

Future Trends in Travel and Tourism

Mr. Srikanth K. S¹

¹ Asst. Professor, Dept. of Tourism & Hospitality Management, PBMMEC, Mysore

Abstract

In the last years, the world's economic and social structure has undergone some important changes, especially because of the introduction of information and communication technology. According to WTO, the Internet is revolutionizing the distribution of tourism information and sales. Future growth and success for the sector also depends on recognising trends which will drive future travel habits and consumer expectations. Digitalisation is one of the key megatrends determining the future of the tourism sector and competitiveness of the individual businesses vis-à-vis the constantly evolving playing field and customer behaviour of the "smart tourists". The aim of this paper is to analyse the important innovative digital trends and their effects on future tourism industry.

Keywords: Information Technology, Communication Technology, Internet, Digitalisation, Smart Tourists.

Introduction

As one of the world's largest economic sectors, Travel & Tourism creates jobs, drives exports, and generates prosperity across the world. Despite the ever-increasing and unpredictable shocks from unpredicted wars, terrorist attacks, political instability, to health pandemics and natural disasters, Travel & Tourism continued to show its resilience and development. Future growth and success for the sector also depends on recognising trends which will drive future travel habits and consumer expectations. Digitalisation is one of the key megatrends determining the future of the tourism sector and competitiveness of the individual businesses vis-à-vis the constantly evolving playing field and customer behaviour of the "smart tourists". The aim of this paper is to analyse the important innovative digital trends and their effects on future tourism industry.

It is ironic that most people have better technology at home and faster bandwidth, than they do at work. They also have better experiences online with things like travel tools and apps like Tripit, makemytrip,

yatra, etc. Location-based marketing and mobile-linked travel tools will also become very important to the travel industry in the next 3-5 years, all linked to Big Data. Virtual travel assistants are a big growth industry in the personal retail travel market, but in the workplace very few companies are operating with the same sophistication. Price comparison websites like trivago are already transforming the entire travel industry with impact not only on hotels and airlines but also charter holidays, cruise holidays and so on.

Objectives of the Study: Objectives of the present study is to understand and identify the present and future digitalization trends in tourism and hospitality industry.

Knowledge based travel: Travel and tourism is now more about transformation, pursuit, fulfilment, learning new skills and 'being more of who you are' than just ticking off places and things and flopping in the sun. This offers a big challenge for tour operators and OTAs offering flight and hotel packages and all-inclusive resorts. 10 years back many families' used satisfied with this but now the same families want to go camping, Skill tourism, mountain biking or whale watching.

In the recent days' tourism is more about experiential travel rather entertainment. Tourists like to experience indigenous cultures, way of life, local food and beverage and so on. Because there is a sense that people value memories more than some physical possessions. Studies made us to believe Responsible travel is more experiential or authentic than other forms of tourism.

Tourism Irritation: From the recent past to now most tourism destinations have tried to attract as many tourists as possible, without any thought that there could be limits beyond which local people's lives and tourist's experiences start to suffer (Example: Madikeri). Several tourism destinations and attractions are now experiencing irritation from tourism development caused by 'over tourism.' Due to this effort will be done to attract responsible tourist who will create the maximum benefits to local economies with the least possible social and environmental impact.

Paradise: One of the great marketing ideas developed and exploited by the tourism industry was to encourage people to think they could leave all their troubles behind and escape to 'paradise'. But in the present day the word paradise would not exists. To sustain the myth that paradise exists on earth the industry decided not to reveal the truth about many of these destinations. Although they are stunning beautiful, and tourists will have a wonderful time, local people and environments face some serious challenges around development and conservation.

Fear of outsiders: In some countries there seems to be growing fear of people different to ourselves, including refugees and immigrants and people with different religious beliefs. This, and restrictions of

freedom of movement represents some of the biggest challenges to hospitality industry (Ex: African Students in Bangalore, Russians in Goa). Perhaps the hospitality industries highest achievement over the past 70 years has been about how it brings together tourists (strangers) – local people and travellers – harmoniously.

