

SETE

THE BUSINESS OF
LUXURY CONFERENCE
THE CHALLENGE OF RECESSION

Tourism & Luxury

George Drakopoulos, Director General

14th February 2012
Athens

Presentation outline

- What does luxury in tourism mean?
- What are the trends in luxury tourism?
- Who is the luxury traveller?
- What is the luxurious tourism product ?
- Where are the luxury travellers going ?
- Demand shifts due the economic crisis?
- Is Greece a luxurious destination ?
- Towards luxury
- Conclusions

What does luxury in tourism mean?



Marc Jacobs'

“Luxury travel is traveling with a toothbrush”

What does luxury in tourism mean?



- Travelers coming from emerging economies will seek for “opulence”.
- Luxury will still mean business class, champagne, caviar, distinctive design, branded accessories, shopping luxury etc.



- Travelers coming from mature economies will take distance from consuming.
- Luxury will mean self actualization, distinctive experiences and well being feelings. They will seek for experiences of high quality and customized/exclusive service.

What does luxury in tourism mean?

Luxury has an evolving meaning.

In the context of this presentation, luxury means:

- authentic experiences
- customized, exclusive and unique services
- extremes in terms of price

What are the trends in luxury tourism?

- A bipolar luxury market
- Back to basics
- The development of digital experience
- Social responsibility
- Storytelling
- Increasing demand for quality
- Increasing demand from BRIC countries, especially from China

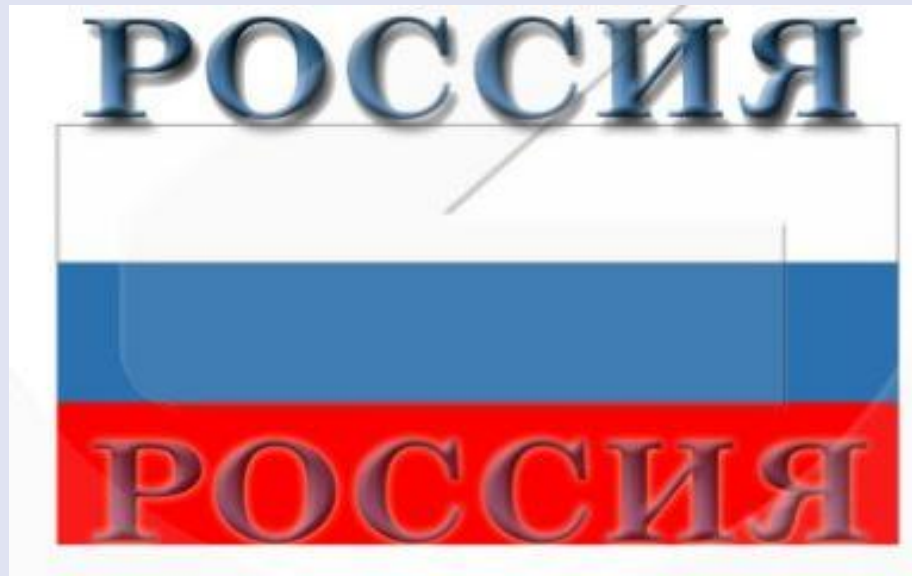
Who is the luxury traveller? origin

The geographic origin of outbound tourists is changing, and long-haul travel increasing.

- USA & UK are the most important markets.
- Europe: UK, Germany, France, Italy, Holland & Russia.
- Russia: represents the fastest growing market for outbound travel.
- Russians want leading brands, opulent hotels, and exclusive restaurants.
- Russians have contributed to the emergence of a luxury segment in new destinations like Montenegro, and have revitalised traditional destinations like the French Riviera and Courchevel.

