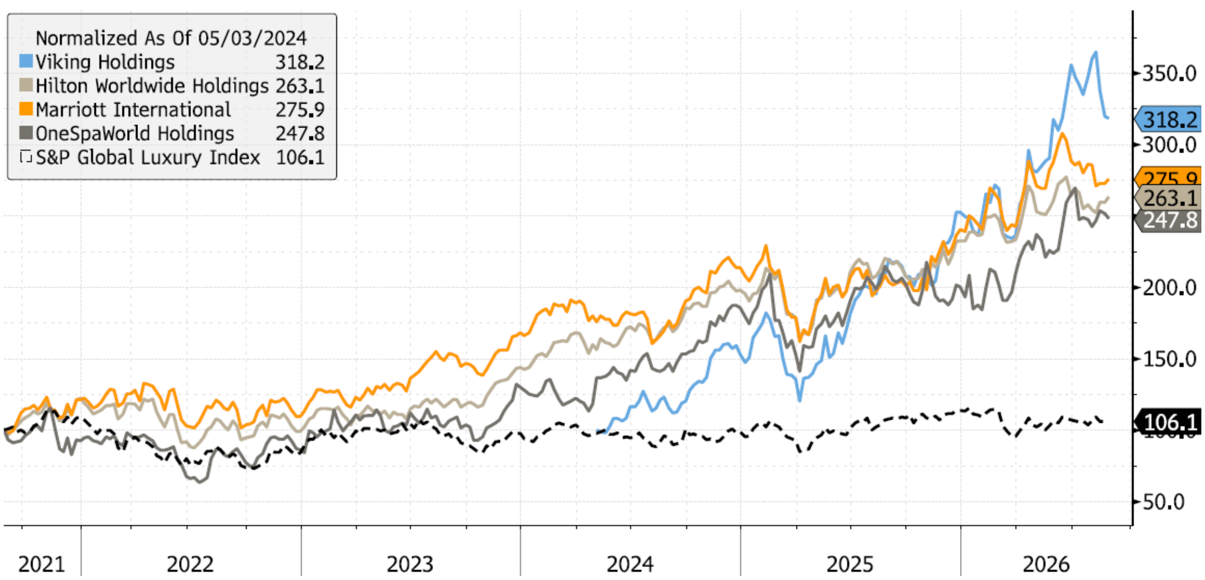
CHART OF THE MONTH

RISE OF LUXURY EXPERIENCES: WHY TRAVELERS ARE CHOOSING MEMORIES OVER MATERIAL GOODS

THE RISE OF LUXURY EXPERIENCES



Performance of selected experience-driven luxury companies relative to the S&P Global Luxury Index. Indexed to 100 as of March 2024. Source: NS Partners, Bloomberg.

RISE OF LUXURY EXPERIENCES: WHY TRAVELERS ARE CHOOSING MEMORIES OVER MATERIAL GOODS

Luxury spending has traditionally been associated with the purchase of high-end goods such as designer handbags, watches, and jewellery. However, nowadays consumers are increasingly directing their spending toward experiences rather than possessions. The desire for unique memories, personalized services, wellness, and immersive travel has become one of the most powerful trends shaping consumer behavior. This shift has accelerated even more since the pandemic, as travellers place greater value on meaningful experiences and personal enrichment. We can clearly see this new trend as luxury tourism revenues have already surpassed pre-pandemic levels, supported by rising demand for premium hotels, cruises and wellness retreats. But to put it in numbers, currently the industry estimates suggest that the global luxury travel market reached approximately $1.6 trillion in 2025 and is expected to continue growing at high-single-digit rates for the foreseeable future.

This shift is not only visible in consumer behaviour. It is increasingly reflected in financial markets as well. As shown in this month’s chart, companies exposed to luxury travel, hospitality and wellness experiences have significantly outperformed the broader luxury sector over the past two years, suggesting investors are recognising the strength and durability of this structural trend.

One of the clearest beneficiaries of this trend is Viking Holdings. Unlike traditional cruise operators that focus on mass-market entertainment, Viking has built its brand around curating a destination-focused travel experiences designed for affluent travellers seeking enrichment rather than onboard attractions. The company's success demonstrates how consumers increasingly view travel as an investment in experiences rather than a discretionary purchase. Viking reported revenue growth of nearly 22% in 2025, reaching $6.5 billion, while maintaining occupancy levels of around 95%, highlighting the exceptionally strong demand for premium cruise experiences. Given the strong demand for premium cruises, the company is continuing an aggressive expansion strategy to be able to cover the increasing demand, with plans to add 27 new river ships by 2028 and 10 additional ocean ships by 2031. These investments reflect management's confidence that demand for experiential and destination-oriented travel is here to stay.

The boom in luxury travel is equally evident in the hotel sector, where Hilton and Marriott are accelerating the expansion of their premium offerings to capture growing demand from more exclusive travellers. Hilton now operates more than 500 luxury properties across brands such as Waldorf Astoria, Conrad and NoMad, and is opening flagship properties including the Waldorf Astoria New York, Osaka and Costa Rica. Marriott, through luxury brands such as Ritz-Carlton, St. Regis and JW Marriott, continues to benefit from solid demand for high-end accommodations, particularly across Europe, the Middle East and Asia. With nearly 1.8 million rooms globally and more than 600,000 rooms in its development pipeline, Marriott is investing heavily in future growth as luxury tourism continues to outpace broader travel industry growth. Both companies have highlighted a rising consumer preference for memorable experiences, personalized service and exclusive destinations, as travellers increasingly choose to spend on unique journeys and premium hospitality rather than additional luxury goods.

Beyond transportation and accommodation, wellness has become one of the most important pillars of the luxury experience economy. This has created a significant opportunity for OneSpaWorld, the leading provider of wellness services onboard cruise ships and at resort destinations. The company operates more than 200 health and wellness centers at sea and serves over 28 million cruise guests annually while controlling over 90% of the outsourced maritime wellness market. In 2025, OneSpaWorld generated record revenue of approximately $961 million and achieved its fourth consecutive year of record performance, with management pointing to rising guest spending, increased demand for medi-spa treatments, fitness programs, nutrition services, and wellness-focused experiences. Also, the company continues to expand alongside the cruise industry's growth by opening wellness centers on newly launched ships. But most importantly, wellness is no longer viewed as an optional add-on but as an integral component of luxury travel, reflecting consumers' desire to invest not only in enjoyment but also in personal well-being.

Taken together, the success of Viking, Hilton, Marriott, and OneSpaWorld illustrates a profound structural shift in luxury consumption. While luxury goods have not been forgotten by consumers, the fastest-growing area of spending has clearly shifted toward experiences that provide memories, wellness, and personal enrichment. Both high-net-worth individuals and younger affluent consumers are prioritizing travel, cultural discovery, and self-care over the acquisition of additional material possessions. This points to a future in which luxury is becoming less about what people own and more about where they go, what they experience, and how those experiences enrich their lives.

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