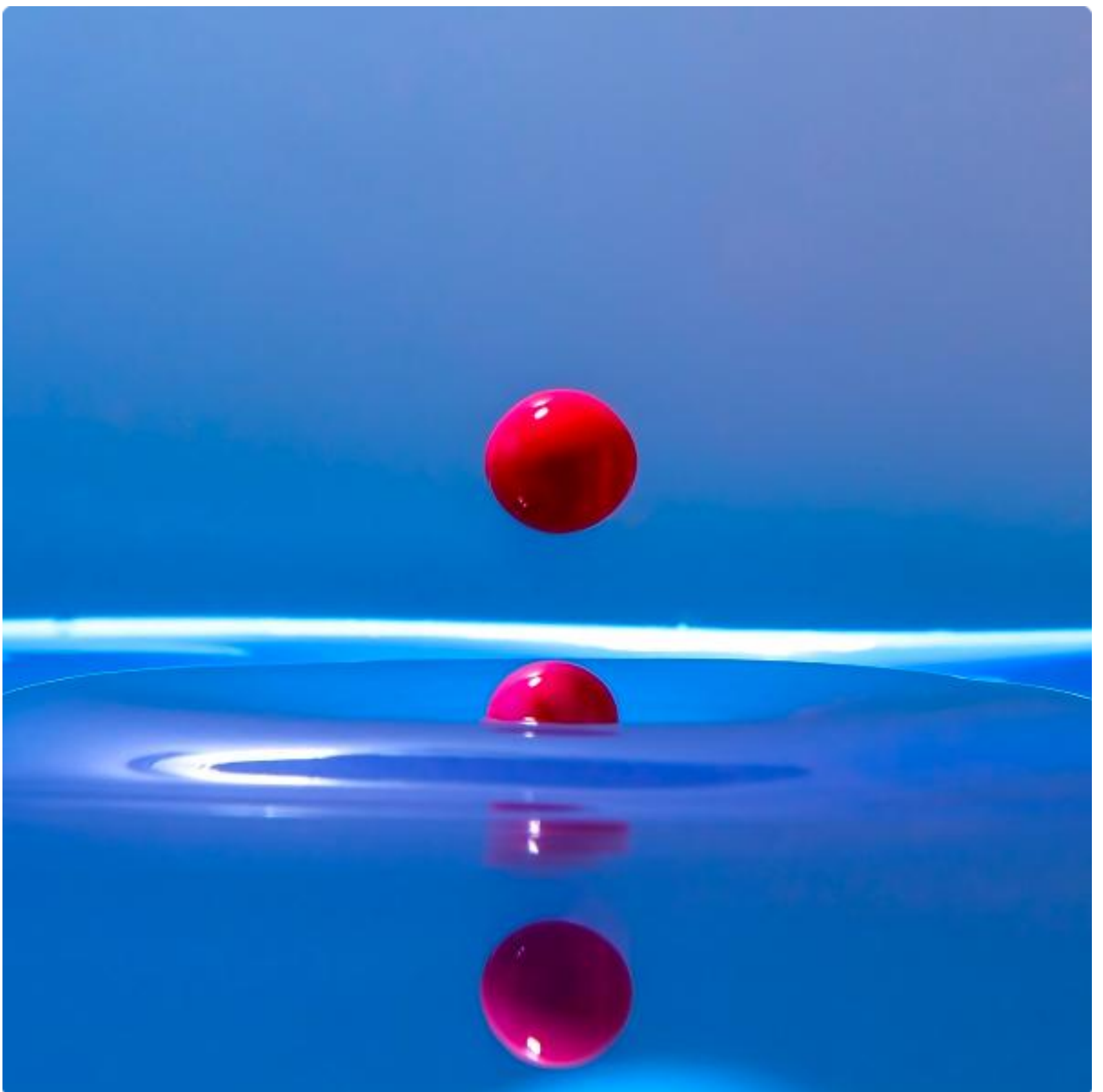


Giancarlo Leporatti

THE SILENT REVOLUTION

How experiential tourism is repositioning the concept of luxury



What we are experiencing is probably the most important change in tourism in recent decades. After the evolution of mass tourism, a product to be consumed with ostentation or by chasing the online offer, an almost silent revolution is overturning the traditional system. It is a new market, or rather a new population of travellers, repositioning flows by disrupting seasonality and quickly bringing alternative destinations to the fore. It is the new high-end of tourism, the bearer of a different vision of luxury, creative and evolved which can double and even triple its economic impact where it finds the right answers, in countries capable of triggering and sharing their excellence in a virtuous circuit.

Giancarlo Leporatti

Updated edition June 2024

THE ECONOMIC CONTEXT TODAY

The Growth of Global Wealth

In recent decades, global wealth has increased significantly. According to Credit Suisse's Global Wealth Report, global net wealth has grown steadily in recent years, with some fluctuations due to economic crises such as the one in 2008 and, more recently, the COVID-19 pandemic.

The pandemic has had a complex impact on global wealth. While there was notable resilience and growth maintained at a record pace in 2021, it led to a significant global economic contraction. However, financial markets saw a robust recovery, with the technology sector, in particular, experiencing significant growth fueled by the sustained expansion of digital services.

Against an evolving backdrop, **2022, however, marked a reversal of this trend.**

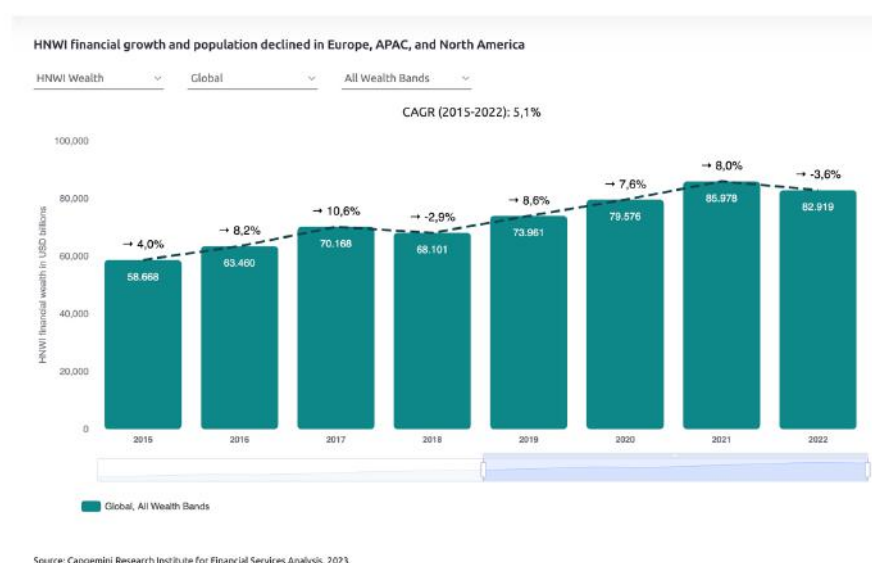
The appreciation of the US dollar against many other currencies is one of the main reasons that triggered a series of reactions.

Financial assets contributed most to the decline in wealth in 2022, while non-financial assets (mainly real estate) remained relatively resilient, despite the rapid rise in interest rates.

The number of millionaires worldwide, now standing at 59.4 million, decreased by over 5%, with a drop of 3.5 million individuals. This decline would have been much more significant if the figure considered the 4.4 million "inflation millionaires" (those who would no longer qualify as millionaires if the threshold was adjusted for inflation in 2022).

Furthermore, wealth per adult decreased by \$3,198 (-3.6%), reaching \$84,718. A decline in the global net wealth of households was also observed, marking the first such decrease since the financial crisis of 2008.

The fact that this loss was primarily concentrated in wealthier regions such as North America, traditionally the most



The winners and losers of 2022's global wealth drop

Percentage change in total household wealth during 2022 by country.

