# Luxury all-inclusive holidays set to triple by 2025 as Gen Z drives demand



All-inclusive holidays have traditionally been synonymous with sprawling buffets, unlimited drinks, and vibrant entertainment. However, a significant transformation is underway, particularly as luxury brands embrace this model, enhancing the offerings to attract a more discerning clientele. This shift has prompted a surge in all-inclusive bookings, which have reportedly doubled every three to four years since 2018, according to data from the Advantage Travel Partnership representing around 750 independent travel agents across the UK.

Eight years ago, a modest 7 percent of all bookings managed by these agents were for all-inclusive holidays; by 2022, this figure had climbed to 15 percent, and projections suggest it may reach a remarkable 30 percent by 2025. Julia Lo Blue-Said, chief executive of the Advantage Travel Partnership, noted, "The all-inclusive has evolved hugely and now caters to all budgets... you pay up front and can relax knowing you will keep within your budget." This evolution reflects a broader trend in the travel industry, where the convenience of fixed pricing is increasingly attractive amidst economic uncertainties.

As living costs rise and consumer confidence dips, luxury all-inclusive resorts have adeptly shifted to meet the desires of affluent travellers seeking unique experiences. Major brands like Hyatt and Marriott have introduced their luxury all-inclusive collections, with Hyatt launching its Inclusive Collection to cater to this upscale market. Notably, family-oriented resorts such as Sani, Ikos, and Rixos are redefining luxury hospitality, focusing on delivering high-quality dining experiences and cultural immersion, straying from the former “fly and flop” stereotype.

Ikos Resorts, for example, offers a "Culture Pass," allowing guests free access to local museums and galleries, alongside a "dine-out" option that includes dining at local restaurants. This strategic pivot not only enhances guest experiences but also supports local economies by promoting tourism to nearby attractions.

Interestingly, recent data underscores the rising preference for all-inclusives among younger travellers, particularly Gen Z. A report from Expedia found that nearly half of this demographic sees all-inclusive hotels as appealing, with two-thirds considering them for future bookings. This trend is buoyed by the influence of social media, where platforms like TikTok have sparked a growing interest in all-inclusive vacations, evidenced by a 60 percent increase in searches for "all-inclusive" options.

The pandemic has also played a crucial role in reshaping travel perceptions; as travel became a priority for many, 63 percent of consumers now view holidays as essential indulgences, leading to increased demand for cost-effective travel solutions. Package holidays, particularly those that bundle flights and accommodations, have seen renewed interest, especially in light of rising travel costs across Europe. Recent research indicates that European spending on package holidays could reach $125.9 billion by 2025, driven by convenience and budget predictability.

Moreover, the trending "destination dupes"—countries like Slovenia, Albania, and Montenegro—are gaining traction as affordable alternatives to mainstream spots in Spain, France, and Greece. These emerging destinations offer a balance of quality and cost, providing attractive options for budget-conscious travellers looking to escape the UK's current political and economic climate.

Despite the pressures from the rising cost of living, a survey indicated that a significant portion of respondents were unwilling to cut back on their holiday plans, favouring instead to reduce spending on other luxuries. This reflects a steadfast belief in travel as a necessary escape, even in challenging times.

As the landscape of all-inclusive holidays continues to evolve, it is evident that both traditional and new consumers are reshaping this segment, leading hotels to innovate and enhance their offerings to remain competitive. The future of all-inclusive travel appears promising, reflecting a growing trend towards upscale experiences that combine relaxation with cultural engagement, promising an enticing avenue for both luxury and budget-conscious travellers alike.

### Reference Map

1. Paragraph 1: [[1]](https://www.dailymail.co.uk/travel/article-14708249/Why-inclusive-holidays-popular-luxury-hotels-jump-bandwagon.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
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5. Paragraph 5: [[5]](https://www.thisismoney.co.uk/money/holidays/article-13961121/How-Gen-Z-revived-inclusive-holiday-opting-detour-destinations.html), [[7]](https://www.alliants.com/news/the-all-inclusive-traveler-a-growing-opportunity-hotels-cant-afford-to-ignore-in-2025)
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## Bibliography

