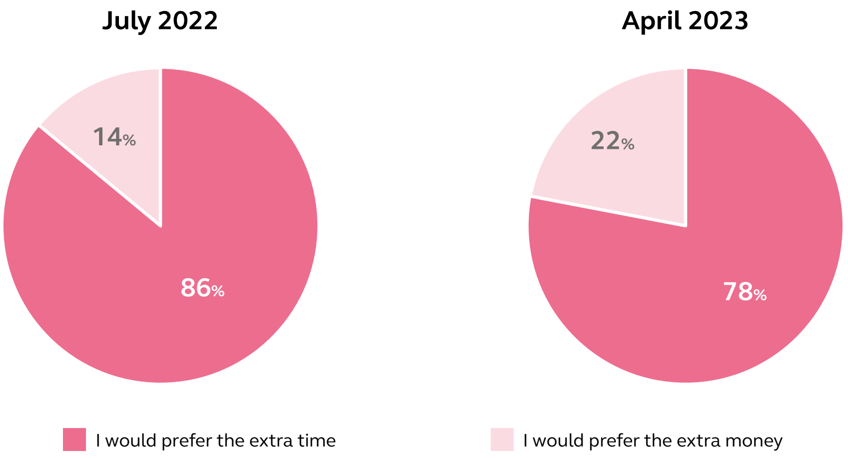
Fig. 12



This renewed focus on holidays underlines the 'revenge travel' mentality which has grown post-pandemic. In our July 2022 research, we asked, we asked our respondents whether they would prefer to have the equivalent of an extra RMB 4,000 per week or five hours more free time. Of the 14 countries surveyed, the Chinese were comfortably the most likely of all to prioritise free time over money (86% vs 14%). This remains the case now, despite a slight narrowing of the disparity to 78% vs 22%. While the inflation rate remains at just over 2% in China at the time of writing, the global picture may be having some impact on the results here.

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

Fig. 13



Bucket lists and holidays with family/friends remain popular

Many people's move away from spending their money on luxury goods and more on experiences such as travel appears to have accelerated since the pandemic. In July 2022, 51% agreed that they preferred to do so, with only 3% disagreeing. These numbers now stand at 63% and 3%, respectively, indicating how important experiences are to wealthy Chinese individuals.

"I am a keen traveller and, after more than three years of pandemic stagnation, I have to make up for it now."
35-44-year-old female

"I want to see more of the outside world and reward myself."
25-34-year-old female

"I feel that life is to live in the moment. To make money is so that you can spend it, you only live once."
35-44-year-old female

