



January 2020



Aruba Tourism
Authority

SNAPSHOT JANUARY 2020



HOW MANY
ARRIVALS?

90,623

-3.8%



HOW MANY
CRUISE TOURISM?

112,614

-12.3%



HOW LONG
DID THEY STAY?

697,854

-8.2%



WHAT DID
THEY SPEND? **
Central Bank Aruba
(Q1 and Q2 2019)

Avg. 1,946.5 min

+5.1%

**Tourism Credits: In the new presentation of the Balance of Payments, the Central Bank of Aruba reclassified maintenance fee arising from Timeshare arrangement from "Other Services" to "Travel Services" (Tourism). With this reclassification it should be noted that the term Tourism Receipts has changed to Tourism Credits in the new presentation of Balance of Payments. This reclassification resulted in an upward adjustment of the previously used term Tourism Receipts.

WHERE DID THEY STAY?

HIGH RISE



241,026

NIGHTS

-1.0%

LOW RISE



51,892

NIGHTS

-9.6%

TIMESHARE



215,236

NIGHTS

-2.8%

OTHERS



189,700

NIGHTS

-20.3%

JANUARY RESULT 2020

NORTH AMERICA

74,766

82.5%

SOUTH AMERICA

7,343

8.1%

EUROPE

6,899

7.6%

OTHERS

1,615

1.8%

OTHERS

6,769

7.5%

VENEZUELA

574

0.6%

TOTAL ARRIVALS

90,623

-3.8%

TOTAL ARRIVALS WITHOUT VENEZUELA

90,049

-0.5%



ARRIVALS JANUARY

90,623
ARRIVALS

-3.8%
GROWTH

	2019	Growth		2020	% Growth
USA	65,434		2,383	67,817	3.6%
Canada	6,443		506	6,949	7.9%
NA	71,877		2,889	74,766	4.0%
Venezuela	3,772	-3,198		574	-84.8%
Colombia	3,329	-962		2,367	-28.9%
Brazil	1,085	-305		780	-28.1%
Argentina	2,022	-130		1,892	-6.4%
Chile	818	-399		419	-48.8%
Ecuador	94	-65		29	-69.1%
Peru	295	-71		224	-24.1%
Paraguay	250	-14		236	-5.6%
Uruguay	204	-67		137	-32.8%
Mexico	103	-19		84	-18.4%
Others	631	-30		601	-4.8%
SA	12,603	-5,260		7,343	-41.7%
Netherlands	4,152	-653		3,499	-15.7%
UK	290	-18		272	-6.2%
Germany	485	-51		434	-10.5%
Italy	534		133	667	24.9%
Sweden	871	-217		654	-24.9%
Belgium	144	-1		143	-0.7%
Ireland	26	-17		9	-65.4%
Others	1,375	-154		1,221	-11.2%
Europe	7,877	-978		6,899	-12.4%
ROW	1,887	-272		1,615	-14.4%
Total	94,244	-3,621		90,623	-3.8%
W/O Ven.	90,472	-423		90,049	-0.5%

Marketshare 2019		Marketshare 2020	
	69.4%		74.8%
	6.8%		7.7%
	76.3%		82.5%
	4.0%		0.6%
	3.5%		2.6%
	1.2%		0.9%
	2.1%		2.1%
	0.9%		0.5%
	0.1%		0.0%
	0.3%		0.2%
	0.3%		0.3%
	0.2%		0.2%
	0.1%		0.1%
	0.7%		0.7%
	13.4%		8.1%
	4.4%		3.9%
	0.3%		0.3%
	0.5%		0.5%
	0.6%		0.7%
	0.9%		0.7%
	0.2%		0.2%
	0.0%		0.0%
	1.5%		1.3%
	8.4%		7.6%
	2.0%		1.8%



ARRIVALS USA JANUARY

67,817
ARRIVALS

+3.6%
GROWTH

LARGEST GROWTH IN %: NORTH CAROLINA

	2019	Growth		2020	% Growth
New York	14,717		753	15,470	5.1%
Massachusetts	8,590	-129		8,461	-1.5%
New Jersey	6,491		421	6,912	6.5%
Pennsylvania	3,630		689	4,319	19.0%
Illinois	2,113		503	2,616	23.8%
Connecticut	2,012		11	2,023	0.5%
Florida	3,061	-376		2,685	-12.3%
Ohio	1,999	-55		1,944	-2.8%
Maryland	1,970		275	2,245	14.0%
Michigan	1,571	-79		1,492	-5.0%
Virginia	1,375		11	1,386	0.8%
Georgia	876		98	974	11.2%
North Carolina	1,293		315	1,608	24.4%
Texas	1,261	-97		1,164	-7.7%
California	1,139	-184		955	-16.2%
Other	13,336		227	13,563	1.7%
Total	65,434		2,383	67,817	3.6%

