MATTER reveals how future luxury consumers will think and behave, and outlines how high-end travel brands can cater for this invaluable market.

SUSTAINABLE LUXURY IS THE FUTURE:
How travel brands must adapt to survive
part I
Three key trends

KEY TREND 1
• Consumers seek self-fulfilment through the new sustainable luxury

KEY TREND 2
• Future consumers will invest more in sustainable luxury travel
• Younger HNW consumers seek opportunities for philanthropy
• Emerging luxury markets will value sustainability in the future

KEY TREND 3
• Successful luxury travel brands will make sustainability part of the guest experience
• Sustainable luxury travel in action:
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  • Island resorts fund scientific research
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“The world of luxury is changing. Luxury – derived from ‘luxus’, which means excess – has never been something we really need; rather, it’s something that upgrades us in some way. Once, the upgrade was very simple: it was just about making you sexier. But now, people seek a better image of themselves that goes beyond aesthetics.

The wealthy, who were once defined by greed, are now increasingly defined by their capacity to want to make a change. Where consumers were once passive, contemporary luxury consumers are now more often entrepreneurs – they are risk-takers, but they are also doers. They are aware that the world is on the brink of extinction, and they want to be active participants in saving it.

Now, people upgrade themselves by becoming saviours, by defending causes, by being disruptive, and by intervening to stop the train crashing. That’s why luxury consumers are embracing technology and brands with a mission to save the world. We see it everywhere – from refusing to accept a plastic straw or carrying a reusable cup, to investing in a conservation project.

For luxury travel brands to ignore this trend puts them at tremendous risk of total disconnect with an audience who, in great majority, is looking for change. So, read on and innovate… Or risk becoming irrelevant.”

Serge Dive
Founder & CEO, Beyond Luxury Media
Consumers seek self-fulfilment through the new sustainable luxury

A growing demographic of socially conscious, high-net-worth consumers are rejecting overt displays of wealth in favour of inconspicuous and responsible consumption. Their approach to premium is driven by artisanship, authenticity and sustainability, as ethical living becomes a lifestyle choice. Experience and transformation are the new currency for these next-gen jetsetters, who seek self-fulfilment through green travel, while ‘doing good’ for people and the planet.

Future consumers will invest more in sustainable luxury travel

High-net-worth wealth is transferring into younger hands. Millennials and Gen Z are more willing to invest in sustainable luxury travel and place higher value on ethical brands than their predecessors, Gen X and the baby boomers. Seeking ways to give back, the younger elite are reshaping philanthropy, and the travel industry is supporting their mission through new initiatives. Future luxury travellers will be more global than ever before, as emerging affluence from Africa, the Middle East and Asia Pacific tips the balance of wealth.

Successful luxury travel brands will make sustainability part of the guest experience

Innovators in luxury hospitality are stepping up to environmental and social challenges by putting sustainability at the centre of their business model and the guest experience. From addressing the rise in veganism to rethinking waste, luxury hotels and resorts are honing their offer to attract future guests. The circular economy aims to achieve sustainable development through a better balance between the planet, people and economic growth – and when embraced by the high-end travel industry, circular thinking can help to build sustainable projects that maximise resources.

More luxury travel brands are marketing green credentials, because sustainable travel is now a major selling point. But today’s savvy consumers can distinguish between authentic sustainability and greenwashing. Draw upon insights and trends to build a transparent plan and vision that allows for sustainable development by integrating the principles of ecotourism, supports effective destination management through collaboration, and puts customers’ needs and desires first.
“High-end consumers are generally very well-travelled and highly educated, and increasingly want to know that their travels have a positive impact on the destinations they visit.”

— Tatler Travel Editor Francisca Kellett, speaking at a MATTER roundtable
Luxury sustainable travel is servicing demand from a growing demographic of socially conscious, high-net-worth (HNW) consumers. Driven by ‘organic, sustainable and ethical’ values, they seek ways to ‘do good’ for people and the planet, at a time when the United Nations (UN) has declared the global environment is at crisis point.