Corporate/ Business Travel: corporate or business travel and tour is about travelling for building trust with business partners. Emotion is about understanding local cultural context, about relating to customers in a deep way. Corporate or business travel will grow every year over the next 20-30 years, powered by growth in emerging new economics and markets. Impact of video conferencing, Skype, Facetime, virtual teams and virtual working on future of business travel. It is true that videoconferencing is growing 20% a year but most people are relatively uncomfortable to perform in front of a camera. Expect that to change, but the fundamental need for human relationships will drive travel.

Travel Technology: Travelling was never ever this easy with the advancement in travel technology. Traveller's experience, services offered to travellers, ease of booking have enhanced a traveller's experience. With travel technology, the definition of a domestic and international destination has now been limited to just geographical regions. Services for a trip to Goa, now, are at par with those provided for Dubai trip.

OTA – Online Travel Agents: Online travel gateways like Yatra.com, Make My Trip, Booking.com, trivago, etc. are making it really easy for travellers to choose their preferred destinations, book flight tickets/ bus tickets, reserve a hotel room and get all the necessary travel products right at their fingertips, triggering great difficulty for traditional travel agents and tour operators to increase their sales and enhance their business. No matter how hard they try to sell their product and services with effective marketing and promoting their travel products, they are losing the battle to these online booking engines.

The statistics show that in the last 20 years, travel agents and tour operators' share of hotel and travel bookings has declined by 50% due to the arrival of online travel portals such as trivago, expedia, makemytrip, booking.com, yatra, oyo rooms, Airbnb, etc as they tend to provide their customers excellent discounts in hotel reservations and other favourable offers on other services.

Augmented Reality: Travellers of the future will routinely use fighter pilot-style head-up displays to look up menu details, tipping etiquette and nearby points of interest. But augmented reality glasses will transport potential travellers into virtual experiences allowing them to sample the real thing without

hopping on a plane. A new market servicing the time-poor, cash rich executive will emerge offering real time virtual reality travel.

Websites to Mobile Apps: The smartphone wars of the last decade have given rise to the incredible app revolution. Research shows that industry will see the end of travel and tourism websites as apps become all-consuming on mobile devices. In fact, mobile connectivity will continue to dominate, and people will learn to switch off to guard their leisure time from the ‘always available’ mentality demanded by corporations. We use apps for convenience, we use apps for pleasure and we use apps simply as part of our daily routine.

Trip Barometer estimates that 87% of global travellers now use mobile devices, creating a compelling story for tour operators to provide well-made apps for their customers to use on holiday.

Total number of iOS apps on the App Store – 2.2 million (as of the January of 2017)
Total number of Android apps on Google Play – 3 million (as of June of 2017)
The total number of mobile app downloads in 2017 – 197 billion
The total number of iOS app downloads in 2016 – 25+ billion
The total number of Android app downloads in 2016 – 90 billion
Total number of app publishers – 968k (Google Play), 498k (App Store), 75k (Amazon AppStore)

Travel Reviews: Before and during a holiday, many travellers use their smartphones to read reviews, research activities and learn more about their holiday destination.

A study in the UK in 2014 showed that the most used apps by travellers on holiday were maps (61%) and weather (54%). Things such as social media (49%) and destination guides (31%) also rated highly for usage, claims Statista 2015.

In studying the current customer trends, travellers use review sites, search engines and social media to make their destination selection and booking decisions.

Trip Barometer suggests that 93% of travellers are influenced by online reviews before making their booking decision. Apps these days come with in-built social media tools and allow people to share digital content like photos, experiences (good and bad) that is always attributed to the source. Eye for Travel estimates that 52% of travellers use social media to plan their travel and, of those under the age of 34, 87% use Facebook to solicit advice before making a booking, says Sticky Media).

Mobile/ Smart Phones: Major technology shifts come in roughly decade-long waves—from the PC to the web to the smartphone. Over the next 4 years, another 1 billion people globally will be coming online in emerging markets; for the vast majority of these people, a smart phone will be their only computing device. A burgeoning population of smart phone users, however, remains starkly in contrast to the slow pace of smart phone development that we see across travel companies at large.