Marketshare 2019		Marketshare 2020	
22.5%		22.8%	
13.1%		12.5%	
9.9%		10.2%	
5.5%		6.4%	
3.2%		3.9%	
3.1%		3.0%	
4.7%		4.0%	
3.1%		2.9%	
3.0%		3.3%	
2.4%		2.2%	
2.1%		2.0%	
1.3%		1.4%	
2.0%		2.4%	
1.9%		1.7%	
1.7%		1.4%	
20.4%		20.0%	

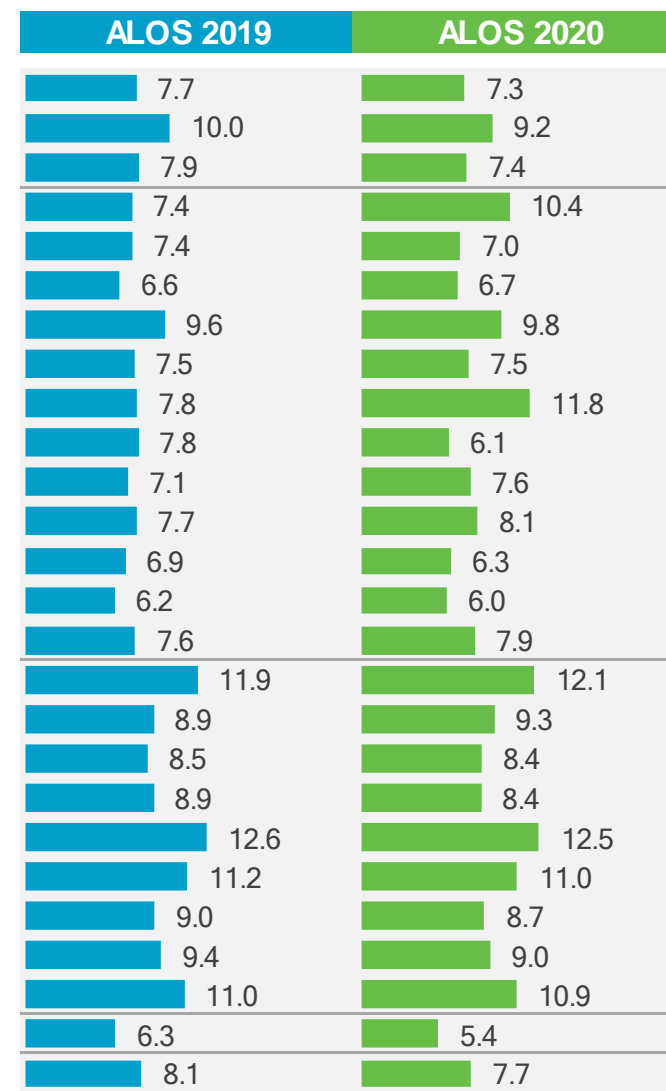


NIGHTS JANUARY

697,854
NIGHTS

-8.2%
GROWTH

	2019	Growth	2020	% Growth
USA	501,239	-8,875	492,364	-1.8%
Canada	64,498	-889	63,609	-1.4%
NA	565,737	-9,764	555,973	-1.7%
Venezuela	27,752	-21,802	5,950	-78.6%
Colombia	24,627	-8,165	16,462	-33.2%
Brazil	7,107	-1,864	5,243	-26.2%
Argentina	19,470	-950	18,520	-4.9%
Chile	6,168	-3,011	3,157	-48.8%
Ecuador	729	-387	342	-53.1%
Peru	2,301	-929	1,372	-40.4%
Paraguay	1,783		1,801	1.0%
Uruguay	1,569	-453	1,116	-28.9%
Mexico	712	-185	527	-26.0%
Others	3,899	-294	3,605	-7.5%
SA	96,117	-38,022	58,095	-39.6%
Netherlands	49,331	-6,915	42,416	-14.0%
UK	2,567	-42	2,525	-1.6%
Germany	4,106	-450	3,656	-11.0%
Italy	4,728		5,587	18.2%
Sweden	10,935	-2,775	8,160	-25.4%
Belgium	1,617	-50	1,567	-3.1%
Ireland	233	-155	78	-66.5%
Others	12,927	-1,912	11,015	-14.8%
Europe	86,444	-11,440	75,004	-13.2%
ROW	11,852	-3,070	8,782	-25.9%
Total	760,150	-62,296	697,854	-8.2%