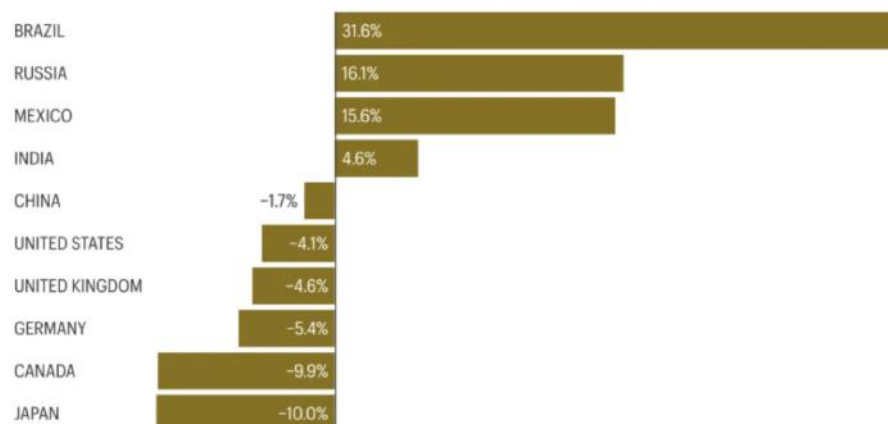


CHART: WILL DANIEL • SOURCE: UBS AND CREDIT SUISSE'S GLOBAL WEALTH REPORT 2023

UNE

active and important market for **Luxury Tourism**, makes the contrast with the trend in this travel sector even more striking. Despite the overall decline, this sector **continued to experience steady growth** and is estimated to have reached \$1.38 trillion in 2023, accounting for **15% of the entire tourism sector**.

To understand what has happened and how these causes may impact future developments, it is necessary to take a more comprehensive look at the emerging data, both in depth and in breadth.

STAGNATION AND REVENGE TOURISM

Let's begin by noting that the observed trend reversal characterizes more as stagnation rather than contraction, attributed to inflation, rising interest rates, and the depreciation of the US dollar. These factors need to be considered because, although in different contexts, they may reappear in the near future.

The contraction of a wealthy market might not significantly impact one of today's most valued expenditures: travel, especially following the restrictions imposed during the pandemic, which have triggered a kind of reassertion of travel known as "Revenge Tourism."

It's true that this phenomenon has affected all demographics: the WTTC indicated that in 2023, the Travel and Tourism sector contributed 9.1% to global GDP, marking a 23.2% increase from 2022 and only 4.1% less than the 2019 level.

However, focusing on luxury travel and evaluating data from Virtuoso—one of the largest networks of **luxury travel consultants**—reveals that **sales in the first half of 2023 had even increased by 69% compared to 2019 levels**.



Research from the California-based magazine **OutThere** highlights that 87% of high-spending travelers surveyed stated that travel will be a "high" (43%) or "very high" (44%) priority for them in the near future.

The rising cost of living and economic uncertainty will not affect their travel spending. The wealthy will continue to travel indiscriminately.

All international indicators agree in confirming this category's strong propensity to invest more in travel.

Positive Outlook and Future Expectations

Supporting this optimistic outlook for the affluent class are the favorable expectations for future trends, as evidenced by UBS research data, which forecasts **a growth trend for the coming years**: after the decline in 2022, **the number of millionaires is expected to reach 86 million by 2027, an increase of 44.8%** from 2022, while the number of Ultra-High-Net-Worth Individuals (UHNWIs) will rise to 372,000.

However, this forecast is not sufficient to fully explain the high performance of the luxury travel market, which, as in 2022, is not so strictly correlated to economic trends. If the luxury travel segment grows well beyond global economic growth indices despite temporary stagnations in its primary market, it is evident that **other factors must be considered**.

THE PROSPECTS OF AVERAGE WEALTH

The UBS Global Wealth Report 2023, while noting a 3.6% decline in wealth per adult and a contraction at the highest niche, also **recorded a 3% growth in global average wealth in 2022**.

The outlook projects further **growth of 38% over the next five years**, reaching USD 629 trillion by 2027.

Economic development in the new millennium has been steady: **median wealth has quintupled**, largely due to rapid wealth growth in China. Projections indicate that by 2027, wealth per adult will reach \$110,270, reflecting a 30.2% increase over the five-year period.

Origins of the Trend

Particularly noteworthy are the data indicating the origin of this trend. First, from a geographic perspective, **middle-income countries will be the primary drivers of this increase**.

Second, in terms of the distribution of global wealth, **the segment of individuals holding wealth between \$100,000 and \$1 million now constitutes 12% of the population, or 642 million adults, triple the 208 million from the year 2000**.

It is evident that the progressive increase in global average wealth is opening access to goods and services previously out of reach for new segments of the population, simultaneously fostering the evolution of consumption habits.

In this context, we are witnessing two parallel phenomena: emerging middle classes seek the material aspects of luxury travel, while more mature classes desire a new, more evolved type of luxury.

FROM LUXURY TOURISM TO PREMIUM TOURISM

In recent years, economic and market evolution studies have intercepted a strong and significant trend: a cultural maturation.

The research group led by **Amit Kumar at Cornell University** succinctly synthesized the findings on consumer needs (Journal of Experimental Social Psychology, 05/2020):

"Material purchases relate to money spent on 'having' things like clothes, jewelry, furniture, gadgets, and so on. **Experiential purchases** involve money spent on 'doing,' such as tickets for concerts or theater, vacations, or dining out.

In general, experiential consumption tends to provide longer-lasting satisfaction than material consumption.

Experiences are less resistant to adaptation processes, constitute a larger part of one's identity, and foster successful social relationships. People also talk more about their experiential purchases and derive greater benefits from them. Furthermore, the greater satisfaction people derive from experiences is evident over a long period: we not only enjoy our experiences, but also anticipate them with great enthusiasm and joy."

"As people age and markets mature, materialism becomes less important, while time and enrichment become crucial," says **Ian Yeoman, Travel Futurologist**. "This is a **significant characteristic in European and American markets**: from Maslow's perspective, it pertains to **Self-actualization**."

From the perspective of travel, this process is summarized in the development of two macro trends:

- The convergence in the high-spending market of **new flows of travelers** who are not necessarily wealthy but have a medium to high cultural level, willing to spend significant amounts for valuable travel experiences.
- **The evolution of the luxury segment**, rapidly opening up to factors no longer strictly tied to wealth and its stereotypes, but to a new, culturally elevated and creative vision of travel.

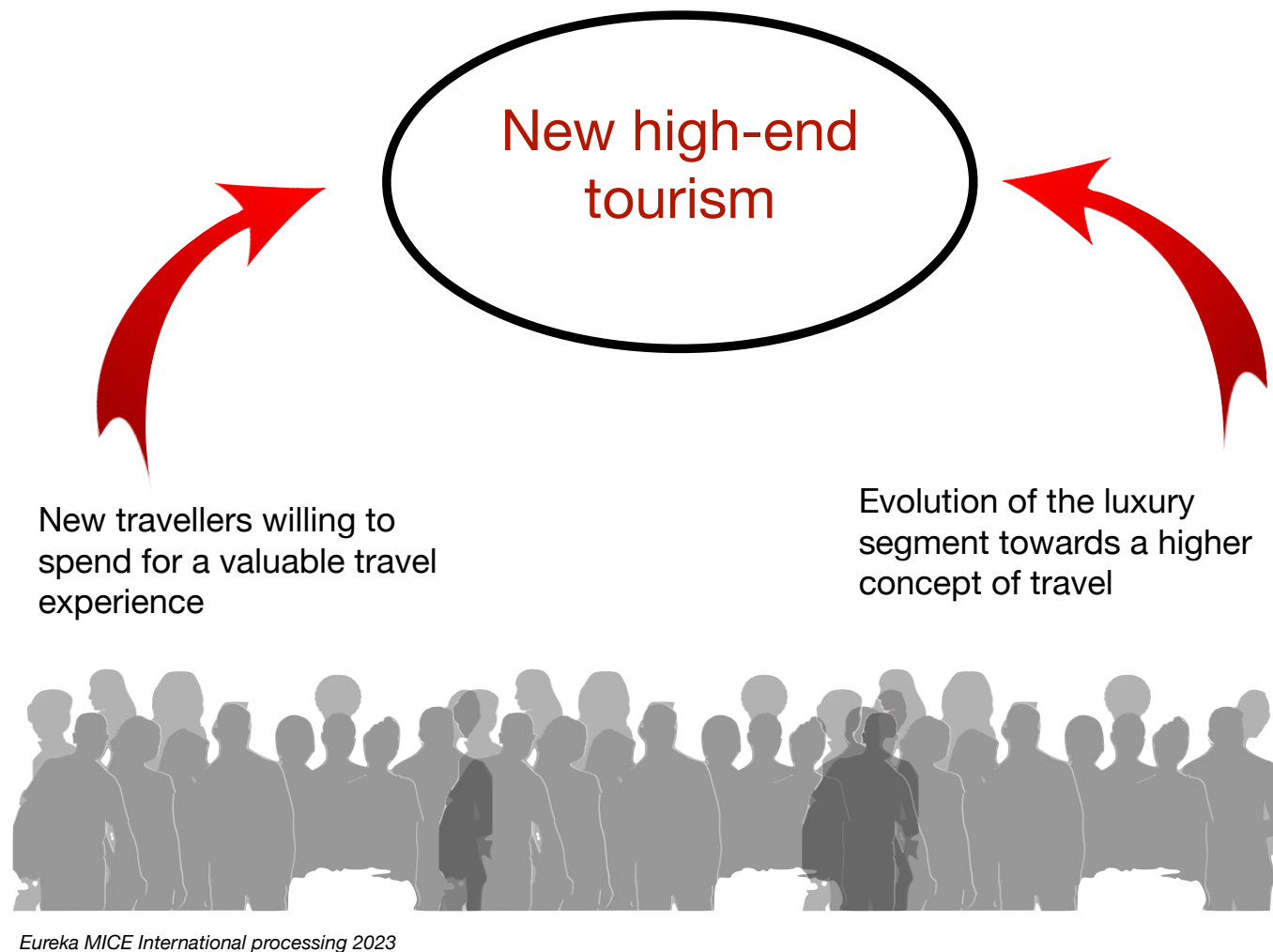
These are relatively new trends that quickly exploded post-pandemic, influencing all high-spending segments.