Progressive Web App technology is delivering lightning fast speeds for companies like MakeMyTrip and Booking.com as well as offline functionality for AirBerlin passengers on the go. Ola and Uber, which used the power of GPS to revolutionise local and outstation transportation in India and outside.

Sustainable economic growth: Travel and Tourism industry knows that the economic and social impact of the sector is significant in all corners of globe, however we also know that there is still a lot of work to be done to ensure that its growth really is inclusive and environmentally sustainable. The UN's Sustainable Development Goals provide a great framework for making and monitoring change. Policy makers need to understand that T&T can and does contribute positively to sustainable development, and is committed to growing this contribution.

The speed of technological change and movement in travel and tourism will be phenomenal, but it will enhance the industry experience rather than compete with it. At the moment Travel and tourism is just playing with the technology, but the opportunities are huge.

A tour operator app would significantly improve the customer experience, providing assistance with functional aspects of the holiday, but would also act as a powerful digital marketing platform from which companies can actively promote relevant goods and services to create new opportunities for revenue growth.

- While around 70% of domestic bookings are done online, 70% of international flights are booked through travel agents.
- The number of travellers around the world is growing by more than 5%, which means tens of millions are added every year.

A well-designed mobile app with relevant content that adds value to the holiday experience can create new opportunities for revenue growth in a variety of ways, including Mobile ad revenue, social media platform,

Finally, technology will bring ultimate pressure on T&T—do robots replace tourism workers; do virtual reality, augmented reality and mixed replace the need to travel; do video conferencing and work from home wipe out business travel?

Conclusion

New technology, including more sophisticated and stress-free reservations systems and the ever-increasing capabilities of the internet, present a huge challenge to the future of travel agents and tour operators. Artificial Intelligence, machine learning and robotics will certainly impact jobs in the sector over time. Many jobs will become laid off, but others will be created. Service delivery in T&T relies on the people contact, it is the people that ultimately define the experience whether you are travelling for business or leisure.

Moreover, the new technology is available to travel agents and travel operators to improve their operation, reach bigger and more relevant audiences, and sell and get paid faster with lower costs. Travel companies cannot hope to simply add new features to old business models and succeed. Instead, we must always keep our eyes to the horizon, thinking about how certain transformational technology will allow us to reimagine our business in ways that benefit the user and the industry.

The ultimate conclusion is that travel agents and travel operators will need to change rapidly and elevate their service quality and value in order to survive. When they succeed in doing so, and use the new technologies to market and sell, they will prosper and stay in business for many years.

Reference:

- KPMG FICCI, Expedition 3.0: Travel and hospitality gone digital, 2018, KPMG.com/in
- Lawrence Lundy, Future Traveller Tribes 2030 Building a more rewarding journey, Frost & Sullivan, amadeus.com.
- American Express Global Business Travel (GBT), Global Business Travel Forecast 2018.
- Anwasha Mukherjee and Manasa Nagabhushanam, Role of Social Media in Tourism Marketing, International Journal of Science and Research (IJSR), ISSN (Online): 2319-7064.
- Nevmerzhitskaya and Julia, Scenarios of the future work of business travel agencies, 2013, HAAGA – HELIA University of Applied Science.
- Amiling, S., Koch, V., Ringbeck J. and Stroh S. 2007 Take a Trip into the Future: Technology-Based Business Innovation in a Changing Global Travel Distribution Market. Booz Allen Hamilton white paper.
- Cooper, C. and Lewis, J. 2001, Transformation and Trends in the Tourism Industry: Implications for Distribution Channels, in Buhalis & Laws, 2001, Tourism Distribution Channels: Patterns, Practices and Challenges, co-editor, Thompson, London.

