



REDEFINING LUXURY HOSPITALITY


Trends shaping the guest experience in 2025





WHAT IS LUXURY?

While that might sound like the tag line from an ad for a high-end automobile, it's a relevant question in travel and hospitality in 2025. When it comes to the hotel business, luxury is largely in the eye of the beholder; there is no set definition nor specific criteria to separate luxury hotels from other properties.



Writing for *Hotelier magazine*, hotel-industry consultant Larry Mogelonsky had this to say on the subject:

“

There's no clear definition for luxury and, thus, no clear set of rules for its proper use. Looking for some clarity in the dictionary, the word luxury comes from the Old French *luxurie* via the Latin *luxuria* or *luxus*, all of which mean excess. In other words, something that is luxurious is an inessential — a desirable item that is more than basic but not a necessity.”

Larry Mogelonsky

The number of travelers looking for experiences that go beyond basic is growing, and will likely continue to do so throughout 2025 and beyond. That's good news for everyone who caters to this key segment, from travel agents to hoteliers to tour operators.





Table of contents

- 5 The changing demographics
- 6 Gen Z will lead luxury travel growth
- 8 The “anywhere traveler” and detour destination
- 10 The experience economy
- 12 Authentic local experiences
- 13 All-inclusives get a luxury glow-up
- 15 The road to luxury wellness
- 17 AI powered culinary travel
- 19 Technology and personalization
- 23 An evolved approach to luxury
- 24 Keeping the human touch
- 26 The guest experience is critical
- 29 Give guests the power of choice
- 30 Finding the right balance
- 31 Luxury is ever-evolving



CHANGING DEMOGRAPHICS

OF LUXURY TRAVEL

We might not be able to define exactly what luxury means, but we can take a shot at identifying those who pursue it. McKinsey, for example, defines “luxury travelers” as “those who spend, on average, \$500 or more per night on lodging”.

By that definition, luxury travel is accessible to anyone with a reasonably high level of wealth. It is certainly not exclusively the domain of ultra-rich vacationers with millions of dollars to their names. In fact, as McKinsey reports, **35% of the luxury-travel market is now composed of travelers with net worth between \$100,000 and \$1 million.**

These are not just retirees we’re talking about. According to McKinsey, the “luxury leisure market” is an increasingly younger one:

“

While baby boomers do represent a significant portion of luxury spending, 80% of the luxury leisure market is in fact made up of people below the age of 60. Spending on travel peaks between the ages of 40 and 60, and younger travelers show an increasing willingness and ability to spend at luxury levels.

GEN Z

WILL LEAD LUXURY TRAVEL GROWTH IN 2025

According to Marriott research, as cited in a recent [Hotel Dive](#) article, we can expect global wealth to increase 38% by 2027, with that growth reflected in travel spending.

It's the younger cohorts of travelers who will be driving much of that growth.

Millennials have been a major driving force for some time, but the next generation is certainly catching up. Generation Z (comprising those born between 1997 and 2012) has risen to become about one-third of the global population, with an estimated spending power of \$143 billion.



With millennials and Gen Z projected to represent over 60–70% of luxury purchases by 2030, the game plan is being rewritten,” Ivana Johnston — CEO of hotel-tech advisory firm Puzzle Partner — recently told us. “These discerning young travelers prioritize experiences, sustainability, and seamless omni-channel engagement”



Ivana Johnston
CEO of Puzzle Partner



Arthur
Brescia, Italy



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They also tend to be willing to spend more on vacations, which may very well be a lingering result of the COVID-19 pandemic and its impact on global travel. A 2022 survey by Booking.com found nearly half (49%) of respondents reporting that they are “likely to spend more on their next trip to make up for lost time”.

49%

of survey respondents reported that they are “likely to spend more on their next trip to make up for lost time”

An Expedia study from around the same time found that 80% of survey respondents between the ages of 18 and 34 — a cohort that includes younger millennials and the older members of Generation Z — said they would be willing to pay to upgrade their experience.

This is also a rising demographic of luxury travelers in search of authentic experiences — and unique ones.



THE ANYWHERE TRAVELER

AND DETOUR DESTINATIONS

“

coolcationing

has also been a rising trend for some time now and I expect this to continue, in part in response to overtourism. Expect travelers to seek quieter, crowd-free experiences.”