Redefining Luxury

In this ever-changing context, the traditional concept of luxury—which traditionally evokes the celebration of the superfluous, the ephemeral, and unconditional excess—is being surpassed by a new dimension that seeks exclusivity in the authenticity of personalized experiences that embody art, history, tradition, sophistication, harmony, well-being, and innovation.

Emergence of High-End Tourism

Thus, from the luxury segment, a new market has emerged: deconstructed, fluid, and transversal across many segments. This is the **new premium tourism**, of which the luxury sector is a part, driven by the pursuit of experiential travel that is growing exponentially **beyond the confines of the industrial system**.



High-End vs. Luxury: Distinct Market Segments and Concepts

High-end and luxury are two market segments that, while seemingly similar, differ significantly in content.

A luxury product or service is always high-end, but a high-end product or service is not necessarily always a luxury product.

The term "luxury" has struggled to keep pace with evolving consumer values and expectations, prompting a significant shift in how high-end travel is perceived and marketed.

Research conducted by *OutThere*, a Californian magazine catering to the diverse high-spending community, sheds light on this metamorphosis in the travel industry.

- Inclusivity Concerns: 73% of respondents **believe that luxury travel marketing fails to inclusively represent today's diverse traveler demographics**. There is a strong sentiment that the industry's visual communications do not adequately reflect this diversity and that travel brands do not actively target, market, and promote to varied community groups.
- Inadequate Services: **66% of respondents feel that luxury travel suppliers do not provide products and services that meet the needs of today's diverse clientele**.
- Sustainability Willingness: A significant 70% of travelers are willing to pay more to travel sustainably, indicating a shift in priorities towards environmental consciousness and ethical travel practices.

Implications for the Industry

These findings highlight the need for the luxury travel industry to evolve and adapt:

1. Inclusivity and Representation: There's a clear call for more inclusive marketing strategies that reflect the diverse backgrounds and preferences of modern travelers. This means showcasing a broader range of experiences and demographics in visual and promotional materials.
2. Tailored Offerings: Luxury travel providers must diversify their offerings to cater to the varied needs of contemporary travelers. This includes addressing preferences for unique cultural experiences, sustainable travel options, and personalized services.
3. Sustainable Travel: With a growing willingness to invest in environmentally sustainable travel, luxury brands need to embed sustainability into their core value proposition. This could involve eco-friendly accommodations, sustainable travel practices, and supporting local communities and ecosystems.

Conclusion

The evolving definitions and expectations of high-end and luxury travel necessitate a profound transformation within the industry. Brands that embrace inclusivity, cater to diverse needs, and prioritize sustainability will be better positioned to appeal to the modern high-spending traveler. The shift from traditional luxury to a more inclusive and experience-driven high-end travel model represents an opportunity for the industry to grow and innovate, staying relevant in a rapidly changing market landscape.

HIGH-END TOURISM: UNDERSTANDING THE NEW PHENOMENON

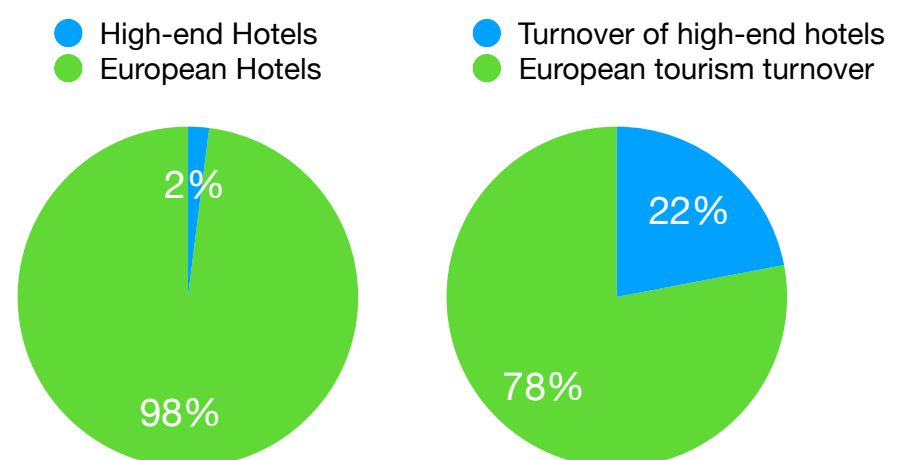
High-end experiential tourism is a relatively new phenomenon, although its roots trace back to deeper cultural transformations. This shift can be attributed to a transition in consumer demand from product-centric logic, which characterized the tourism industry post-World War II, to current trends focused on emotional factors and the quest for unique experiences.

Over the past decade, high-end experiential tourism has begun to assert itself and has explosively grown post-pandemic, influencing a wide range of tourism markets, particularly among high-spending segments. Its growth rate is almost double that of traditional tourism.

Luxury brands have identified the potential in this new direction. **The European Cultural and Creative Industries Alliance (ECCIA)** commissioned Bain & Co to conduct the first European-scale study on this market. Findings from 2022 reveal that high-end tourism accounts for **only 2% of European accommodations but generates nearly 22% of the continent's revenue**. This figure is expected to continue rising.

In high-end tourism and much of the luxury segment, travelers have developed new sensibilities. **They seek to be protagonists, unshackled by pre-established models, brands,** star ratings, and standardized procedures, aiming to experience authenticity rooted in local cultural values, sustainability, simplicity, aesthetics, and personalization.

Value of high-end tourism
In Europe



Source: ECCIA 2023 - European Cultural and Creative Industries Alliance
Eureka MICE International processing

Personalization as a Pillar

Personalization in this context does not merely mean tweaking standardized proposals and systems. Instead, **it requires a fundamental rethinking of traditional systems.**

Displaying historical, artistic, cultural, and environmental assets alone is no longer sufficient to guarantee competitive advantage. These assets serve as the backdrop for creating a coherent, flexible, and multifaceted experiential offering that synergizes with the socio-economic-cultural fabric of the destination.

Meeting the demands of high-end travelers today necessitates significant time and dedicated specialist resources.

Critical to this process is establishing a dialogue to understand and engage with a traveller's desires, needs, hopes, and potential fears. While technology can assist, it cannot replace the human connection required to establish an emotional bond.

The main objective of experiential tourism is **to forge a profound connection between the traveler and the destination, creating meaningful emotions and lasting memories.** This type of tourism relies on **active participation and interaction with the local community**, moving beyond mere consumption to a more enriched understanding and engagement with the destination.



HOW TRAVEL IS EVOLVING: TAILORED PROPOSALS FOR QUALIFIED NEW FLOWS

The Evolution of Travel Experiences

The landscape of travel is undergoing significant changes, driven by new, highly discerning tourist flows that demand tailored experiences. These travelers seek proposals that seamlessly blend a region's historical, artistic, cultural, and landscape heritage with its most exclusive offerings.

This includes culinary delights, fashion, craftsmanship, music, design, and natural exploration, all complemented by impeccable accommodation services that reflect the best tradition of hospitality.