These elite customers value green, inconspicuous luxury and are driven by self-fulfilment and personalised experiences above traditional statements of wealth, like designer labels and fast cars. Elizabeth Currid-Halkett’s book The Sum of Small Things states that ‘social, environmental, and cultural awareness’ have become the social capital for today’s aspirational class.

High-end luxury is being redefined, as ethical living becomes a lifestyle choice. From cutting-edge fashion brands repurposing waste materials to the rise of premium plant-based beauty products, the growing popularity for all things sustainable-lux, as a reaction to consumers’ desire to build a sustainable future, is penetrating the high-end travel industry.
“Sustainability, once niche and rather dry, is becoming something sexy and desirable. Just look at 1 Hotels, which are making sustainability part of their hip branding,” explained Tatler Travel Editor Francisca Kellett at a MATTER roundtable.

The experience economy has been central to the evolution of the luxury travel sector, as elite consumers value experiences over products. “Everyone’s talking how we’re less concerned about possessions and more about enriching our lives via experiences,” said David Prior, former International Editor at Condé Nast Traveler (USA), talking at a MATTER roundtable.

The experience economy gave rise to the popularity of experiential travel. This trend is evolving into transformative travel, because high-net-worth travellers now seek self-fulfilment through experiences, as they move to the top of Maslow’s hierarchy of needs – after all basic needs are met. Sustainable and transformational travel will go hand in hand in the future.

Luxury experiences – including ‘exclusive vacations’ – are expected to be worth almost two-thirds of all luxury spending by 2022.

The luxury travel market is expected to grow to $1,154 billion globally by 2022, predicts Allied Market Research.

CONSUMERS SEEK THE NEW SUSTAINABLE LUXURY
Future consumers will invest more in sustainable luxury travel

High-net-worth wealth is transferring into younger hands at a quicker rate. Millennials and, following in their footsteps, Gen Z are willing to invest in sustainable luxury travel and value green, ethical brands more than their predecessors, Gen X and the baby boomers.

Millennial millionaires interviewed by RBC Wealth Management were more than three times as likely to agree that their wealth should benefit broader society than their older cohorts. Virtuoso® reported that millennials are also three times more likely than Gen X to seek out sustainable travel, while 72 per cent of Gen Z surveyed by Nielsen said they would pay more for products and services from companies committed to social and environmental good.

What is most important for luxury travellers when choosing sustainability?

- Environmental and Green issues: 64%
- Social and Community issues: 36%
Luxury travellers are willing to pay for an ethical stay – 42% of respondents would spend more for a sustainable hotel, but they won’t compromise on comfort or luxury.

found Bouteco’s Stop, Think Discuss sustainability report
Emerging luxury markets will value sustainability in the future

Next-chapter luxury travellers will be global, as new affluence emerges from Africa, the Middle East and, predominantly, the Asia-Pacific. North America is home to the highest number of HNW individuals, yet Asia Pacific is the fastest growing region, which will tip the balance of global wealth in the future. Travel futurologist Ian Yeoman explains the challenge for the sustainable travel industry, as it seeks to serve customers who bring conflicting values of luxury: “Consumers from developing economies, like China, are focused on materialism, like luxury goods – lower order needs [according to Maslow’s hierarchy of needs] than their Western counterparts,” he explains. But as developing economies become developed economies, they will move towards higher needs, like experiences and fulfilment.

Younger HNW consumers seek opportunities for philanthropy

Younger HNW consumers are reshaping philanthropy. The millennial mindset is more global than previous generations and they want to support causes across the world. Knowing that they can make immediate change by acting now, young millionaires don’t want to wait to give back. Innovations in philanthropic giving are emerging in the luxury travel industry, from one-off donations to long-term initiatives and volunteering.

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IN ACTION

Tourism Cares works with the travel industry to support destinations in need, including those affected by natural disasters, through relief programmes, volunteering and recovery fundraising. Kind Traveler works with over 50 ‘kind’ American hotels, including The Mondrian in LA. Travellers donate $10 per night to a local charity that positively impacts their destination, or a global charity of the traveller’s choice.