Paul Johnson
Editor, A Luxury Blog

It used to be known as “going off the beaten path”. These days it’s sometimes called being an “anywhere traveler”, which [Skift Research](#) defines as “a mid-career aspiring jetsetter with the wealth and time to travel nearly anywhere but discriminating enough to not visit just anywhere. This group has a strong passion for experiences that takes them off the traditional travel pathways to less obvious destinations.”

As Paul Johnson, editor of [A Luxury Travel Blog](#), recently told us, there are a number of influences at play, including a growing awareness of the toll that excessive tourism can take on historically popular destinations. “With overtourism an increasingly sensitive subject in certain parts of the world such as Barcelona and Venice, I think we can expect people to travel to less mainstream locations in 2025 and to travel out of season more,” Johnson said. “Coolcationing has also been a rising trend for some time now and I expect this to continue, in part in response to overtourism. Expect travelers to seek quieter, crowd-free experiences.”

A growing number of travelers are searching for what some have dubbed “detour destinations”. For their jointly issued Unpack '25 report (billed as “the data-driven predictions of where people will go and what they’ll do there in the year to come”), Expedia, Hotels.com and Vrbo combined first-party travel data and global research.

According to that report, 63% of consumers say they are likely to visit a detour destination on their next trip.

Based on percentage increase in flight searches between September 1, 2023 and August 31, 2024, these are Expedia’s Top 10 detour destinations:

- Reims, France (detour from Paris)
- Brescia, Italy (detour from Milan)
- Cozumel, Mexico (detour from Cancun)
- Santa Barbara, California, USA (detour from LA)
- Waikato, New Zealand (detour from Auckland)
- Girona, Spain (detour from Barcelona)
- Fukuoka, Japan (detour from Tokyo)
- Abu Dhabi, UAE (detour from Dubai)
- Krabi, Thailand (detour from Phuket)
- Canmore, Alberta, Canada (detour from Calgary)



THE EXPERIENCE ECONOMY

Millennials and Gen Z tend to value experiences over things. What they are looking for in a luxury travel destination, however, is a *unique* experience.

According to Skift, 70% of American millennial and Gen Z travelers report seeking out experiences that their family and friends have not heard of. In China, that figure reaches 90%.

Short of opening a new property in an unexpected location, a hotel operator's best shot at capturing the millennials and Gen Z travelers in this segment of the market is to ensure that the hotel itself is a unique destination that can deliver an amazing guest experience.



At the 2024 Lodging Conference in Phoenix, Arizona, Jenna Jacobson, vice president of luxury and mixed-use development at Marriott International, said that hotels must evolve to “capture the next generation of luxury lifestyle travelers,” by “offering something different, experiential, memorable [and] desirable.”

Mitch Patel, founder and CEO of Vision Hospitality Group, also appeared at the Lodging Conference. According to Hotel Dive, Patel said that travelers’ changing demands come after the “experience economy took over the material or the goods economy” in recent years:

“

Lifestyle hotels are just not a place to rest, a bed, a shower. Sure, you have to nail down those fundamentals of what we do in hospitality, but if you could absolutely provide that guest a better experience, then I think that you are separating yourself from the competition.”



AUTHENTIC

LOCAL EXPERIENCE



Authenticity matters.

In 2025, consumers want to have authentic experiences that are representative of the local culture when they travel. This can begin with the hotel design, which can create a distinct identity and impart a sense of place by incorporating elements reflecting the local community.

Millennial and Gen Z travelers in particular place a high degree of value on authenticity. They want to dine on regionally sourced food and they want to drink locally made beer and wine. Many are also looking to interact with local people and participate in activities that make them feel like locals themselves.

For luxury hospitality brands, this is a chance to make a positive impact by supporting the local economy. Hoteliers should look for opportunities to partner with small businesses in their communities such as boutique stores, tour-guide services and restaurants, and help ensure that they can continue to thrive throughout the tourist season and beyond.

ALL-INCLUSIVES

GET A LUXURY GLOW-UP IN 2025



42%

of Gen Z travelers say an all-inclusive is their preferred hotel type

On the surface, all-inclusive resort vacations might appear to run counter to the prevailing trend of seeking out unique experiences. Moreover, all-inclusives have come to be associated with budget-friendly family travel rather than aspirational luxury.