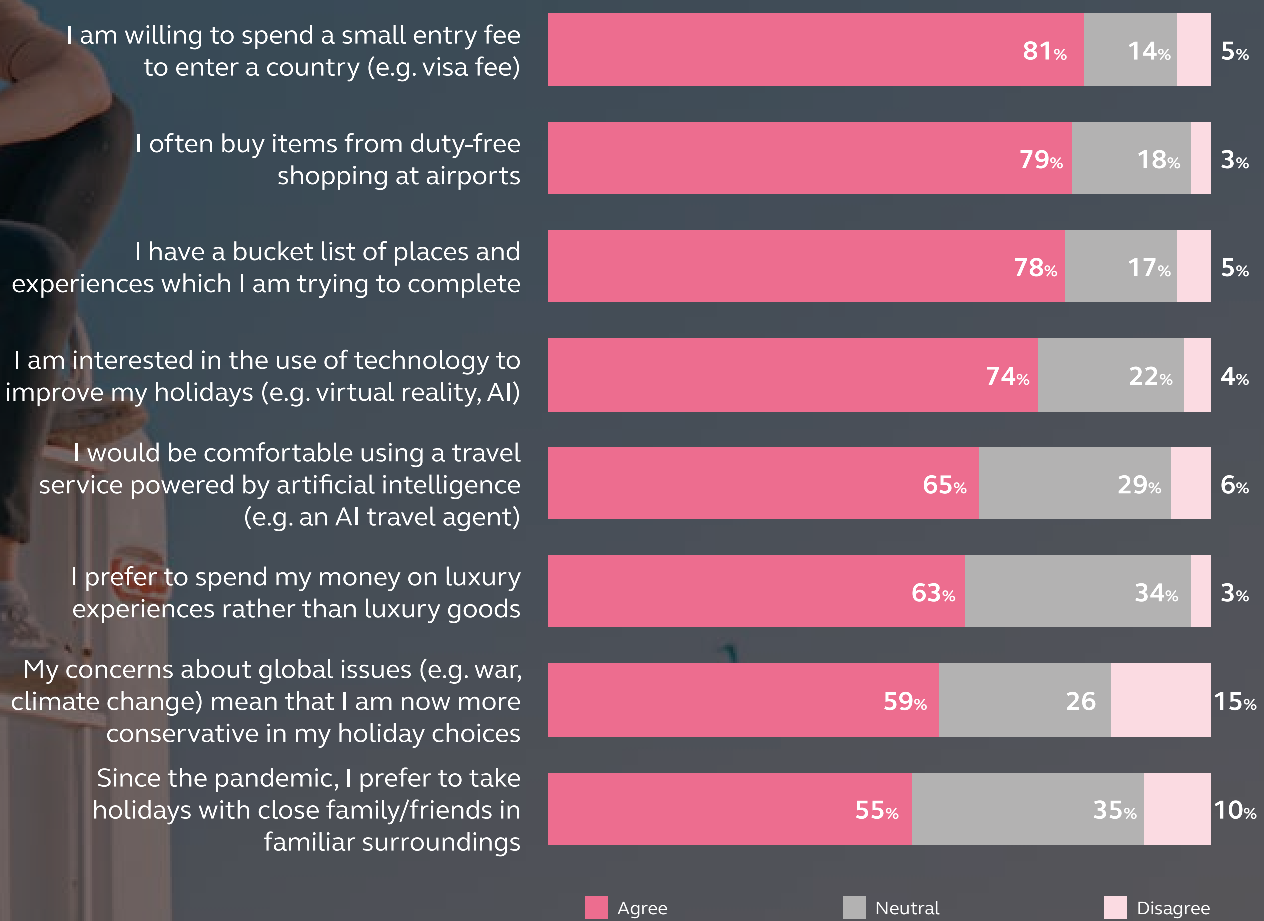
As seen in Fig. 2, another growing trend in the past couple of years has been the increased popularity of extended family holidays. This is also reflected in the chart below, as 55% now agree that they prefer holidays with close family/friends in familiar locations (with only 10% disagreeing), something which should continue driving the growth of larger group bookings.

Ongoing global concerns such as the climate crisis or international conflicts could also dampen how adventurous travellers are: 59% agree that this is making their holiday choices more conservative.

However, as tourism continues to recover, new experiences and venues have also become more appealing. More than three-quarters (78%) say that they have a bucket list of places and experiences that they are trying to complete. Many travellers are also becoming more receptive to the wider technological advancements in society, with three-quarters (74%) interested in the use of technology to improve their holidays.

Do you agree or disagree with the following statements?

Fig. 14



Health and wellness is now a key holiday consideration

The need to destress and recharge after the pandemic has seen the wellness sector leading the charge in travel's recovery. Increasing numbers of holiday providers are focusing on both physical and mental wellness services during holidays, something which should resonate with the 91% of wealthy Chinese travellers who now say that this is a big factor when planning a trip.

"At a hotel/resort, I would like a personal health manager, including nutritious meals for travel time, fitness guidance and sleep management."
35-44-year-old female

Chinese travellers are also strongly guided by sustainability and environmental protection. Four in five (84%) say that they are planning more sustainable/eco-friendly holidays in the future, slightly up from 81% last year. Furthermore, three-quarters are interested in holidays which have their carbon footprint calculated. As seen in Figure 11, there is broadly positive sentiment towards schemes such as these, with various ways for travel providers to cater for this. However, transparency and credibility are key to ensuring that any negative associations with greenwashing are avoided.