Diverse Choices of Experiences

The preferences of this clientele are as varied as the types of experiences available. The European Cultural and Creative Industries Alliance (ECCIA) has categorized these experiences across Europe into several key themes.

High-end tourism areas

Food & Wine	Art
Nature	Beach & Water
History	Shopping
Culture	Entertainment
Sustainability	Sports
Active	Wellness

ECCIA - European Cultural and Creative Industries Alliance

Below are 14 key trends that define this shift:

1. Customized and Tailor-Made Itineraries

The hallmark of high-end travel is bespoke itineraries tailored to the exact preferences of the traveler. These itineraries cover everything from destinations and accommodations to activities, ensuring a unique experience.

2. Wellness and Holistic Travel

For these travelers, health and wellness are paramount. They seek out spa retreats, immersive wellness experiences, and detox holidays to rejuvenate both body and mind.

3. Sustainable and Eco-Friendly Travel

Environmental concern is at the forefront for luxury travelers. They favor accommodations and experiences that follow sustainable practices, support local communities, and promote responsible tourism.

4. Private Experiences

Privacy is crucial for luxury travelers. This priority leads them to choose private jets, yachts, and villas, ensuring a secluded, tranquil holiday away from the crowds.

5. Multi-Generational Travel

Increasingly, high-end holidays cater to multi-generational families, offering resorts and experiences designed to meet the needs of grandparents, parents, and children alike.

6. Boutique Hotels and Intimate Accommodation

These travelers value uniqueness and exclusivity, turning to intimate hotels and bespoke accommodations that emphasize local culture, aesthetics, and attentive service.

7. Gastronomic Experiences

Culinary adventures are a major draw for luxury travelers. They seek fine dining, locally inspired cuisine, and immersive foodie experiences, including cooking classes, wine tastings, and private meals with renowned chefs.

8. Adventure Travel and Sports

There is a growing interest among high-end travelers in thrilling and unique adventures such as skydiving, scuba diving, hot air ballooning, heli-skiing, and other adrenaline-pumping activities.

9. Cultural Immersion

Authentic experiences offering deep immersion in local cultures are ever more popular. High-end travelers participate in language courses, traditional craft workshops, and cultural performances.

10. Slow Travel

Slow travel emphasizes fully experiencing a destination by immersing in local culture and traditions at a leisurely pace, eschewing the typical frantic tourist schedule.

11. Bleisure Trips

Combining business and leisure, these travelers extend business trips to include cultural or leisurely experiences, blending work with pleasure.

12. Smart Technology and High-End Services

Luxury accommodations are investing heavily in technology and personalization, providing state-of-the-art amenities and personalized services to meet the high expectations of luxury travelers.

13. Customized Experiences

Increasingly, luxury travelers turn to destination specialists to curate exclusive, personalized experiences and holiday itineraries that align with their individual preferences and desires.

14. Undiscovered Destinations

High-end travelers show a growing desire to explore lesser-known destinations, seeking the novelty and exclusivity of uncharted territories.

15. Space Tourism: The New Frontier in Luxury Travel

With companies like SpaceX and Blue Origin forging ahead into commercial space travel, the possibility of luxurious space tourism is progressively becoming a reality.



These are discerning travellers, willing to spend even challenging sums of money but demanding more than the traditional luxury tourist.

Alongside artistic and environmental endowments, many other factors compete on an equal footing in influencing travel choices. A new scenario in which a good wine can be as attractive as an artistic masterpiece or the possibility of regenerating body and soul overcomes any logistical shortcomings of the destination.

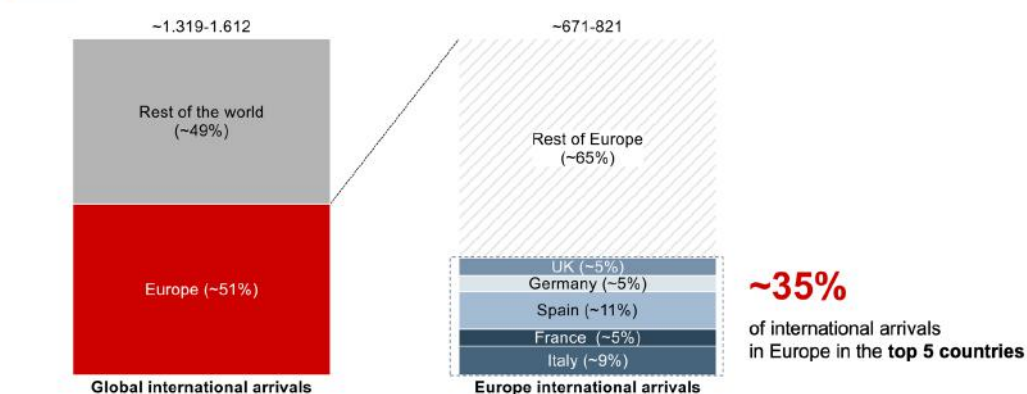
Not only hotels, therefore, but also museums, exhibitions, concerts, theatres, wellness centres, restaurants, local produce shops, walks and nature trails, all come together to make up the journey as an experience, rigorously selected on the basis of authenticity and excellence, sought after for the emotions it offers.

NUMBERS THAT MAKE YOU THINK (A LOT)

Here are some of the most significant figures from research on high-end tourism in Europe (Source: ECCIA-Bain elaborations on national statistics data, Bain Altagamma Luxury Study, Euromonitor, UNWTO, Eurostat, Domoskopea, Statista, Expert interviews - 2022)

Europe is the most visited region in the world: **~51% of global international arrivals**

Global international arrivals by destination (M | 2019)



Note: (1) When speaking about Europe, we refer to the European Union countries + UK & Switzerland; (2) Direct economic impact: stay and consumption (i.e. transport, dining, culture, entertainment and shopping)

Source: Bain elaborations on national statistics data, Bain Altagamma Luxury Study, Euromonitor, UNWTO, Eurostat, Expert interviews

Europe (EU countries + UK and Switzerland) is the most visited region in the world with 51% of international arrivals globally. The direct economic impact in 2019 was € 600-700 billion and reached over € 1 trillion when the indirect impact is also calculated.

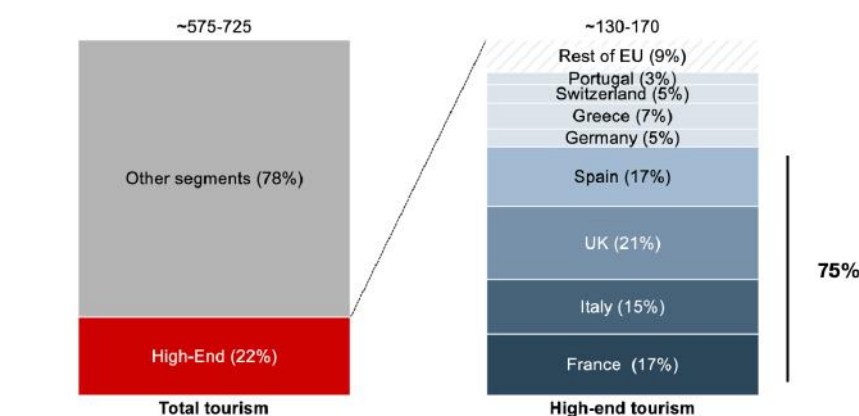
High-end tourism in Europe, while occupying only 2% of accommodation facilities, accounts for 21-24% of total tourism and is worth € 130-170 billion.

Daily expenditure in high-end tourism is 8 times higher than the average for overall tourists.

In Europe, 75% of the value of high-end tourism is generated by 5 countries: France, Spain, Germany and the United Kingdom and Italy.

High-end tourism is a **sizeable** segment in Europe, representing 22% of overall tourism and **worth €130-170B**

Tourism industry¹ in Europe² by segment and by country (€B | 2019)



Note: (1) Direct economic impact: stay and consumption (i.e. transport, dining, culture, entertainment and shopping); (2) When speaking about Europe, we refer to the European Union countries + UK & Switzerland

Source: Bain elaborations on national statistics data, Bain Altagamma Luxury Study, Euromonitor, UNWTO, Eurostat, Expert interviews

The high-end tourism industry generates up to 12 million direct jobs, 22 million including indirect jobs.

The **ECCIA - European Cultural and Creative Industries Alliance** estimates that, by strengthening action on several strategic levers aimed at attracting tourists currently heading to other destinations, high-end tourism **could double or even triple its current value** to reach € 520 billion in direct revenue by 2030-2035.