The truth is, though, all-inclusives have evolved, and so have travelers' perceptions of them. Unpack '25 tells us that one-third of Gen Z consumers surveyed say their perception of all-inclusives has changed for the better, with 42% reporting that an all-inclusive resort would be their preferred hotel type.





To meet the rising demand, major chains including Hyatt and Marriott have moved into the all-inclusive space — but can we truly consider it a luxury category?

McKinsey tells us that luxury travelers do indeed turn to all-inclusives “for the ease, convenience, and wide variety of instantly accessible activities they can provide”. Resort operators can cater to the luxury market through exclusive offerings and personalization:

“

To court luxury travelers, resorts might consider offering dedicated concierge desks willing to go the extra mile in booking unique activities and difficult-to-get reservations. Customized dining options, such as chefs willing to cook any meal on demand, can also appeal to this group. In addition, resorts might offer adventurous experiences such as scuba diving, sailing lessons, or guided hikes as part of the all-inclusive package.”



ROAD TO LUXURY

WELLNESS

Wellness tourism trips have become a priority for many consumers. Per the American Express 2023 Global Travel Trends Report, 73% of survey respondents reported that they are planning vacations around improving their physical and emotional health, 68% say they are choosing travel destinations close to nature to improve their mental clarity and 43% report having selected a hotel based on its spa and wellness amenities.

This trend can be a real boon for the hospitality sector, because, as the Global Wellness Institute reports, wellness tourists have deep pockets, spending 177% more than an average guest when traveling domestically, and 35% more when traveling internationally.

73% plan vacation to improve health

43% choose hotels based on wellness amenities

wellness tourists spend
177% more

“

Wellness isn't just an add-on anymore; it's a must," Ivana Johnston of Puzzle Partner told PressReader. "In fact, wellness travel is expected to go over \$1 trillion in 2025. For hotels and resorts, wellness tourism can hugely boost profits with offerings ranging from farm to table dining and yoga retreats, to thermal baths, cryotherapy and IV drips"

To meet the growing demand, many luxury hotels and resorts cater to these well-heeled travelers by incorporating wellness services and amenities into their offerings, providing guests with state-of-the-art fitness centers, spa facilities and healthy dining options that focus on local cuisine.

IHG Hotels & Resorts Senior Vice President Leanne Harwood told us that the company's Six Senses brand caters to these travelers by offering "wellness assessments that guide tailored sleeping, eating, and activity programs, helping guests pursue their interests and perhaps take new healthy habits home following their stay."



Leanne Harwood

Managing Director, IHG
Luxury & Lifestyle Americas





AI-POWERED

CULINARY TRAVEL

A recent report from FINN Partners predicted that culinary travel will continue to be a fast-growing segment in tourism in 2025, feeding travelers' appetites for those all-important unique experiences and connections to local cultures. "Dining experiences in travel are often seen through the lens of indulgence," the report states, "but this is changing with the increasing influence of health and wellness."

"Wellness and sustainability are inextricably linked to the future of culinary travel and they're shaping the food and dining experiences we can expect," said Jennifer Hawkins, FINN's New York Travel Practice Leader and Managing Partner.





Marriott's recent [Future of Food report](#) looks beyond 2025 and forecasts a longer-term food-and-beverage (F&B) trend towards hyper-personalized diets powered by artificial intelligence:



AI...will provide meal recommendations based on analysis of individuals' physiological and psychological states. To win over this consumer segment, F&B operators need to keep operations agile and adaptable to offer tailored dining experiences that cater to the specific dietary and wellness needs of each guest. "

Hugo Lecanda, Marriott's area general manager for Puerto Vallarta and Punta de Mita, told PressReader that guests are looking for dining experiences that bring them closer to both nature and the local culture.

"Luxury travelers want to enjoy natural ingredients and taste the unique local culture, but also have nature be part of their experience through botanical gardens," Lecanda said. "At the Westin Puerto Vallarta we are bringing nature in with vertical gardens, and in 2026 we will be offering an agave studio featuring cocktails prepared using organic local ingredients along with Mezcal or Raicilla."



Hugo Lecanda

General Manager, Marriott Puerto Vallarta & Punta de Mita



TECHNOLOGY

AND PERSONALIZATION

The millennial and Gen Z demographics may be the most tech-savvy, but boomers and members of Generation X aren't really far behind. For the most part, being alive in 2025 means being digitally connected.