SETE

Who is the luxury traveller?
origin



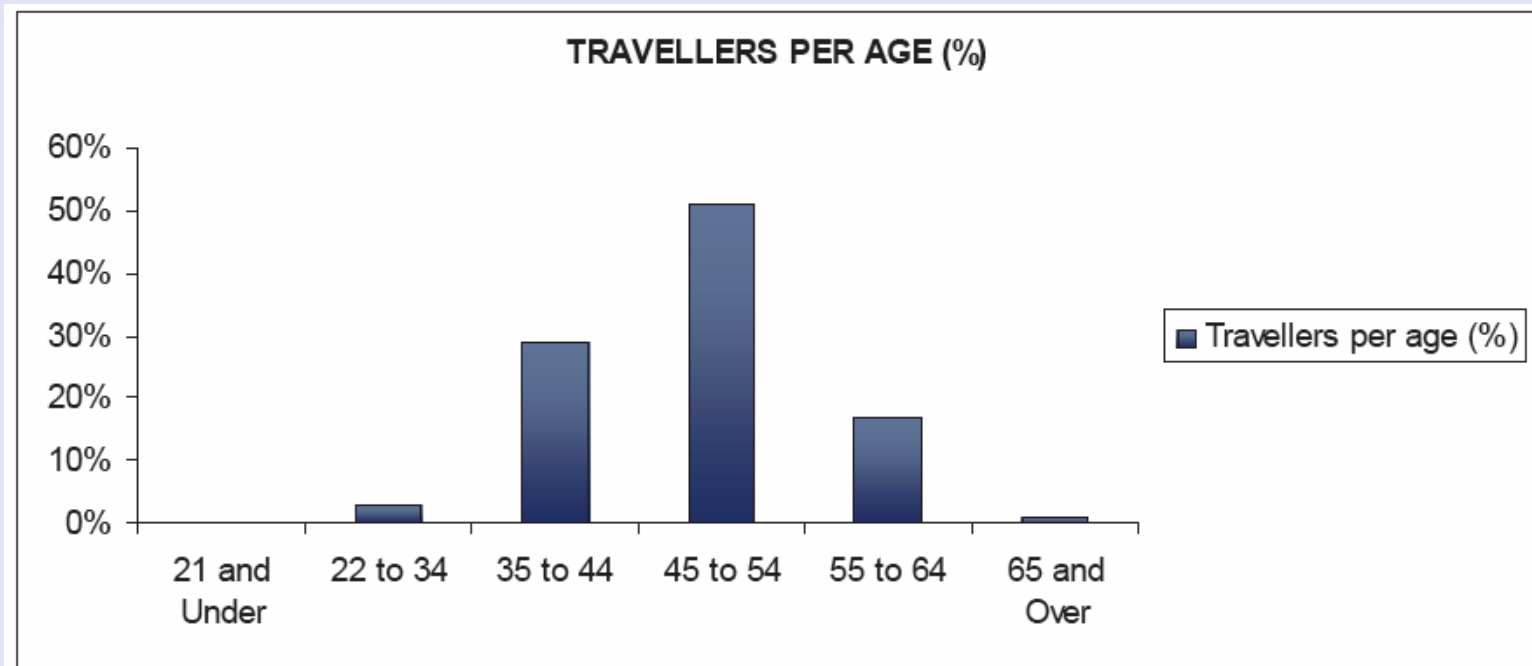
**No1
Target**

Who is the luxury traveller? segmentation - the 3 “A”s

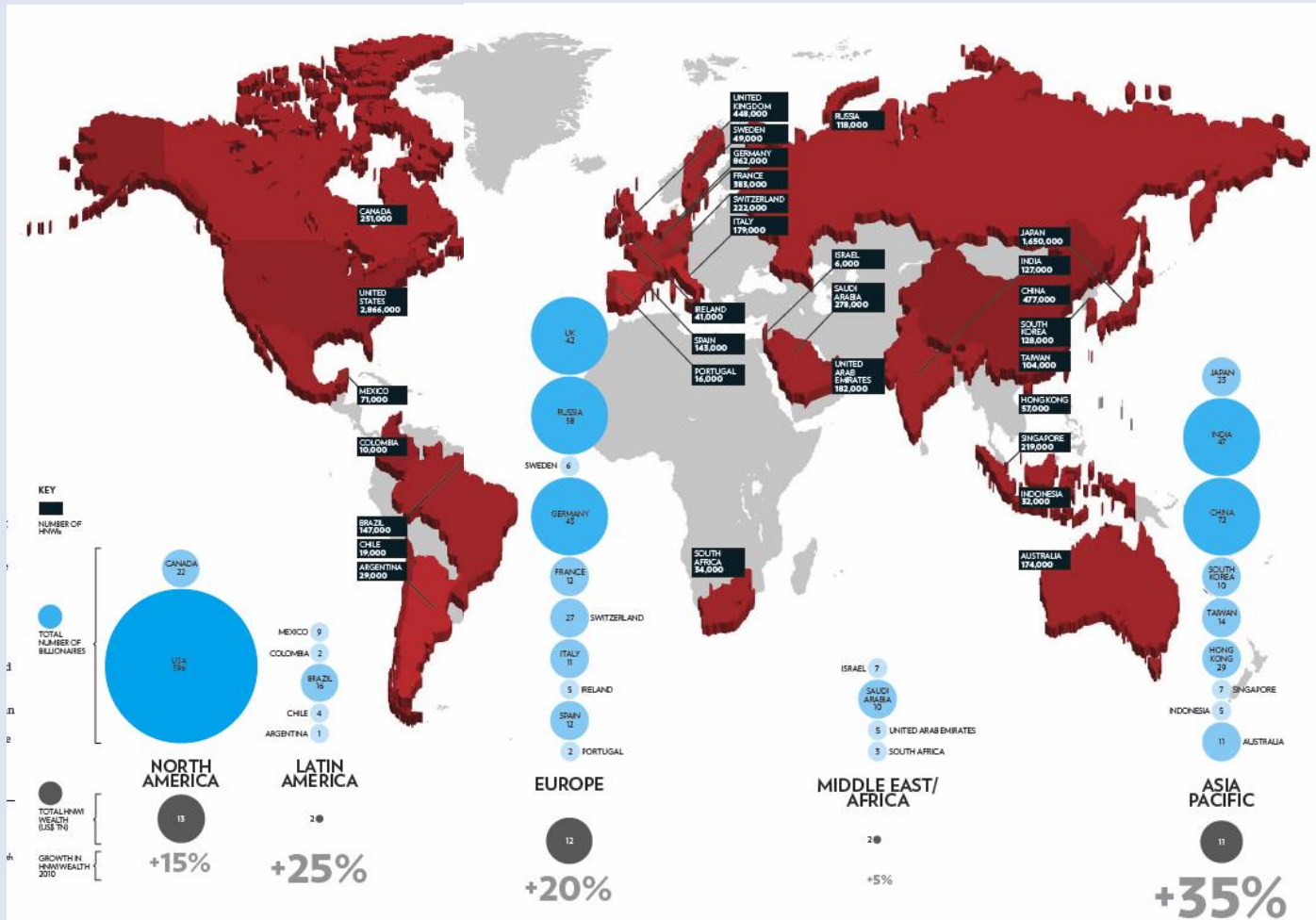


- Absolutely luxury or UHNWI (=ultra-high net worth individuals).
- Aspiring luxury: this segment is made up of affluent businesspeople and professionals.