THE LUXURY WAVE IN THE MICE INDUSTRY: Current Trends and Future Outlook

The events industry is also undergoing a significant shift towards luxury destinations and high-end experiences, reflecting the changing preferences of both event organisers and attendees. In fact, according to Statista, the global luxury travel market is expected to reach the monumental figure of \$2.5 trillion by 2025, highlighting the growing desire for high-end experiences.

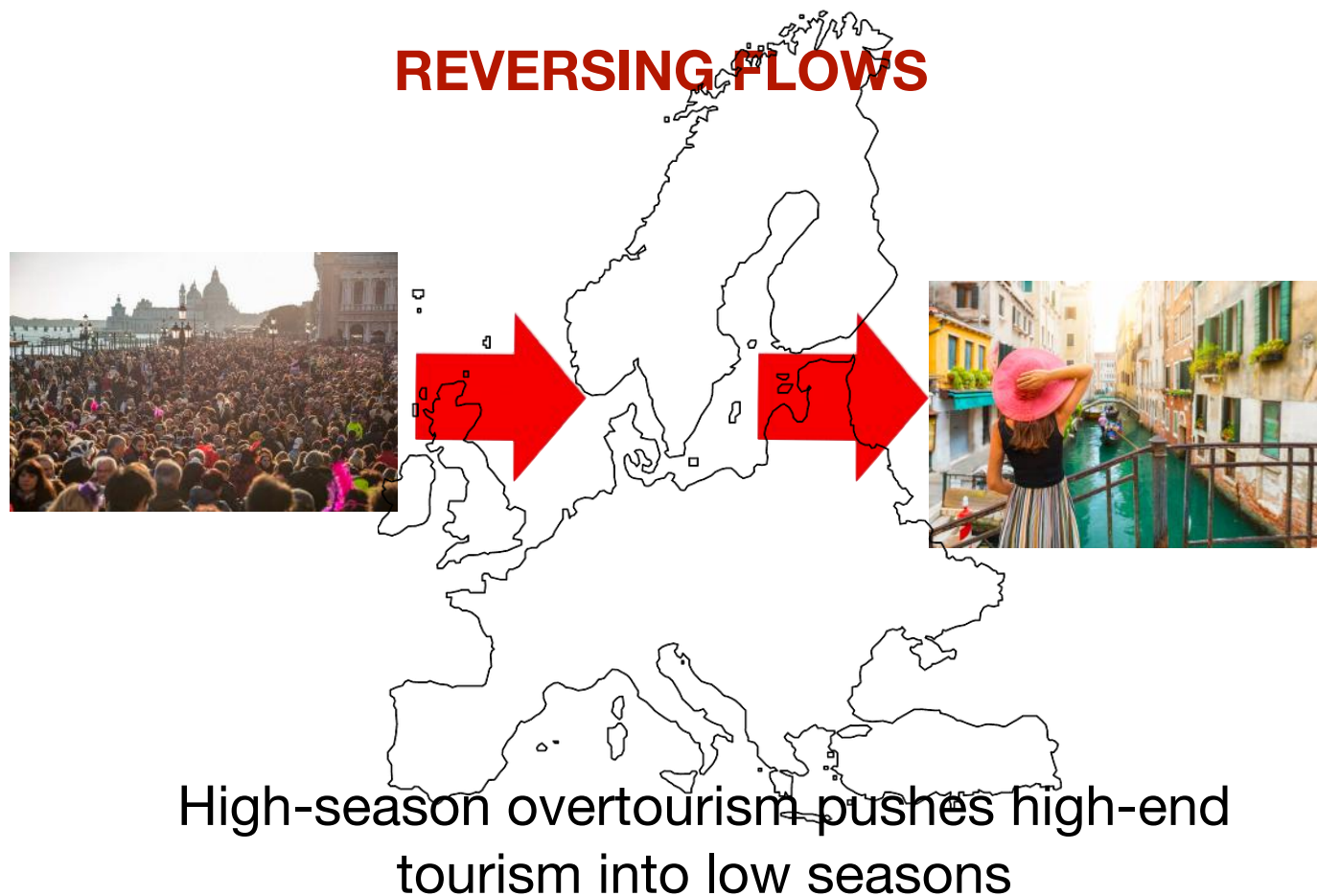
In 2019, the MICE sector—which encompasses Meetings, Incentives, Conferences, and Exhibitions—was valued at USD 916.1 million. By 2030, it is projected to grow to USD 1.78 billion with a CAGR of 6.1% from 2020 to 2030. Key factors driving this growth include the global expansion of the corporate sector, increased Foreign Direct Investments (FDI), the proliferation of small and medium-sized enterprises, and the widespread adoption of AI and IoT technologies.

Moreover, rising disposable incomes, an uptick in event frequency and scale, and continuous growth in global tourism are also fueling this expansion. Despite obstacles such as cost considerations and geographic challenges, the MICE industry is poised for significant growth.

Investments in infrastructure and technological advancements are expected to create new opportunities for the industry. Europe is forecasted to hold the largest market share due to increasing meeting activities and the widespread adoption of smart devices. Meanwhile, the Asia-Pacific region is set to achieve the highest growth rate, driven by surges in tourism and business activities, favorable government policies, and greater AI and IoT integration.

THE REVERSAL OF FLOWS - TOWARDS THE NO SEASON

High-end and overtourism are two incompatible types of tourism. Apart from the unique and unrepeatable cases of major artistic, cultural and sporting events, which have transversal attractions, the characteristics of these two segments are mutually exclusive. Among its many negative aspects, however, Overtourism has the merit of having induced a very positive phenomenon: **the reversal of flows**.



After the pause of the pandemic, the increasing increase in mass tourism during the high seasons is incentivising **high-end tourism** to move into the **low seasons** and seek out Crowd-free destinations.

This means that while the low season used to be represented by less profitable tourism and lower service quality levels, new trends are bringing more affluent and at the same time more demanding tourism into the low season.

The "no season" phenomenon is swiftly reshaping the tourism industry, challenging its traditional paradigms, and presenting a remarkable opportunity for seasonal destinations to maximize their hospitality potential under optimal economic conditions.

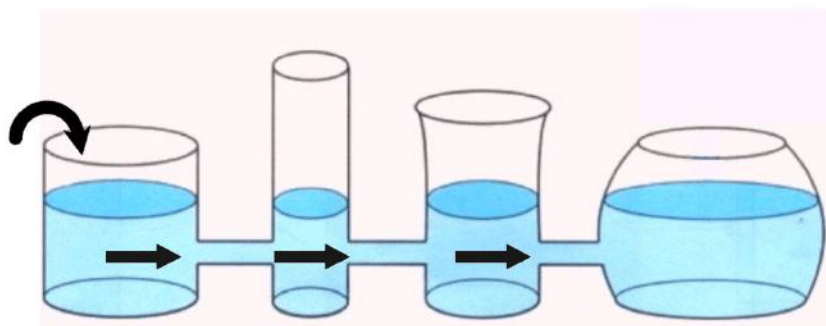
This shift in the flow of tourism due to the rise of no-season travel is prompting many markets to reposition themselves, not just in terms of timing, but also concerning destinations.

At the round table discussion "**Trends in high-end MICE tourism and the short- and medium-term effects on destinations**" held in Venice during the MICE Trade Show **2023**, it was highlighted how this trend is effectively reshaping many markets.

THE COMMUNICATING VESSELS PRINCIPLE

The increase in flows of wealthy travellers to certain locations is reflected in the general increase in the prices of goods and services in order to adapt them to the quality standards required and the capabilities of the new buyers.

This change produces the migration of flows that traditionally frequented them either to other times of the year or to other localities able to guarantee the conditions to which they were accustomed.



This is the case for many events that, due to the increase in high spending flows in the low seasons in cities of art, have to look for new solutions that are able to respect budgets while guaranteeing service standards and conditions equal to those previously applied.

A phenomenon that particularly affects certain types of congresses, but above all many types of corporate events

The result is the discovery and exploitation of alternative destinations that have quickly risen to the forefront of international tourism.