- Davidson, R. and Cope B. 2003, *Business Travel: Conferences, Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*. Pearson Education

Websites:

- Digitisation of the travel and hospitality industry: Imperative for change. (n.d.). Retrieved from <https://pacedimensions.com/research/whitepapers/digitisation-travel-hospitality-industry-imperative-change/>
- Digitisation of the travel and hospitality industry: Imperative for change. (n.d.). Retrieved from <https://pacedimensions.com/research/whitepapers/digitisation-travel-hospitality-industry-imperative-change/#easy-footnote-15-1993>
- Insights on India - Think with Google. (n.d.). Retrieved from <https://www.thinkwithgoogle.com/intl/en-apac/country/india/>
- Insights on India - Think with Google. (n.d.). Retrieved from <https://www.thinkwithgoogle.com/intl/en-apac/country/india/>
- App Download and Usage Statistics. (n.d.). Retrieved from <http://www.businessofapps.com/data/app-statistics/>
- The Impact of Social Media on Travel Inspiration | Olapic. (n.d.). Retrieved from http://www.olapic.com/resources/the-impact-of-social-media-on-travel-inspiration_blog-plaw-f1tr-v1th-t1sm/
- Technology: Disruptive Innovation in the Tourism Industry - Corporate Relations. (n.d.). Retrieved from <https://www.ie.edu/corporate-relations/insights/technology-disruptive-innovation-in-the-tourism-industry/>
- How Technology Will Impact the Future of Travel. (n.d.). Retrieved from <https://www.linkedin.com/pulse/20140519160409-48342529-how-technology-will-impact-the-future-of-travel>
- 10 ways technology will change travel by 2020. (n.d.). Retrieved from <https://matadornetwork.com/bnt/10-ways-technology-will-change-travel-by-2020/>
- Peering into the Future of Tourism at ITB Berlin. (2018, June 06). Retrieved from <http://hotelmanager-blog.trivago.com/future-of-tourism-itb-berlin-2018/>
- Future Trends In Tourism. (n.d.). Retrieved from <https://www.travel-impact-newswire.com/2003/11/future-trends-in-tourism/>
- E. (2018, June 20). The future of tourism - 10 Megatrends. Retrieved from <https://ehotelier.com/featured/2015/12/15/10-megatrends-in-tourism/>

- Prerna, H. (2018, February 22). The Future of Technology for Travel & Tourism. Retrieved from <http://www.thetechy.com/future-technology-for-travel-tourism/>
- Butler, A. (2016, April 11). The future of virtual reality and technology in tourism. Retrieved from <https://www.lonelyplanet.com/news/2016/04/11/travel-tourism-virtual-reality/>
- World Travel & Tourism Council. (2017, June 21). Technology Trends and the Future of Travel – World Travel & Tourism Council – Medium. Retrieved from <https://medium.com/@WTTC/technology-trends-and-the-future-of-travel-c6df8d91a0e9>
- Tourwriter. (n.d.). Retrieved from <https://www.tourwriter.com/travel-software-blog/what-2018-holds-for-tour-operators/>
- Why the future of tour operating could rest with the smartphone. (n.d.). Retrieved from <https://www.tnooz.com/article/tour-operators-embrace-app-technology/>
- G. (n.d.). Travel Agents and Tour Operators: Thriving in the Digital Era. Retrieved from <http://blog.directpay.online/travel-agents-and-tour-operators-thriving-in-the-digital-era>
- Budhani, K. (n.d.). Future of Travel Agents and Tour Operators with Travel Technology. Retrieved from <http://www.quadlabs.com/blog/index.php/2016/07/future-of-travel-agents-and-tour-operators-with-travel-technology/>
- World Travel & Tourism Council. (2017, June 28). The future of Travel & Tourism – World Travel & Tourism Council – Medium. Retrieved from <https://medium.com/@WTTC/the-future-of-travel-tourism-865317bc23b1>
- Dixon, P. (n.d.). Future of Travel Industry, Tourism, Hotels, Hospitality and Business Travel. Retrieved from <https://www.globalchange.com/future-of-travel-industry-tourism-hotels-hospitality-and-business-travel.htm>
- The future of travel and tourism. Travel trends and predictions. Helping Dreamers Do. (n.d.). Retrieved from <https://www.responsibletravel.com/holidays/responsible-tourism/travel-guide/the-future-of-travel-and-tourism>