Today's traveler expects hotel and travel brands to embrace technology in the interest of convenience and efficiency, providing mobile check-in, check-out and payment options and offering high-speed Wi-Fi.

"Time is a factor of luxury that clients value more and more as a scarce resource, so every interaction that saves time is of high value," Lecanda told us.

In the luxury-travel market, personalized concierge services, private dining experiences with renowned chefs and access to exclusive cultural events are just a few ways of creating a bespoke offering for each guest.



Guest data is the driver of these personalized offerings. In a report on how the guest experience is changing, Deloitte noted that “The principle of knowing guests is and has always been at the core of understanding and delivering an exceptional hotel guest experience.”

Dan Kornick, chief information officer for Loews Hotels, echoed that sentiment in a report from Skift and Oracle titled “Hospitality in 2025”:

“

The future of hotel technology is about a service culture and a personalized approach at the end of the day, whether it’s through technology or through that high touch experience. And knowing the customer and that data is really the key, the holy grail to it all.”

Personalization fosters loyalty. As Google and Phocuswright reported, 76% of US travelers say that they would be likely or extremely likely to sign up for the loyalty program of a travel brand that tailored its information and overall trip experience based on their personal preferences or past behavior.

What's more, 36% (over 1 in 3) say they would pay extra for more tailored information and a more personalized guest experience.

A separate study by IHG Hotels & Resorts found that 78% of travelers surveyed said they were more likely to book with properties that offer personalized experiences, with almost 50% willing to share the personal data necessary to promote an individualized stay.



AN EVOLVED

APPROACH TO LUXURY

To woo Gen Z and millennial travelers, Ivana Johnston told us, “hotels must rise to the occasion, offering personalized, eco-friendly practices and unforgettable stays that set a new benchmark in luxury. An example could be an exclusive gastronomic experience that ranges from private dinners with award-winning chefs to private dining events on a luxury yacht in an exotic destination.”



Ivana Johnston
CEO of Puzzle Partner

Changing expectations demand an evolved approach to luxury on the part of hospitality brands, according to Harwood, the managing director of IHG's Luxury & Lifestyle Americas collection.



"Today's luxury traveler is looking for a different experience from the stuffy 'ladies and gentlemen' luxury of the past," she told us. "They still desire high-touch service, but want more subtlety. Travelers, including multi-generational groups, now seek privacy and exclusivity without losing access to luxury amenities."

"Whether through intimate masterclasses, private chef experiences, or curated cultural tours, our brands are elevating the ways we engage with luxury travelers," Harwood said. "Our recent opening of the Regent Santa Monica Beach embodies this shift, with tranquil, spacious suites complemented by personalized service that begins even before arrival. Guests complete a pre-stay questionnaire, enabling the team to tailor experiences to their preferences on arrival — for example, providing hiking recommendations or nature-inspired activities for outdoor enthusiasts."





KEEPING THE

HUMAN TOUCH

As the hospitality industry marches forward beyond 2025, many luxury hotels will find themselves at the crossroads of tradition and innovation. Embracing artificial intelligence and other advanced technologies has become a necessity for staying competitive, yet the essence of hospitality lies in creating unforgettable experiences.

While hoteliers are wholeheartedly embracing tech, they should remain aware that a fusion of technology and the human touch — along with the art of storytelling — is still the key to a perfect guest journey.

As Paul Johnson of A Luxury Travel Blog told PressReader,



There's no doubt that technology plays a crucial role in luxury travel whether it be seamless mobile check-ins or AI-driven concierge services. Technology can be used to anticipate guest preferences but the human touch remains irreplaceable — finding the right balance between innovation and warm, attentive hospitality is key to meeting and exceeding expectations."



Paul Johnson
Editor, A Luxury Travel Blog



Ivana Johnston
echoed that
sentiment,
calling human
connection “the
quintessential
element of luxury”.



Ivana Johnston
CEO of Puzzle Partner

“Technology should complement, not overshadow, personalization; it should streamline operations, enabling staff to provide those intricate, personal touches that make guests feel genuinely appreciated,” she told us.

“The key is using tech to enhance service quality without sacrificing the warmth and authenticity that luxury travelers expect.”