But in order to be able to exploit the great potential of these markets and ensure that a virtuous circuit for the sustainable development of the socio-economic, cultural and environmental fabric of the locality can really be set in motion, there must first of all be a clear project, shared by all the realities involved, that characterises the offer in relation to the markets in which one wishes to compete and, last but not least, an **effective governance system that sees the institutions playing a leading role.**

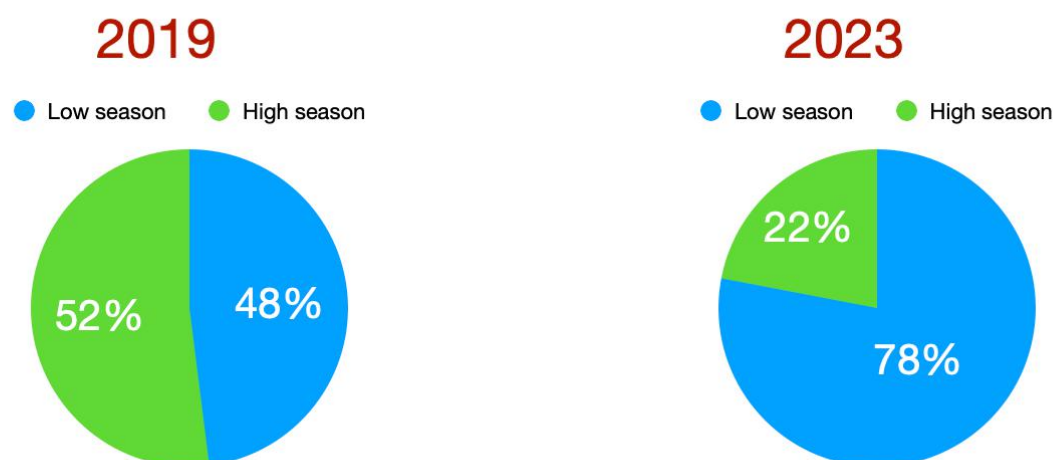
THE MICE TRADE SHOW 2023 SURVEY

The analysis of the requests and schedules of the 365 event organisers accredited to MICE Trade Show 2023 clearly affirms the reversal of flows.

78% of the schedules proposed by the organisers of high-end events in the main markets relate to low season periods. In 2019, this percentage was 48%.



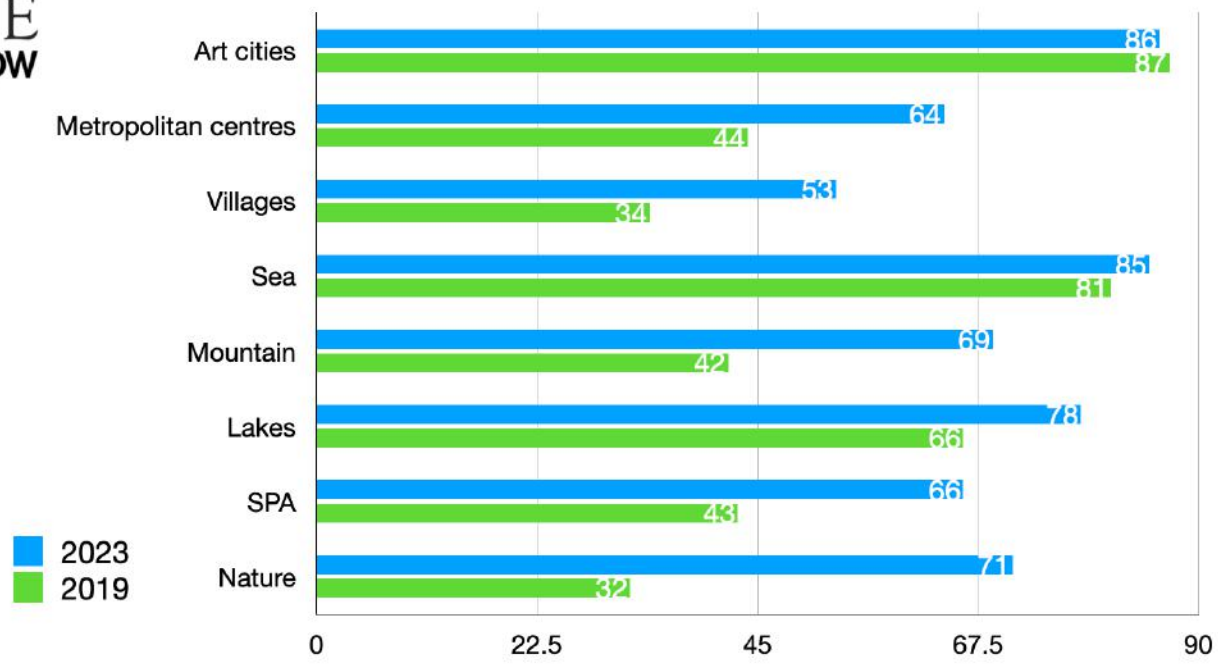
Seasonal programming orientation



A trend that does not only refer to the MICE segment, but more generally to the whole of high-spending tourism, which is very evidently eschewing periods of great crowding and, for high season programming, is orienting itself towards new or in any case less beaten destinations.

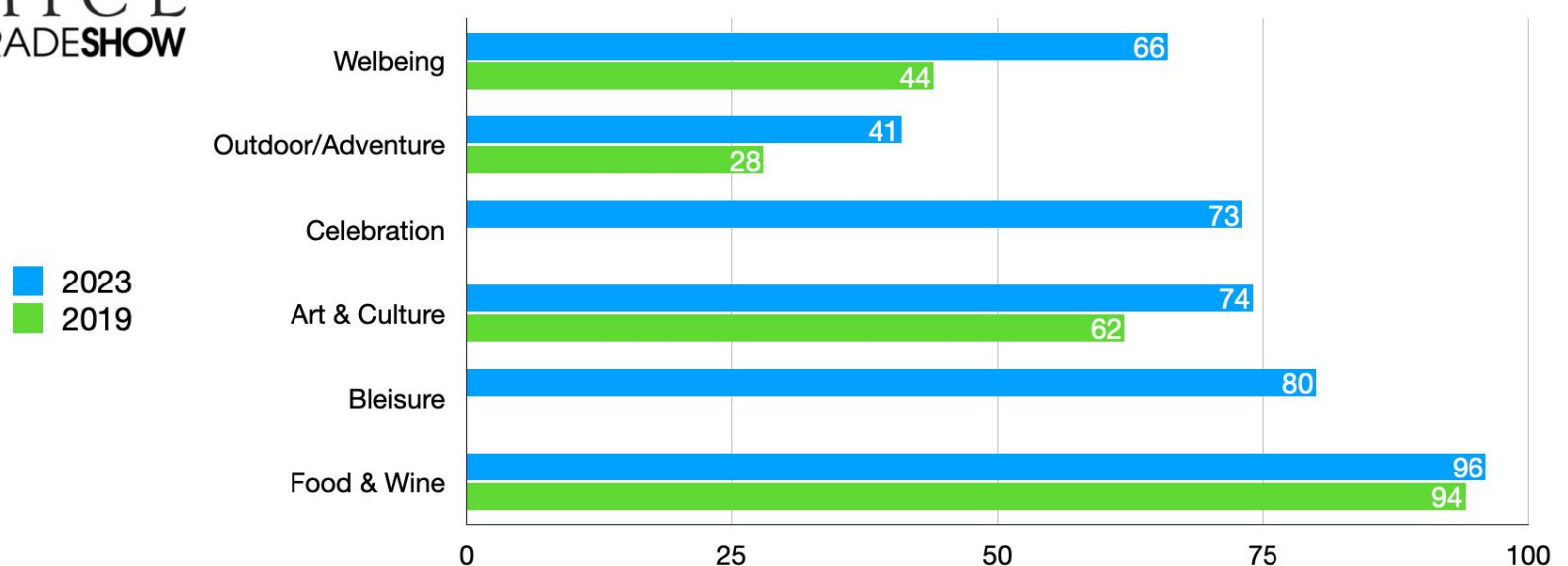
Entering into the details of the types of travel, the main interest of the low season is in cities of art and, more generally, destinations that offer a qualified historical-artistic-cultural offer.

Favourite destinations



Food and wine remain dominant with 96% of interest (almost unchanged compared to 2019), while the demand for the Wellness segment (Wellbeing) undergoes a strong increase, with 66% of those interested compared to 44% in 2019.

Planning orientation



It should be pointed out that the concept of wellbeing in this case refers to a specific dimension that also concerns the mind and spirit and that includes, in addition to spas and traditional hotel facilities such as spas, gyms and swimming pools, all those activities aimed at psycho-physical wellbeing: from interactions with the environment to Yoga and all holistic disciplines.