ACCOMMODATIONS: **WHERE DID THEY STAY?**

HIGH RISE



241,026

NIGHTS

-1.0%

LOW RISE



51,892

NIGHTS

-9.6%

TIMESHARE



215,236

NIGHTS

-2.8%

OTHERS



189,700

NIGHTS

-20.3%



ACCOMMODATIONS JANUARY

90,623
ARRIVALS

-3.8%
GROWTH

THE LARGEST INCREASE IN %: **HIGH RISE**

ARRIVALS BY ACCOMMODATION

	2019	Growth	2020	% Growth
High Rise	38,102	658	38,760	1.7%
Low Rise	8,006	-668	7,338	-8.3%
Timeshare	22,633	118	22,751	0.5%
Others	25,503	-3,729	21,774	-14.6%
Total	94,244	-3,621	90,623	-3.8%

Marketshare 2019	Marketshare 2020
40.4%	42.8%
8.5%	8.1%
24.0%	25.1%
27.1%	24.0%

NIGHTS BY ACCOMMODATION

	2019	Variance	2020	% Growth
High Rise	243,435	-2,409	241,026	-1.0%
Low Rise	57,385	-5,493	51,892	-9.6%
Timeshare	221,325	-6,089	215,236	-2.8%
Others	238,005	-48,305	189,700	-20.3%
Total	760,150	-62,296	697,854	-8.2%

Marketshare 2019	Marketshare 2020
32.0%	34.5%
7.5%	7.4%
29.1%	30.8%
31.3%	27.2%



ACCOMMODATIONS MAIN MARKETS

JANUARY

90,623
ARRIVALS

-3.8%
GROWTH

THE LARGEST % GROWTH: USA LOW RISE

MARKET SHARE OF THE MARKET BY ACCOMMODATION CATEGORY

	HIGH RISE			LOW RISE			TIME SHARE			OTHERS		
	2019	2020	% Growth	2019	2020	% Growth	2019	2020	% Growth	2019	2020	% Growth
USA	78.1%	80.9%	2.8%	63.8%	72.6%	8.8%	85.8%	89.3%	3.6%	43.8%	49.6%	5.8%
Venezuela	1.5%	0.2%	-1.2%	4.7%	0.4%	-4.3%	2.0%	0.2%	-1.8%	9.4%	1.9%	-7.5%
Netherlands	1.1%	1.0%	-0.1%	5.0%	4.1%	-0.9%	0.6%	0.8%	0.1%	12.6%	12.2%	-0.4%
Canada	7.5%	7.5%	0.0%	5.5%	6.2%	0.7%	4.9%	4.8%	-0.1%	8.0%	11.5%	3.5%
Brazil	1.5%	1.1%	-0.4%	0.7%	0.8%	0.2%	0.4%	0.3%	0.0%	1.4%	1.0%	-0.4%
Colombia	2.3%	1.8%	-0.5%	3.3%	1.3%	-2.0%	1.8%	1.3%	-0.5%	7.0%	5.9%	-1.1%
Argentina	2.6%	2.7%	0.0%	2.0%	1.2%	-0.7%	1.4%	1.3%	-0.1%	2.1%	2.2%	0.1%
Chile	1.1%	0.6%	-0.5%	0.9%	0.1%	-0.8%	0.4%	0.1%	-0.3%	0.8%	0.7%	-0.2%
Peru	0.3%	0.3%	0.0%	0.2%	0.2%	0.0%	0.1%	0.1%	0.0%	0.6%	0.3%	-0.3%
UK	0.2%	0.2%	0.0%	0.7%	0.4%	-0.3%	0.1%	0.1%	0.0%	0.6%	0.7%	0.1%
Italy	0.3%	0.4%	0.1%	0.8%	1.7%	0.9%	0.1%	0.1%	0.0%	1.2%	1.6%	0.4%
Total mainmkt	96.5%	96.8%	0.3%	87.5%	89.0%	1.5%	97.6%	98.5%	0.9%	87.5%	87.4%	-0.1%