Do you agree or disagree with the following statements?

Fig. 15

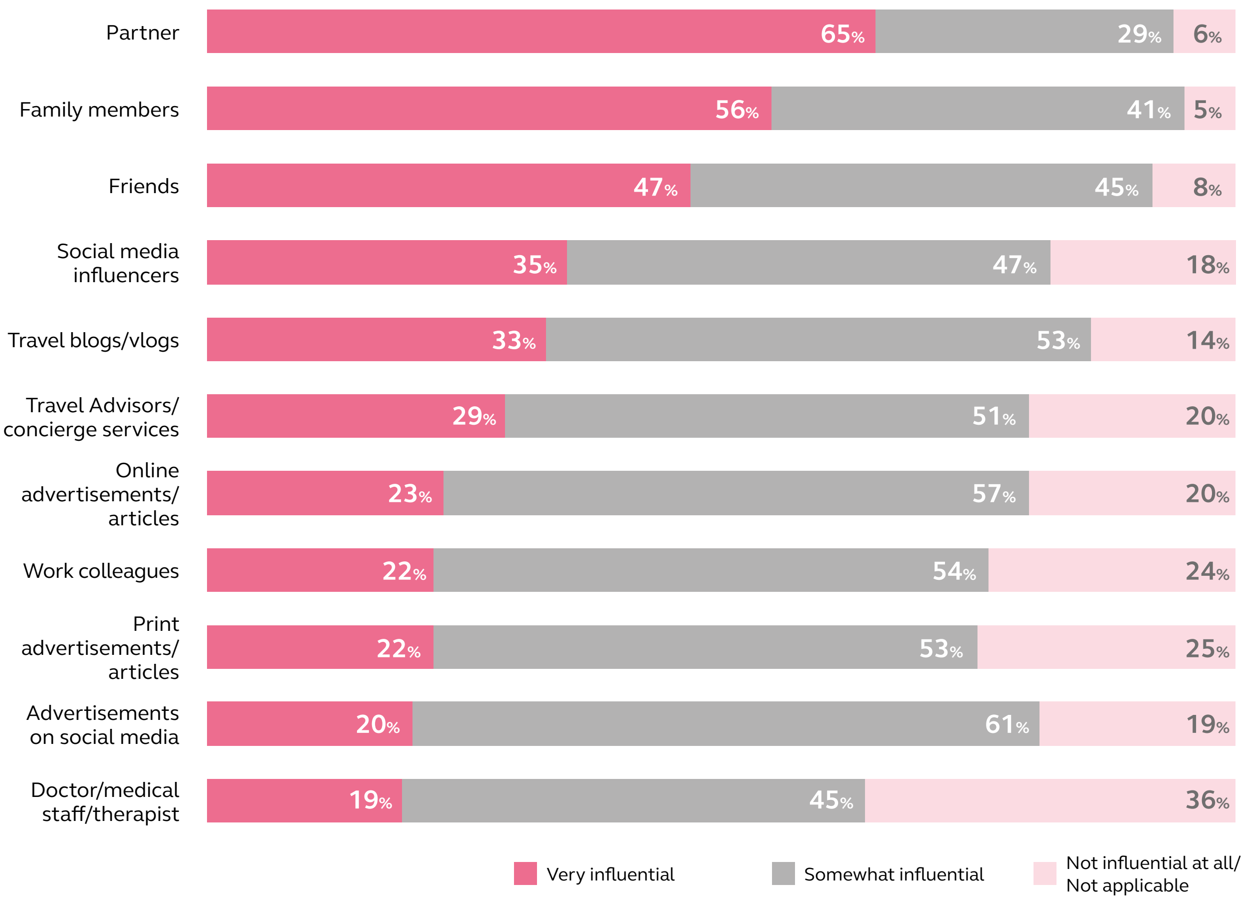
Travel Advisors will remain influential when booking holidays

As expected, friends and relatives continue to be the most likely people to influence holiday bookings. Overall, 94% say that their partners will have a role to play, with two-thirds saying they are very influential. Family members and friends have a similarly high level of influence, with 56% and 47%, respectively, saying that they will be very influential over the decision.