There is a growing demand for destinations and locations immersed in nature that allow activities in natural, preferably unspoilt settings.

Also in line with this trend is the increase in demand for outdoor/adventure activities, which is showing an interest of 41% compared to 28% in 2019.

There is also strong growth in the search for solutions for celebratory events, from weddings to birthdays, from family reunions to corporate celebrations, which interest 73% of organisers.

The Arts and Culture segment also showed a marked increase in interest, rising from 62% in 2019 to 74%.

Bleisure, which had its exploit with the pandemic and was thought to be gradually shrinking, is experiencing a **strong increase in interest to the extent that it is changing the traditional logic of selecting destinations and locations for events.**

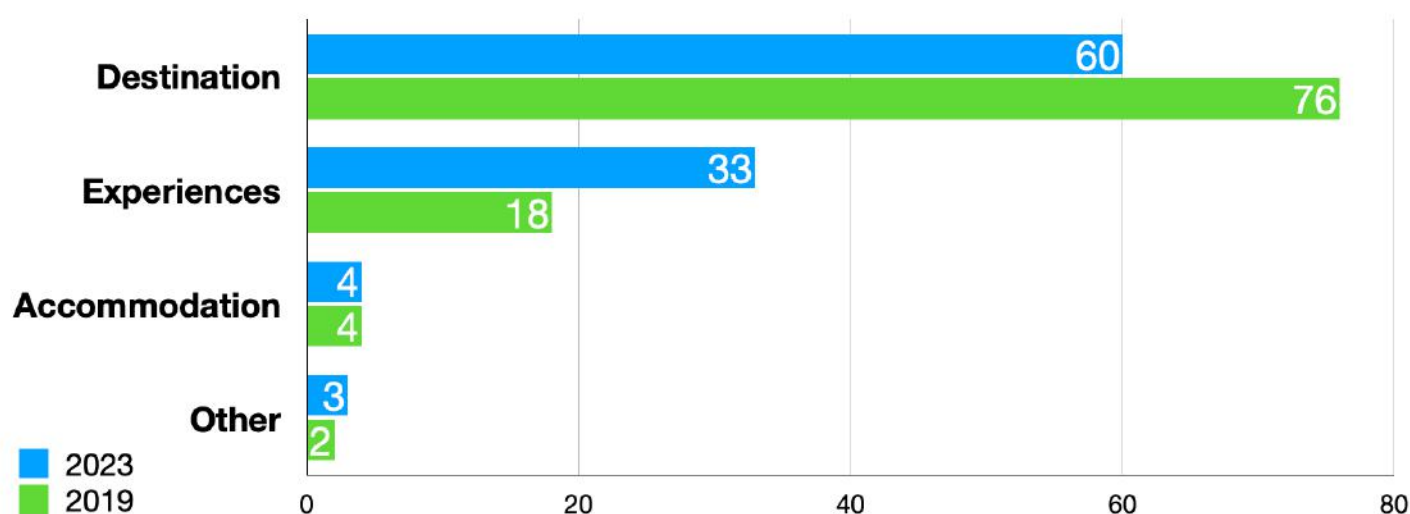
Eighty per cent of organisers now direct their search towards destinations that offer attractive ways to extend their stay at an event or business trip.

This trend opens up the events market to **new destinations and locations** that, in addition to accessibility, are able to guarantee attractive stay options.

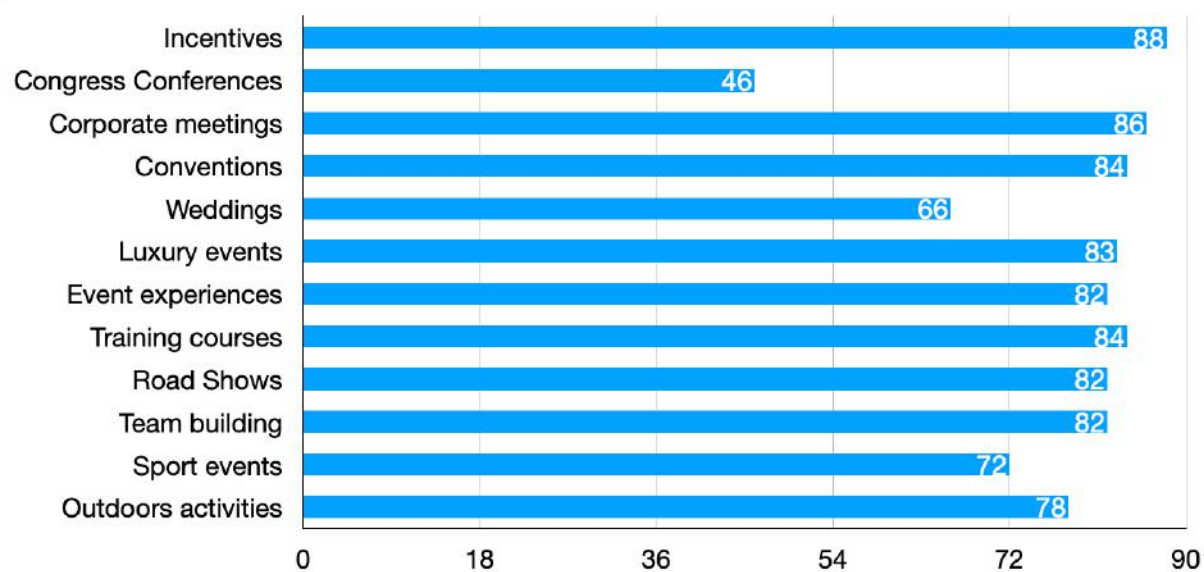


Choice Priority

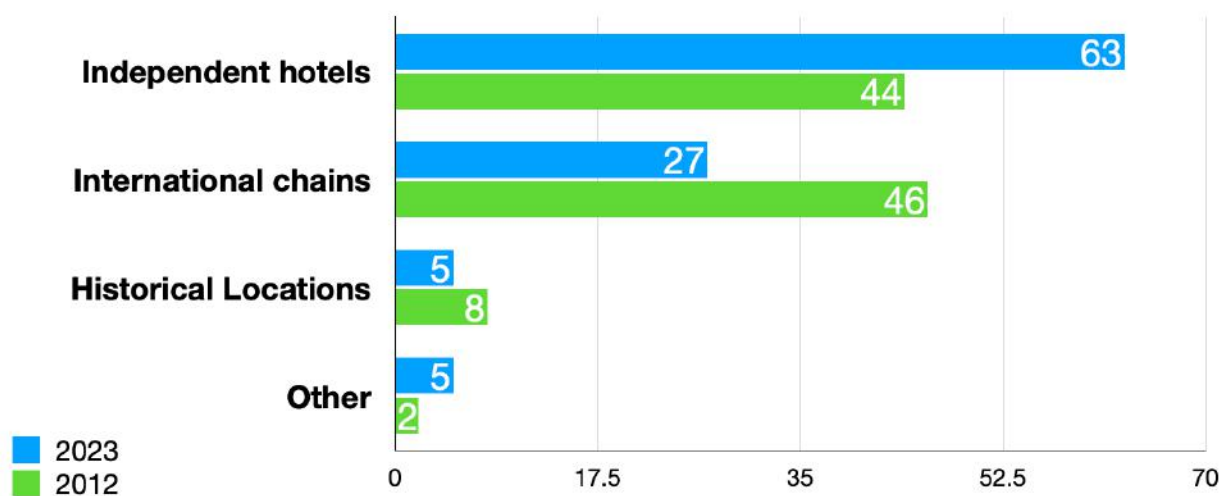
What is the priority in your customers' choices?



Types of organised events



Preferred accommodation



Survey Eureka MICE International 2023

TOWARDS A TOURISM WITHOUT SEASONS

All the indicators thus highlight the transformation taking place in the tourism industry system with its traditional paradigms.

Today, thanks to the progressive repositioning of the richest flows towards the low seasons, **the potential and management logic of the tourism market are changing.**

The strong characterisation of flows requires precise positioning choices by all players in the hospitality industry and the ability to activate the right levers towards those markets that, more than others, **can guarantee a consistent increase in turnover** that is sustainable and synergic with the socio-economic, cultural and environmental fabric of destinations.