- Accessible luxury: travellers in this group make luxury an essential component of their way of life, although they need to trade off to afford it.

Who is the luxury traveller? profile



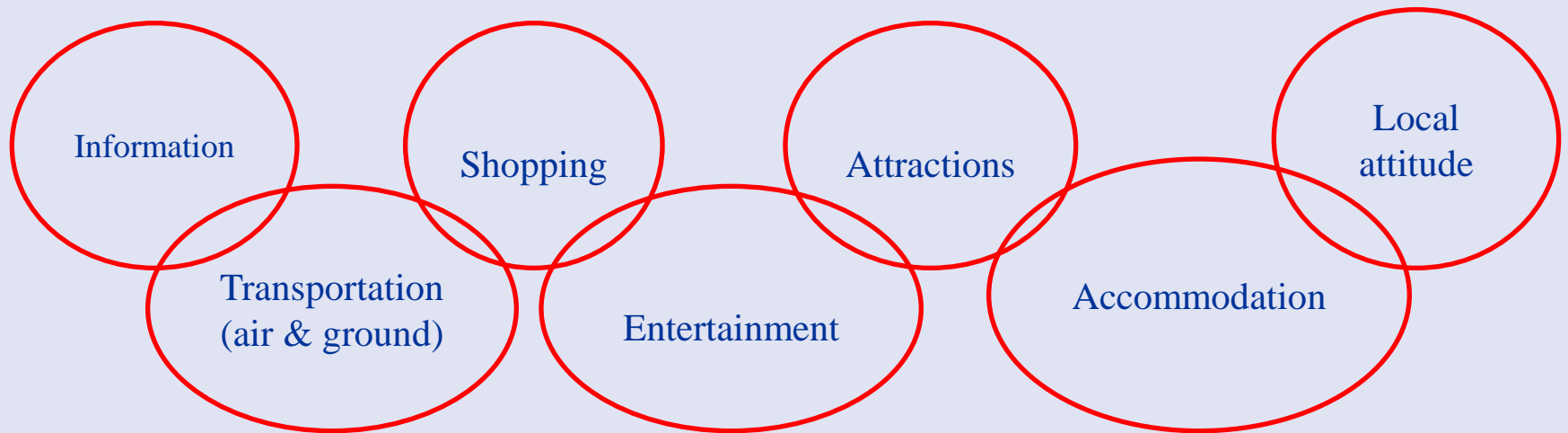
Who is the luxury traveller? UHNWI in numbers, 2011



What is the luxurious tourism product ?