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2. <https://www.reuters.com/markets/europe/package-deals-make-comeback-sun-seekers-count-cost-2024-08-19/> - Rising prices for flights and hotels in Europe have reignited interest in package holidays, a trend bolstering travel companies' finances. As living costs surge and strikes disrupt travel, fixed-price deals, which include flights, accommodations, and sometimes other amenities, have become more appealing. This summer has seen increased demand for these packages, with European spending on them projected to grow to $117 billion, up 11% from last year, and reaching $125.9 billion by 2025. The ease of managing expenses and convenience make these deals especially attractive, particularly in times of peak inflation. Companies like TUI and easyJet have reported strong results and high demand for package holidays, which appeal to both cost-conscious families and younger travelers seeking less rigid options. Popular destinations include Croatia, Greece, Italy, and Spain. Adjustments to meet modern travelers’ preferences, such as flexible booking options, have contributed to this resurgence in package holiday popularity.
3. <https://www.ft.com/content/cc6da7f4-b810-49b1-a068-86fd7792efce> - Due to the wet weather in the UK, British travellers are making a significant number of last-minute summer holiday bookings to seek sunshine abroad. Loveholidays, the UK's largest online travel agent, reported that 64% of current bookings are for trips within the next 90 days, an increase from last year's 59%. Popular destinations include Spain, Greece, and Turkey, with growing interest in Albania, Romania, and Tunisia for extended stays without compromising hotel quality. All-inclusive deals have surged in popularity, constituting 42% of holiday bookings. MSC Cruises also noted a 30% increase in August and September bookings from last year. The spike in bookings is partly attributed to the soggy summer and post-UK election and Euros timing, with a notable climb after England's loss in the European Championship final. Despite easing price pressures, consumers are prioritizing value-for-money deals amid rising living costs. While UK departures to Morocco, Turkey, and Greece have increased significantly, flights to other European destinations remain below pre-pandemic levels. Furthermore, there is a distinct trend towards either last-minute or very early summer holiday bookings.
4. <https://www.ft.com/content/8eb5b205-c239-4873-aa3d-694dc4d7779f> - Hyatt and Marriott are expanding their luxury, all-inclusive resort offerings in Europe, responding to increasing demand from affluent tourists. Inspired by the success of similar resorts in Mexico and the Caribbean, these resorts offer high-end amenities like gourmet dining, premium spirits, and personalized butler services. Hyatt has already opened Dreams Madeira in Portugal and plans further expansions, while Marriott is seeking locations in Turkey and Europe. This movement reflects a shift in the package holiday market towards upscale experiences, driven by growing numbers of wealthy individuals and young luxury travelers. Greek chain Sani/Ikos has pioneered this concept in Europe with its high-end resorts and plans further investments. Overall, the global luxury travel market is expected to grow significantly, indicating a promising future for these high-end, all-inclusive resorts.
5. <https://www.thisismoney.co.uk/money/holidays/article-13961121/How-Gen-Z-revived-inclusive-holiday-opting-detour-destinations.html> - The all-inclusive holiday has long been a favourite of Britons looking for ease and to avoid overspending when abroad. The holiday packages, which cover flights, accommodation, food and drinks, have been particularly popular for those with young families. Now, a new generation of travellers are seeing the benefit as Gen Z opt for all-inclusive trips as a more cost-effective way to travel. Gen Zen: Younger travellers are opting for stress-free all-inclusive holidays. New research from Expedia shows 38 per cent of Britons say an all-inclusive hotel appeals to them, a figure which rises to half of Gen Z - those born between the mid-to-late 1990s and early 2010s. Young travellers have rejected the idea that all-inclusives might be dull, in part helped by social media influencers, but also for their price and ease of booking. Almost two thirds of young travellers say they are considering an all-inclusive stay in 2025, while 43 per cent say it would be their preferred hotel type.
6. <https://www.rustourismnews.com/2023/06/10/all-inclusive-on-the-rise-and-holiday-packages-in-vogue-with-millennials/> - British Airways Holidays has published its Travel Trends Report, shedding light on the current travel landscape and the changing attitudes of travelers over the past three years. The tour operator has combined insights from British Airways Holidays with industry experts’ perspectives, including renowned travel journalists and representatives from Marriott International and Mr and Mrs Smith. They have also incorporated UK consumer data to uncover the preferences of today’s travelers. The report highlights seven key trends for 2023, supported by relevant statistics: 1. All-inclusive popularity: In 2023, 41% of millennials are planning to take all-inclusive holidays, surpassing other generations. 2. Embracing travel: Travel is now considered an essential expenditure, with two-thirds of consumers stating that travel has become more valuable following the pandemic. Additionally, 63% of consumers view holidays as a primary way to indulge themselves. 3. The balance of relaxation and adventure: Travelers no longer see vacations as solely focused on either relaxation or adventure.
7. <https://www.alliants.com/news/the-all-inclusive-traveler-a-growing-opportunity-hotels-cant-afford-to-ignore-in-2025> - Think cookie-cutter breakfast buffets and predictable corny entertainment. But today’s all-inclusive are undergoing a major glow-up, and Gen Z is here for it. In fact: One-third of Gen Z travellers say their perception of all-inclusive has improved. 42% now prefer all-inclusive resorts over other hotel types. On TikTok, #allinclusive has been trending, while Hotels.com searches using the “all-inclusive” filter jumped by 60%. Major hotel chains like Hyatt and Marriott have also taken notice, diving headfirst into the all-inclusive category. Marriott debuted its first-ever all-inclusive resort, Marriott Cancun, An All-Inclusive Resort, in 2024, while Kimpton plans to make its mark with Kimpton Tres Rios in Mexico’s Riviera Maya, set to open in spring 2025. These modern all-inclusive resorts are expanding the concept with high-end dining, curated cultural experiences, and elevated amenities that cater to the tastes of today’s travellers. What’s driving the appeal, especially among younger travellers?