Emerging luxury markets will value sustainability in the future

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Successful luxury travel brands will make sustainability part of the guest experience

Planet-friendly practices, like reducing food waste and exploiting solar energy, are becoming standard in many high-end hotels. But innovators in luxury hospitality are thinking outside the box to deliver next-gen sustainable solutions that address global environmental challenges at a local level. From elite private island retreats to eco-hotels, new initiatives drive sustainable business development and benefit the local environment and communities through employment, programmes and training.

The circular economy reimagines the current – make, use, dispose – industrial model through utilising renewable energies, reusing and recycling materials to eliminate waste, and saying goodbye to toxic chemicals that impair materials’ reuse.

Circular economy thinking aims to achieve a better balance between people, the planet and economic growth, and if its ideas are embraced by the luxury travel industry, it could help to build long-term and effective sustainability models.

Svart opens the world’s first ‘energy positive’ hotel

Svart, the world’s first ‘energy positive’ hotel helping to build a sustainable future, is due to open in the Norway Arctic in 2021. Producing more energy than it consumes, Svart will reduce its yearly energy consumption by 85 per cent compared to other contemporary hotels and has harvested enough solar power to cover the property’s build and ongoing running.
Island resorts fund scientific research

Conservation-forward island projects put environmental preservation before luxury tourism. Blackadore Caye in Belize, run by Restorative Islands, is executing scientific research to protect the surrounding barrier reef from destruction, while returning the island’s biosphere to its natural state, before the resort opens to guests. Meanwhile, The Brando in French Polynesia is protecting local biodiversity and supporting Polynesian culture, while aiming to achieve a negligible carbon footprint.

“A dazzling number of VIP guests come to The Brando for a gorgeous, glamorous escape. But many guests also consider it a privilege to support a hotel that has a big heart and is investing in scientific research as an environmental solution.”

— Tatler Travel Editor Francisca Kellett, speaking at a MATTER roundtable
Scientists warn that unless big global changes are introduced, the world’s plastic waste will exceed 12 billion tons by 2050.

Gili Lankanfushi partners with an NGO on ocean activism

Private island retreat Gili Lankanfushi is situated within one of the Maldives’ largest natural lagoons. Gili works in partnership with NGO Parley to achieve sustainable development by spearheading the recycling of ocean waste plastic within the resort and across the Maldives. Parley campaigns to save our oceans and transforms marine plastic into future-focused luxury products, from Adidas and Stella McCartney footwear to limited-edition sunglasses.

“Sustainability informs every decision on Gili Lankanfushi. We try to make it easy for guests to get as involved as they wish; some like to immerse themselves in sustainability projects, whilst others are happy in the knowledge that we are working on their behalf to reduce our carbon footprint”.

– David Stepetic, General Manager, Gili Lankanfushi
SUSTAINABLE LUXURY
TRAVEL IN ACTION

Silo shows how hospitality can rethink waste

One-third of the food produced for human consumption gets wasted each year, according to the UN. And it’s estimated that over 60 per cent of food waste in the hospitality industry is avoidable. So rethinking waste is central to how next-gen sustainable hospitality operates. Silo in Brighton is the UK’s first zero-waste restaurant. By trading directly with farmers, choosing local, no-waste pure ingredients and composting scraps to produce more food on its farms, this ethical eatery promotes a back-to-basics approach to fine dining.

Blackberry farm makes provenance premium

From handmade clothing to locally sourced foods, the rising interest in ‘provenance’ – defined as a product’s beginning source or origin – is driven by consumer demand for transparent, ethical supply chains. Tomorrow’s travellers expect locally grown and sourced foods. Blackberry Farm, USA, takes farm-to-table to the next level: on-site artisans, from a cheese-maker to a baker, meet and educate guests and the farm supplies the restaurant’s produce.