Travel Advisors will also have a role to play in the coming years, with 80% saying that they are at least somewhat influential. A similar share (86%) say that travel blogs/vlogs are influential, suggesting that there is a blurring of lines and influence between blogs and Travel Advisors. Social media and influencers are also particularly popular in China, much more so than in other countries, and will also play a part in influencing Chinese travellers, especially those in the younger age groups.

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

Fig. 16



Recent years have also seen more luxury brands diversifying into luxury travel, with branded residences (e.g. the Palazzo Versace on the Gold Coast, Balenciaga's Only YOU hotels) and collaborations (e.g. the Dior Suite at the St Regis New York) becoming more commonplace.

One-quarter (23%) of affluent Chinese travellers say that luxury collaborations such as these are very important in their hotel choice, with a further 60% saying they are somewhat important, underlining the clear scope for growth here in the coming years.

How important are luxury retail, dining or fashion brand collaborations/affiliations when choosing your hotel ?

Fig. 17

SECTION 4.

Travel Advisors

KEY POINTS

1/ 58% of wealthy Chinese travellers plan to use Travel Advisors for at least half of their holiday bookings over the next year.

2/ Around half of those who use Travel Advisors do so for a combination of services, with relatively few using them to only help book flights or hotels.

3/ Being up-to-date on the latest travel rules and regulations (53%) and Travel Advisors' knowledge and specialisms are the two leading reasons why many plan to maintain or increase their use of Travel Advisors.

4/ Factors such as transparency around cancellations, monitoring Covid statuses and getting hygiene information remain responsibilities which most affluent travellers now expect Travel Advisors to deal with.

Travel Advisors become even more important for post-Covid travel

As travel continues to recover, Travel Advisors will remain important to many affluent travellers. As seen in Section 3, the majority (80%) of affluent/HNW Chinese travellers say that Travel Advisors have some influence on their travel. Indeed, this importance may be further on the rise due to the increased bureaucracy and complexity of international travel.

Most wealthy Chinese individuals use Travel Advisors to some extent, with 40% having used them for at least half of their holiday bookings before the pandemic. However, this number jumps to 58% for planned holidays over the next year as travellers increasingly rely on the expertise of Travel Advisors. Around half of those who use Travel Advisors do so for a combination of services, with relatively few using them to only help book flights or hotels.

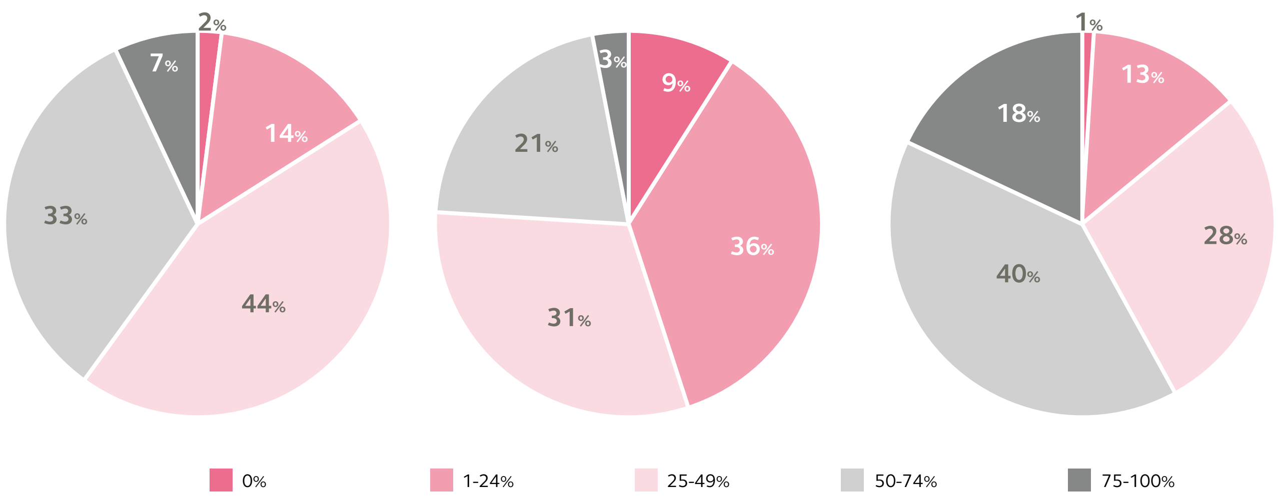
For each of the three time periods below, how often do you use Travel Advisors, concierge services and tour operators?

