

# Seven Trends That Are Changing Travel and Tourism

- Technology
- Sharing Economy
- Generational Changes
- Globalization
- Social Media
- Wellness - Medical Tourism
- Corporate Social Responsibility

# Seven Trends That Are Changing Travel and Tourism

- Data created in 2015 and 2016, was more than created in previous history\*
- Soon will have a computer that will be able to out-think humans
- I teach students for jobs that do not exist today
  - \*Jose Esteves, Did You Know 2017

# Technology - Disruptive Distribution

- Hospitality distribution channels are being developed outside of the industry
- High Profits, Commoditization, Fragmentation
- Priceline \$80 billion, Marriott \$34 billion
- Benefit - Leveling playing field for small operations

# Technology - Disruptive Distribution

- New ways to create revenue
  - Dayuse – Day rooms
  - Bizly – Meeting space – restaurants & hotels
  - Air Mule – Pay for checked baggage
  - Magic Stay – Business Airbnb
- Operators need to be proactive – capture third party customers

# Technology – Artificial Intelligence

- Virtual Concierge
- Conversations in another language
- Artificial Intelligence Messaging

# Technology – Artificial Intelligence

- Customer Knowledge
  - We can get an incredible amount of information on our customer – bots scrapping the internet
  - Avoid being creepy
  - Data management programs create expectations that we should know our customers
  - Provide unique identifier – Cruise example

# Technology – Service Delivery Systems

- Mobile
  - Local information – Third party contact
  - SoLoMo
  - Hotel knows when you arrived in town
  - Phone as keys – check-in app
  - Elimination of Front Desk
    - Major companies now asking how do I create hospitality without the front desk
- Virtual Reality – promote destinations

# Sharing Economy

- Using distribution channels created by web developers and data scientists unlocked unused resources
- Airbnb\*, Uber, Going Local
- By passed bureaucracy and laws and regulations of their mainline competitors
- Creating new demand as well as taking market share
  - 3% market share in Europe – World Travel Monitor



# Sharing Economy

- Going local creates authentic experiences, attractive to Millennials
- Co-creation - authentic activities at the destination
- Rapidly evolving
  - Airbnb – only about 1/3 now shared accommodations
  - Uber – eliminate drivers - from sharing economy to local transportation system
  - Airbnb – Experiential Component

# Generations - Millennials

- Largest U.S. travel segment by 2020
- Want to be recognized as a valued customer
  - Legacy loyalty programs become a gold member with privileges after 25 stays
  - citizenM – can become a citizen on your first visit
  - Hilton changing Honors program – will include redeeming points for Amazon gift card
- Expedia is a brand

# Generations - Millennials

- Social – redesign of hotels
- Single travelers
- Social media - encourage premonition of destination - brand
- Bleisure – destinations and hotels working together

# Generations - Millennials

- Authentic Experience
- Local Experience
- Corporate responsibility
- Moxy
- <https://www.youtube.com/watch?v=YVtoi0-Kuzw>

# Generations - Baby Boomers

- U.S. - 10,000 baby boomers retiring everyday
- Boomers have bought into existing programs
- Important leisure segment
- Are not bound by school holidays to travel

# Globalization

- Continues to be a major influence on travel
- Growing middle class in developing countries such as China
- Making international travelers feel welcome is important

# Globalization

- Major chains have developed programs for Chinese travelers
- Machine language programs – Credit Cards
- Understand local OTAs and social media

# Social Media

- Travel products are experiential
- We do not know what we have until after it is gone
- Personal sources of information – from people we view as like ourselves is credible
- Social media – we are linked to people like ourselves



# Social Media

- Promoting social media experiences
- Chutes – gathers photos of your property or destination off the web
- Consumers want authenticity
- Consumers want participation, not propaganda\*
  - Neil Feinstein, DMA \*

# Social Media

- Monitor and respond to social media
- Someone in the organization has to be given the time and authority to do this task
- United Breaks Guitars
- <https://www.youtube.com/watch?v=5YGc4zOqozo>

# Medical Tourism - Wellness

- Medical tourism – Baby boomers do not want to grow old – but we are
  - Bionic parts
  - Plastic surgery
- Quality healthcare at a lower price – much lower
- Recovery in local resort

# Medical Tourism - Wellness

- Wellness – What is wellness?
- Many Americans have unused vacation time
- Research has shown a benefits of a vacation – you will be more productive upon your return

# Corporate Social Responsibility

- 2017 UNWTO International Year of Social Responsibility
- Important to Millennials
- Important to others concerned about the environment
- Authentic corporate responsibility – integrated through the organization – part of the culture
- Giving back to the communities in which we operate
- Destination management – loving it to death\*
- Kotler – Marketing 3.0 - Serve society
  - \*William Chalmers – 8 Coming Travel Trends for 2017

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