“Even the small act of having locally sourced food makes a huge difference. In terms of the miles associated with the production and transportation, implementing a small change like this actually has a big impact.” – former travel editor and private travel club founder David Prior, speaking at a MATTER roundtable
Hotels focus on veganism and ethical eating

Vegan diets have become mainstream and high-end hotels are honing their menus to cater to elite consumers’ growing demand for vegan travel. In 2017, 1 Hotels opened plant-based restaurant Plnthouse at its South Beach Hotel, while the five-star Egerton House Hotel in London’s Knightsbridge launched a vegan afternoon tea. The rise in veganism is linked to both wellness and the environment. The Worldwatch Institute reported that approximately 51 per cent of global greenhouse-gas emissions are caused by animal agriculture. There are 3.5 times as many vegans in the UK as there were in 2006, making it the fastest growing lifestyle movement, while consumers defining themselves as vegan in the US has risen 600 per cent in just over three years.
1. Get familiar with the ‘new luxury’

Luxury is being redefined as ‘going green’ becomes sexy, and younger, conscious consumers from mature markets are already demanding sustainability in everything from fashion, to beauty, to travel. While older consumers and those from emerging markets might take longer to prioritise green issues, the trend for green travel isn’t going away. Future-proof your brand (and avoid becoming irrelevant) by innovating now, before it’s too late. **Not only will you grow your business (and avoid becoming irrelevant): you’ll help build a sustainable future for the planet, too.**

2. Use ecotourism principles to plan best practice

When it comes to implementing eco-tourism best practice, you don’t need to guess. **The four principles of ecotourism, or the ‘4Cs’ – conservation, community, commerce and culture – are a great framework to help you design a sustainability plan:**

a. Consider how you can help protect and develop your ecosystem – both local, through conservation initiatives, and global, through sustainable practices like reducing waste and using solar energy
b. Think about how you can contribute to sustainable development for local communities
c. Reimagine the way your profits are funnelled to make a real difference and consider circular economy thinking to maximise energy and resources
d. Celebrate the uniqueness of your destination and its culture throughout your product

**Ecotourism Principles – the 4Cs**

- Conservation
- Commerce
- Community
- Culture
3. **Collaborate, don’t go it alone**

Building a sustainable future is a team effort, so **consult experts in the field or destination in which you’re operating.** From collaborating in scientific research through Earthwatch and energy-rating buildings through LEED, to partnering with local NGOs and tourism boards on shared initiatives, there are so many ways sustainable travel brands can help to achieve sustainable development – it just takes a bit of research.

4. **Help guests achieve self-fulfilment**

The trend for transformational travel is growing because **luxury consumers are seeking self-fulfilment and a chance to make a positive impact on the world,** rejecting overt displays of wealth in favour of inconspicuous, responsible consumption. Not only that, but they’re willing to pay more for it. Try offering immersive experiences, such as research visits or (authentic, safe) community engagement activities. Once they leave, tap into their continued desire to make immediate change by offering the chance to engage in philanthropic giving.

“**I believe that the only way to achieve impact at a meaningful scale is collaboration. It’s not only about adopting best practices, but rather, inspiring others to do the same.**”

– Dr Delphine King, director of The Long Run
5. **Be authentic and avoid greenwashing**

More luxury travel brands are marketing green credentials, as sustainability becomes a key selling point. But today’s savvy consumers can distinguish between authentic sustainability and greenwashing, the practice of making misleading claims about environmental benefits. **Be transparent in communicating what you’re doing** – whether it’s plastic reduction, vegan eating, or reducing your carbon footprint – and what impact it’s having. If you’re engaging in green marketing, don’t make claims you can’t back up, because there’s a high chance you’ll be found out – which could be suicide for your business.

6. **Don’t be afraid to dream big**

Take inspiration from brands like Svart, who didn’t stop at becoming carbon-neutral, but went one step further to become the first energy-positive hotel; or Blackadore Caye and The Brando, who went beyond conserving their local environment to fund research that will help redevelop it.
MATTER, a two-day un-conference that takes place annually at PURE Life Experiences in Marrakech, has a vision: to promote ‘Ideas that Change Worlds’ and encourage a conscientious approach to protecting the environment and communities through the medium of high-end experiential travel.

Thought-leaders from across the industry, including decision-makers representing elite global suppliers, world-class buyers and top international press, come together to engage in crowd-sourced discussions, intimate workshops and focused speaker sessions to share insights and define future trends.