The main drivers capable of guaranteeing an effective **deseasonalisation process** are three markets: the high-end experiential market structured in the various specialised niches, the major sporting-cultural events and the MICE market with corporate events and conferences

HIGH-END EXPERIENTIAL TOURISM

We have illustrated its characteristics in the previous chapters.

It is undoubtedly the market par excellence that can guarantee a solid development of the destination, sustainable and synergic with its socio-economic, cultural and environmental fabric.

Also because it is a driving force for all other segments.

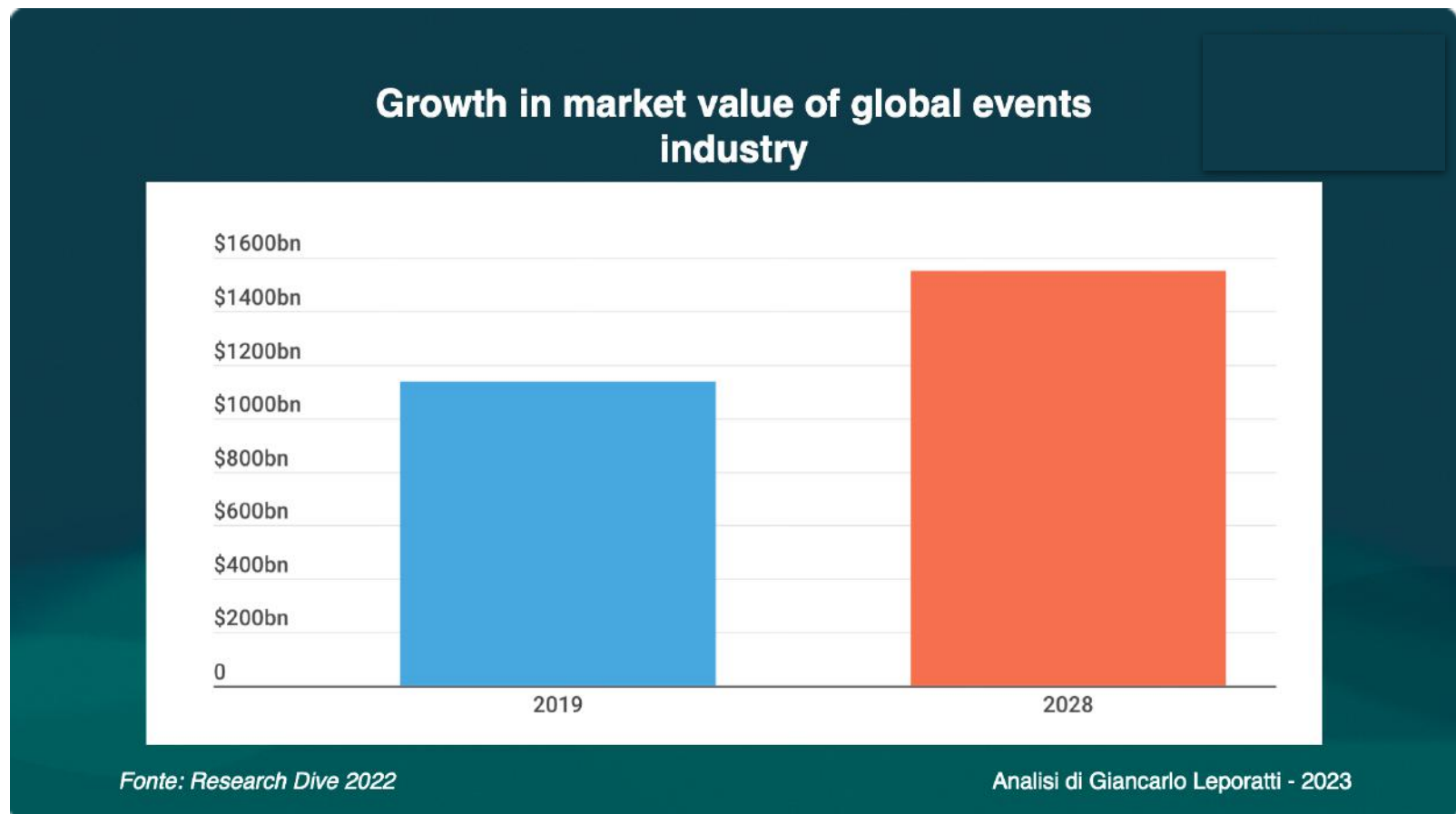
It is a new dimension of tourism that requires tailor-made proposals that know how to combine the historical, artistic, cultural and landscape heritage of the territory with its most exclusive productions: from wine and food to fashion, from craftsmanship to music and design, with accurate accommodation services, an expression of the best tradition of hospitality.

The challenge for destinations interested in these flows lies in knowing how to compose and enhance these aspects **by organising them into a harmonious whole** that favours that dynamic interaction with the tourist that is the basis of the travel experience.

It is an objective that requires a change of vision and a profound revision of the traditional tourist-receptive system, the ability to think up very different service models to meet the demands of this new, typically unstructured tourism.

For this, a strategy is needed: to create a system between the public and private stakeholders of the destination and to implement effective programming and governance policies for the territories, involving not only the economies of the tourism industry, but also sustainable growth and an increase in the quality of life.

THE GREAT EVENTS MARKET



The large events market is undoubtedly the segment that, more than others, is able to guarantee the most effective and fastest response, driving many other sectors, especially the high-end ones.

I am not just referring to the MICE (Meeting, Incentive, Conference, Event) market, but to the entire events world, which also includes sport, corporate events, art, music, etc.

To understand the size of this market, we have as a reference **Research Dive's** 2023 study, which estimated the size of the global events market for 2019 at \$1,135.4 billion with a forecast to reach \$1,552.9 billion by 2028, with a compound average growth rate (CAGR) of 11.2% from 2021 to 2028.

For comparison, global tourism spending in 2018, according to the UNWTO, was about \$1.7 trillion, including passenger transport.

CORPORATE EVENTS, A HUMAN FACTOR

According to Growth market reports in 2022, the size of the global corporate events market was \$5.9 billion with the forecast to reach \$24.6 billion by 2031, expanding at a CAGR of 17 per cent from 2023-2031 .

One of the key factors driving the expansion of corporate events globally is the **increasing need to value and manage the human factor**, which has led to an increase in activities such as geocentric or intercultural employee **training** and global marketing. All the more so as the constant increase in **smart working** makes it necessary to create more moments of meeting and gathering to stimulate employees' afflatus and motivation.

In 2022, the corporate events market was dominated by North America with 27% of the global market share, followed by Asia-Pacific with 25% and Europe with 23%. This is followed by the Middle East - Africa region with 17% and finally South America with 8% (Allied Market Research 2023). In the period 2023-2031, North America is still expected to lead the international market.

THE CONGRESS

All studies identify the conference as a strategic tool for deseasonalisation. In fact, it is the segment of tourism with the widest programming, with the greatest number of induced activities and the greatest number of qualified employment opportunities. The average expenditure of a conference delegate is double that of a traditional tourist.

This fact explains why **many countries offer financial and logistical support to these events, incentivising and coordinating public and private players in order to propose the most competitive solutions.**

Europe plays a dominant role with over **50% of the world market.**

Today, the conference market is **still experiencing a golden moment** in the wake of the post-pandemic Tsunami effect, which has poured the largest number of events on the European market since 1950. In fact, the many events postponed during the COVID19 emergency have been added to the traditional schedules.

However, this is an effect that will **fade away in the short to medium term**, which will be followed by a structural downsizing of conference activities by 10-15% compared to 2019 due to all the meetings, sessions and activities that the organisers have learnt to manage remotely.

The reduction will mainly affect national and local activities, while international congresses, especially those of the academic world, may suffer a reduction in the number of participants due to the use of hybrid modes.

All other types of international congresses will be only marginally affected by this contraction, which will only affect preparatory meetings, while the growth trend of the pre-pandemic period will resume.

Contributions

- *Bain Altagamma Luxury Study*
- *Capgemini Research Institute for financial Services Analysis, 2023*
- *ECCIA 2023: European Cultural and Creative Industries Alliance*
- *Euromonitor*
- *Eurostat*
- *Expert Interview*
- *ICCA*
- *Journal of Experimental Social Psychology, 05/2020*
- *OutThere*
- *Research Dive 2022*
- *UBS and Credit Suisse's Global Wealth Report 2023*
- *UIA - Union of International Associations*
- *UNWTO*
- *WTTC - World Trade and Tourism Council*
- *Virtuoso Back-Office Data 2023*