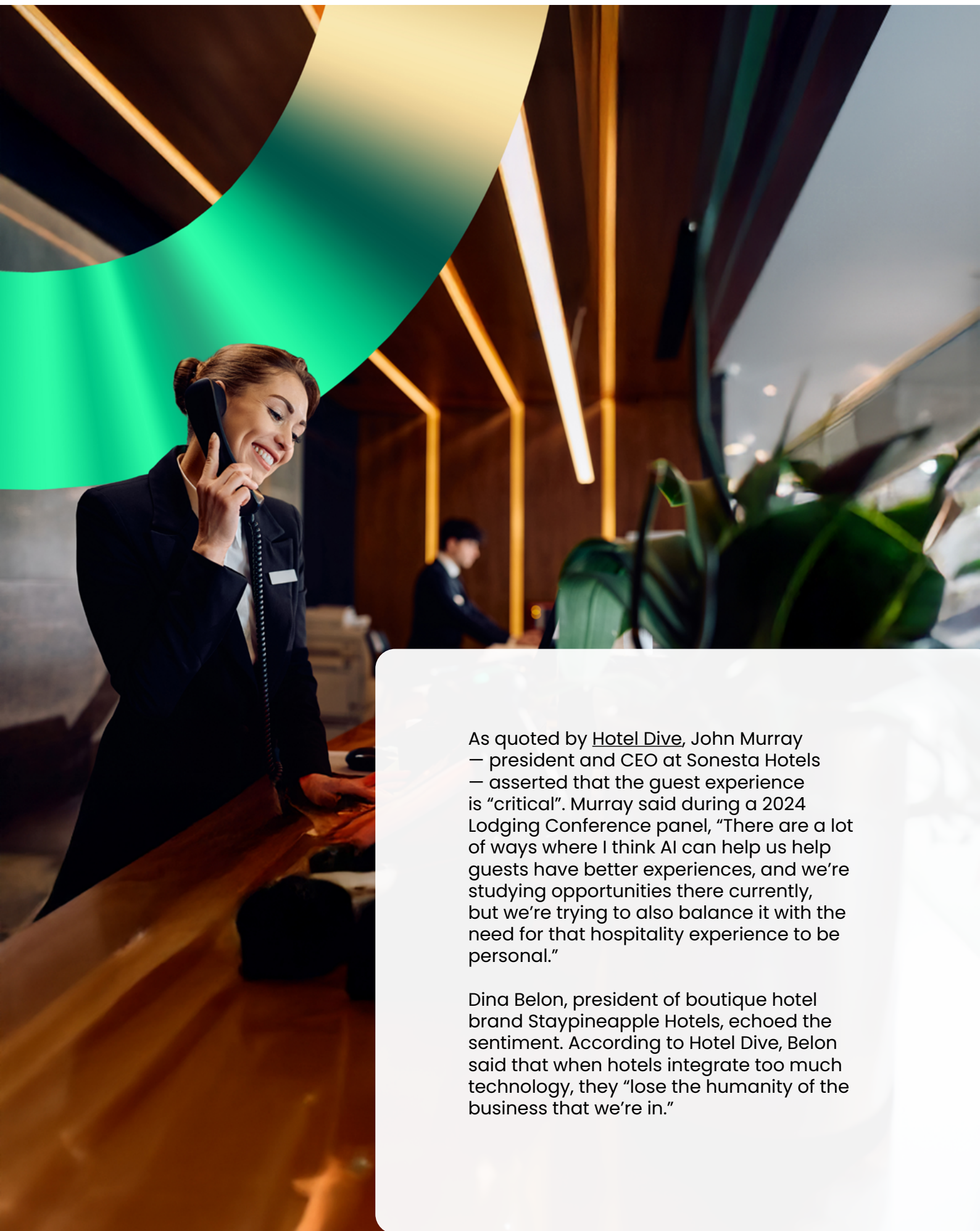
GUEST EXPERIENCE

IS CRITICAL

When technology can give staff more bandwidth to deliver an exceptional customer journey, it's a win-win. With PressReader, for example, you can make your guests feel at home and give them their preferred publications in their native language on an easy-to-use digital platform.

This allows hotel staff members to escape the daily grind of sourcing, distributing and recycling print publications, freeing them up to make deeper connections and create an unforgettable guest experience.