Fig. 18

Any holidays before Covid-19 (before 2020)

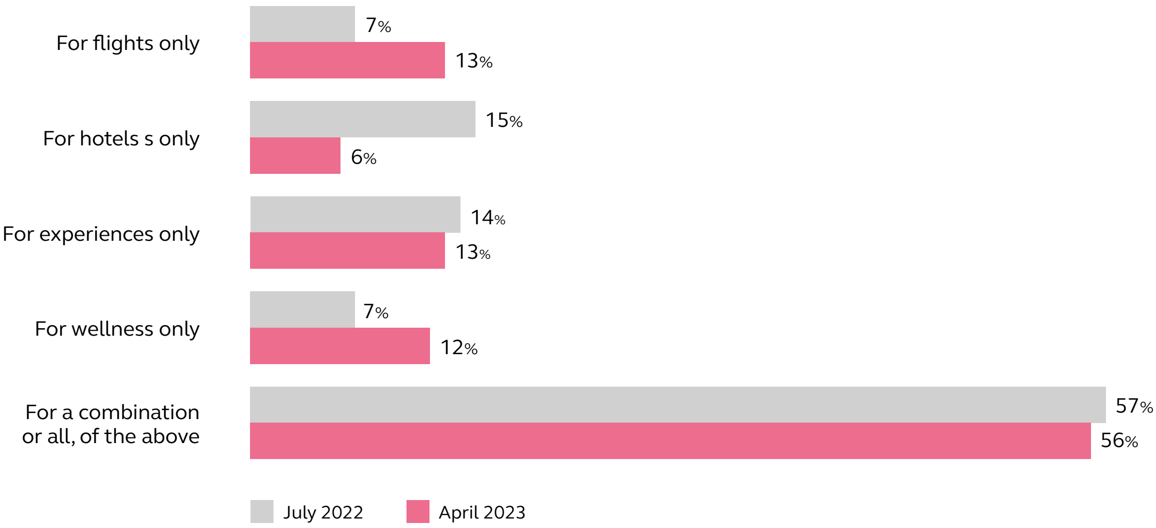
Any holidays you have booked since the Covid-19 outbreak (January 2020-present)

Any holidays you expect to take over the next year (March 2023-2024)



Which of the following do you use Travel Advisors for when booking holidays?

Fig. 19



In last year's research, Travel Advisors' knowledge and specialisms were the leading reasons for affluent Chinese travellers using them. This remains a key consideration, rising by 8 percentage points to 52%. However, it has, in fact, fallen to second place due to the significant growth in the importance placed on being up-to-date on the latest travel rules and regulations (53%). This, and the personalisation of Travel Advisors (+11 points), are increasingly becoming 'must haves' for many. Other factors, such as finding special offers and being flexible to adjust bookings, are a little more peripheral but still important to around one-third.

Why do you plan to use Travel Advisors the same, or more, than you did since the start of the pandemic?