- Luxury is not a separate and distinctive tourism product.
- Luxury can be found in every tourism product.
- Luxury can exist in every aspect of the travel industry.

What is the luxurious tourism product ?



SETE

What is the luxurious tourism product ? Transportation

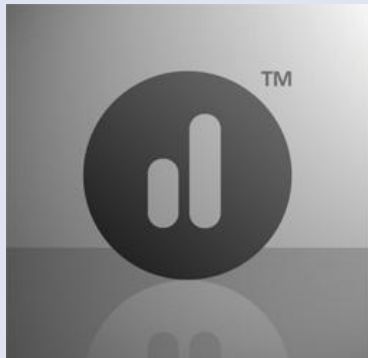


SETE

What is the luxurious tourism product ? Accommodation

STARWOOD

HOTELS & RESORTS WORLDWIDE, INC.



MANDARIN ORIENTAL
THE HOTEL GROUP



FOUR SEASONS
Hotels and Resorts

Fairmont
HOTELS & RESORTS

THE
REZIDOR
HOTEL GROUP


Baglioni Hotels
★★★★★


**RELAIS &
CHATEAUX®**

SETE

What is the luxurious tourism product ? Experiences





Where are the luxury travellers going ?

- In Europe: Paris, Rome and London
- In Asia Pacific: Singapore, Hong Kong and Tokyo
- In Africa and the Middle East: Cape Town and Dubai
- In North America: New York, Miami and Los Angeles
- In Latin America: Rio de Janeiro and Buenos Aire

Demand shifts due the economic crisis?

- Luxury travel is recovering but there are changes...
- A desire to be entertained and stimulated rather than just pampered e.g. not just fine dinning but also having a tour in the kitchen.
- An increasing need for authenticity, simplicity and environmental care. Ostentatious behaviour is considered inappropriate during periods of crisis.
- Value-conscious travellers.

SETE



■ Sun & Beach



■ Wellness



■ Touring



■ City Break



■ Conferences



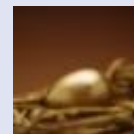
■ Nautical



■ Cultural



■ Countryside



■ ~~Luxury~~

Is Greece a luxurious destination ?

5 star hotel in Heraklion



SETE

Is Greece a luxurious destination ?

Heraklion airport



Is Greece a luxurious destination ?

	2000	2009	Δ 2000-2009 %
5*	6%	13%	154%
4*	25%	26%	25%
3*	24%	23%	18%
2*	35%	31%	8%
1*	9%	8%	3%

PS. Greece has “palaces” in every category...

Is Greece a luxurious destination ?

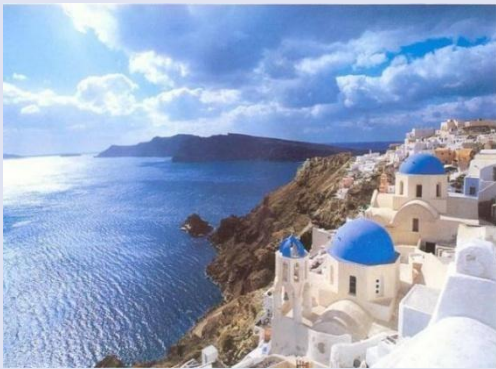


Is Greece a luxurious destination ?

- Low penetration of branded hotels.
- Insufficient supply of luxurious transportation and supplementary services .
- Absence of trend setting events.

Is Greece a luxurious destination ?

spots of luxury



Santorini



Athens



Elounda

NEW
GREEK
CUISINE

Gourmet festival



Costa Navarino



Yachting

Towards luxury

As in tourism policy level, luxury is a concept not a product!

- Focus on gastronomy, culture, yachting, spa & luxury hotels.
- Guarantee that a 5 star hotel is a 5 star hotel.
- Balanced development of luxury hotels all over Greece.
- Improvement of general infrastructure.
- Removal of barriers: sea tourism, luxury cars...
- Privatization of airports.
- Under promise - Over deliver!

Conclusions

- Building up a destination for luxury travellers (and not only) is a long-term process requiring heavy investment and support in terms of promotion and development.
- All stakeholders should work together in order to plan and realize extraordinary luxury (and not only) travel experiences.

SETE



www.sete.gr