As quoted by [Hotel Dive](#), John Murray — president and CEO at Sonesta Hotels — asserted that the guest experience is “critical”. Murray said during a 2024 Lodging Conference panel, “There are a lot of ways where I think AI can help us help guests have better experiences, and we’re studying opportunities there currently, but we’re trying to also balance it with the need for that hospitality experience to be personal.”

Dina Belon, president of boutique hotel brand Staypineapple Hotels, echoed the sentiment. According to [Hotel Dive](#), Belon said that when hotels integrate too much technology, they “lose the humanity of the business that we’re in.”

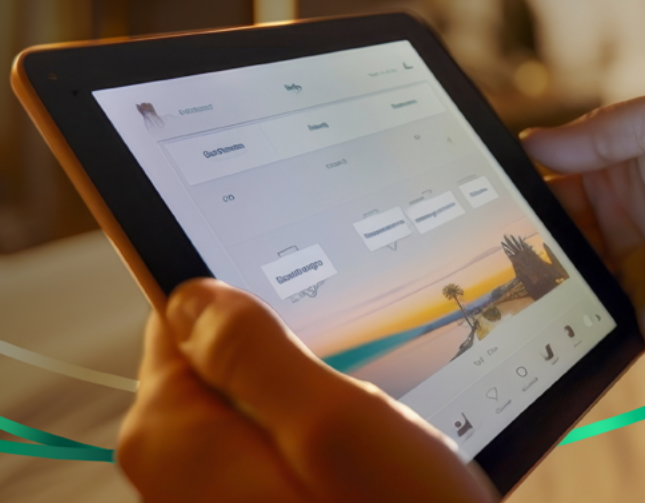
"We don't think that AI should touch the guest," Delon said. "AI should be an element that is supporting the team members. It's not going to replace team members. What it's going to do is give team members the ability to have easy access to information that they need at their fingertips and when they need it."

As IHG's Harwood told us, "Luxury ultimately is about human connection, and technology supports our properties and teams in delivering thoughtful, high-touch service. We continue to explore ways to combine digital convenience and personal interaction and drive even more memorable engagements and experiences. For example, a guest might use the app to add onto a spa treatment, but it's the bespoke recommendation from the concierge that adds that extra connection guests appreciate."



GIVE GUESTS THE

POWER OF CHOICE



While AI and other technologies can streamline routine tasks and complement guest experiences, the warmth of personal interactions and an intuitive human understanding of guests' needs remain irreplaceable. The key is to give guests the power of choice.

Laura Calin, the VP of Strategy and Solutions Management at Oracle Hospitality, told Hospitality Net that even the most sophisticated tech stack functions best when it is employed alongside employees who can be on-site to provide customers with human interactions. Calin wrote:

“

There are still many customers who still place an emphasis on in-person services and prefer to come into a hotel and check in with a receptionist. Other guests may prefer to do it all on their phones and simply pick up their key, but even they would prefer to have a real human nearby in case they run into any errors or have questions throughout the process. The best way to employ technology is as a means of providing as many choices as possible and allowing each guest to choose what best serves their needs.”



FINDING THE

RIGHT BALANCE

When it comes to making luxury travelers happy in 2025, installing the latest tech tools is just one piece of the customer-experience puzzle. The real trick is to find the right balance between digital convenience and retaining the personal touch in guest interaction — and to respect guests' individual preferences.

All of your guests expect you to go the extra mile, but for some of them that might mean a hotel stay where they never have to contact the front desk at all.

As Jane Pendlebury, CEO of the UK-based Hospitality Professionals Association (HOSPA) wrote in Geberit's [Hotel Guest Experience Report](#):

“

It's important to recognize that not everyone wants to chat and not everybody wants to interact digitally. The same guest might want different things on different days which is why choice is paramount.... It's this level of choice that illustrates the value of technology as it is able to cater for differing needs and preferences, rather than a one-size-fits-all approach.”

LUXURY IS EVER- EVOLVING

In 2025 and beyond, luxury travel will remain a dynamic, evolving sector defined by its focus on personalization, authenticity and innovation. As younger generations rise to dominate the market, their values—centered on unique experiences, sustainability, and seamless integration of technology—will continue to reshape the industry.

Success for hoteliers and travel brands lies in balancing cutting-edge advancements with the timeless appeal of human connection. In the end, luxury is not just about opulence but about crafting moments that resonate deeply with travelers, leaving lasting impressions.



Redefining luxury hospitality report 2025