Fig. 20

	%
Being up-to-date on the latest travel rules and regulations	53%
Their knowledge/specialisms	52%
The personalisation of booking with an Travel Advisor	44%
Outsourcing the complexity of booking for myself and family/friends	36%
Flexibility and insurance to adjust to changes in my booking (e.g. cancellations)	35%
Finding the best special offers for me	31%
Help suggesting or booking experiences (e.g. sporting, theatre, culture, restaurants)	28%
Finding locations/holidays which are not well-known	28%
Helping to improve my mental/physical wellness	28%

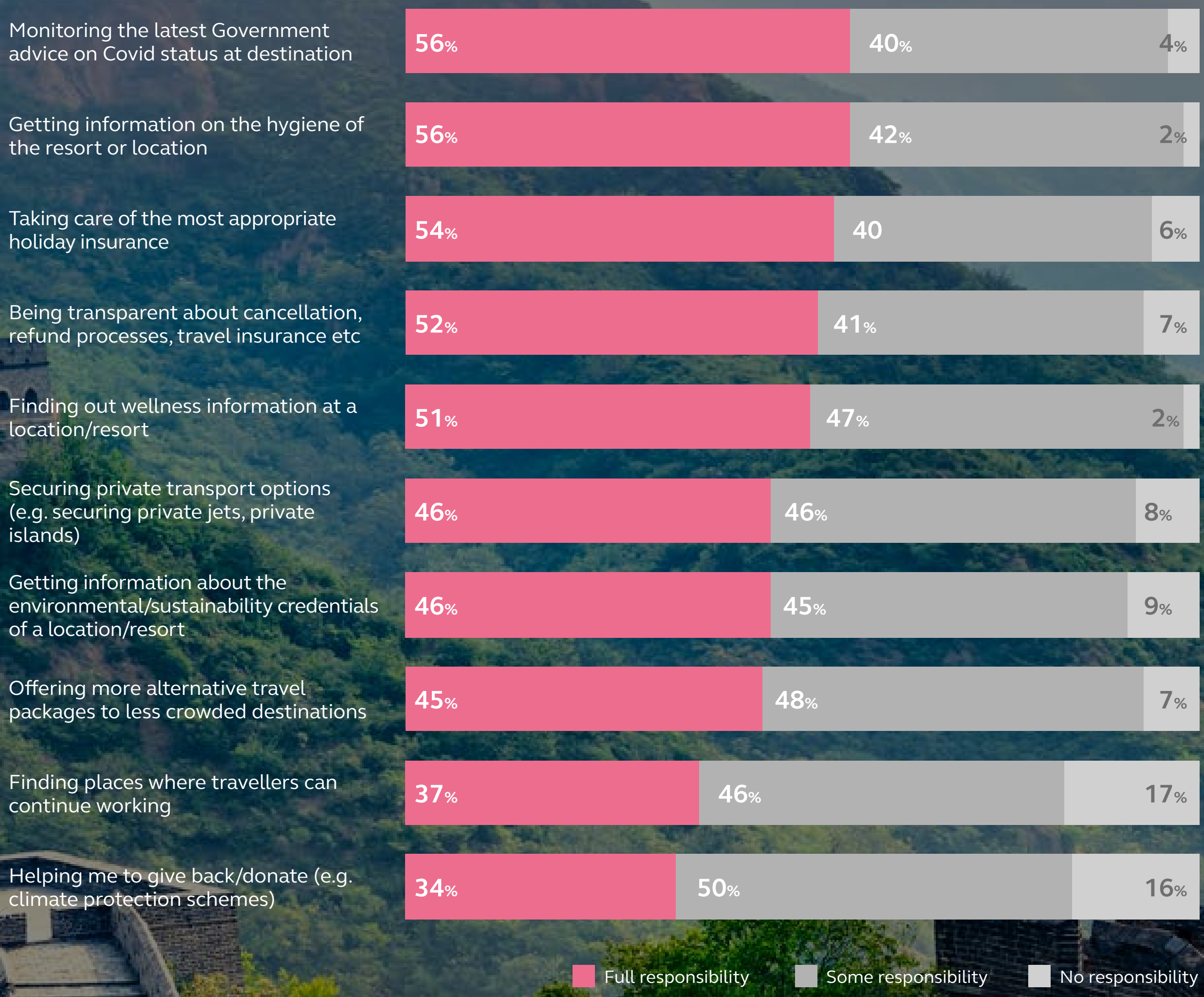
Increasing use of Travel Advisors brings new expectations

The projected upturn in the use of Travel Advisors is a boon for the industry, although this comes with new expectations. Traveller demands are on the rise, with many prepared to spend a notable amount extra for personalised itineraries or sustainable trips. While this can justify a higher fee for Travel Advisors, their time will become increasingly stretched due to the demands on them.

Various factors such as monitoring government advice/Covid statuses, getting hygiene information and taking care of insurance and cancellations are responsibilities which the majority of Chinese travellers now expect to at least be partially taken care of for them. Many also expect Travel Advisors to help them with matters such as wellness, sustainability and even giving back to local communities. While these demands pose new challenges, they also provide Travel Advisors with opportunities to excel and provide an even better service to clients.

How much would you expect a Travel Advisor to provide to take care of each of the following responsibilities for holiday bookings over the next year?

Fig. 21



* Note: Numbers in brackets represent the percentage point change vs July 2022

Conclusions

The pandemic will continue to have an impact on travel for years to come, with a renewed need for escapism and exploration fuelling growth as wealthy travellers look to make up for lost time.

In conclusion:

1/ Having saved money over the past three years, most wealthy Chinese travellers are looking to travel again in style and spend more on more extravagant and unique trips.

2/ Reconnecting is also key for post-Covid travel, with multi-generational and extended family trips on the rise. Visiting family and friends will drive destination choices for many.

3/ The significant majority of wealthy Chinese travellers are considering health and wellbeing on their holidays, often looking for specialist wellness services at their accommodation.

4/ Even though immediate concerns surrounding Covid-19 have receded a little since last year, they remain top-of-mind for a significant number of Chinese travellers.

5/ Sustainable and more considerate travel will continue to rise in popularity as more become aware of the carbon footprint of their trips.

6/ Slow and more immersive trips are growing in popularity as travellers look for deeper and more authentic holidays.

7/ Brand collaborations/affiliations would be well received by many wealthy Chinese travellers when choosing their hotels.

8/ Travel Advisors will remain integral, with 58% planning to use them for half or more of their holiday bookings over the next year.

9/ Traveller demands are ever-increasing and Travel Advisors will continue to be expected to deal with various new responsibilities which they may not have had pre-pandemic.

10/ A notably higher share of affluent travellers now prefer to plan their holidays well in advance rather than doing so last-minute, a trend which should benefit advisors.

Methodology and Sample

This unique piece of research focuses solely on affluent and HNW individuals' (HNWI) views on luxury travel. Altiant gathered quantifiable data (n=150) from its Chinese community of affluent and HNWIs in March 2023.

All surveys were 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.

Across the sample, 36% identified as male and 63% as female. In age terms, one-quarter was under the age of 35, 67% was between 35 and 44, and the remaining 7% was over the age of 45. More than two-thirds of the sample (69%) was the equivalent of USD millionaires ($1m in investible assets), while almost half (49%) had a household income of $300,000 or more.

For the sake of report concision and visualisation, only key findings are displayed here. Please contact Altiant if you would like to see any of the results in more detail(reports@altiant.com).

Buzz vs. Reality

Edition #3

Decoding the Luxury Traveller's Mindset: **Spotlight China**

June 2023

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 HNWIs, LuxuryOpinions®, Altiant empowers researchers, insights experts and marketing teams to make more informed, insight-driven decisions. Through deep online quantitative research expertise, sophisticated tools and a thoroughly validated proprietary panel, it turns marketing and commercial questions into actionable insights – quickly and accurately.

Altiant conducts affluent/HNWI research in over 15 countries. Its consultative approach and unique access to validated affluent panels help organisations find the optimal balance between their 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 best-in-class research agencies and has a wealth of experience in various aspects of luxury travel and hospitality.

Reach out to us at: contact@altiant.com

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.