ACCOMMODATIONS MAIN MARKETS

JANUARY

90,623
ARRIVALS

-3.8%
GROWTH

LARGEST ABSOLUT GROWTH: USA HIGH RISE

VISITOR ARRIVALS AT THE ACCOMMODATION TYPE FOR THE MARKET

	HIGH RISE			LOW RISE			TIME SHARE			OTHERS		
	2019	2020	Growth	2019	2020	Growth	2019	2020	Growth	2019	2020	Growth
USA	29,751	31,369	1,618	5,106	5,326	220	19,409	20,324	915	11,168	10,798	-370
Venezuela	557	95	-462	373	29	-344	451	41	-410	2,391	409	-1,982
Netherlands	401	381	-20	399	299	-100	140	172	32	3,212	2,647	-565
Canada	2,848	2,899	51	443	457	14	1,105	1,091	-14	2,047	2,502	455
Brazil	584	425	-159	54	62	8	86	77	-9	361	216	-145
Colombia	868	700	-168	264	92	-172	403	291	-112	1,794	1,284	-510
Argentina	1,007	1,028	21	158	90	-68	317	292	-25	540	482	-58
Chile	438	241	-197	72	9	-63	99	27	-72	209	142	-67
Peru	119	129	10	14	16	2	20	21	1	142	58	-84
UK	69	70	1	55	26	-29	22	31	9	144	145	1
Italy	127	167	40	68	127	59	32	34	2	307	339	32
Total mainmkt	36,769	37,504	735	7,006	6,533	-473	22,084	22,401	317	22,315	19,022	-3,293

PROFILE: WHO ARE THEY?



50-59

18,956

+4.6%



American Airlines

17,820

+16.4%



VISITORS BY AGE JANUARY

90,623
ARRIVALS

-3.8%
GROWTH

SMALLEST ABSOLUTE DECREASE: **30-39 YEARS**

	2019	Growth		2020	% Growth
0 - 11	5,659	-540		5,119	-9.5%
12-19	4,230	-161		4,069	-3.8%
20 - 29	11,686	-661		11,025	-5.7%
30 - 39	13,338	-882		12,456	-6.6%
40 - 49	13,657	-1,001		12,656	-7.3%
50 - 59	19,778	-822		18,956	-4.2%
60 - 69	16,709		161	16,870	1.0%
70 +	9,169		287	9,456	3.1%
Not Stated	18	-2		16	-11.1%
Total	94,244	-3,621		90,623	-3.8%



GENERATIONS JANUARY

	2020	% Share	2019	% Share	% Growth
Gen Z	11,291	12.5%	11,906	12.6%	-5.2%
Millennials	18,966	20.9%	20,462	21.7%	-7.3%
Gen X	20,254	22.3%	21,797	23.1%	-7.1%
Baby Boomers	33,194	36.6%	33,543	35.6%	-1.0%
Silent Generations	6,902	7.6%	6,518	6.9%	5.9%
Age Not Specified	16	0.0%	18	0.0%	-11.1%
Total	90,623	100.0%	94,244	100.0%	-3.8%



CARRIERS JANUARY

	2019	Growth		2020	% Growth
AMERICAN AIRLINES	15,306		2,514	17,820	16.4%
JETBLUE	19,574	-2,388		17,186	-12.2%
UNITED AIRLINES	12,287		1,151	13,438	9.4%
DELTA AIRLINE	10,680		1,842	12,522	17.2%
SOUTH WEST	6,771		675	7,446	10.0%
AVIANCA/AEROGAL	4,112	-852		3,260	-20.7%
KLM	2,843	-89		2,754	-3.1%
COPA AIRLINE	3,142	-550		2,592	-17.5%
AIR CANADA	1,587		630	2,217	39.7%
SUNWING AIRLINES	2,152	-280		1,872	-13.0%
WESTJET AIRLINES	1,024		837	1,861	81.7%
ARKEFLIGHT	1,405	-106		1,299	-7.5%
ARUBA AIRLINES	2,155	-976		1,179	-45.3%
WINAIR	351		385	736	109.7%
CHARTER	3,917	-3,249		668	-82.9%
AERO REPUBLICA	303		363	666	119.8%
DIVI DIVI AIR	726	-115		611	-15.8%
THOMAS COOK	535		63	598	11.8%
SPIRIT AIRLINES	395		127	522	32.2%
SUN COUNTRY	509	-113		396	-22.2%
SURINAM AIRWAYS	259		53	312	20.5%
EZ AIRLINE	31		275	306	887.1%
PRIVATE	665	-415		250	-62.4%
AIR CENTURY	49		9	58	18.4%
SKY HIGH AVIATION	36		14	50	38.9%
AMERIFLIGHT	1		1	2	100.0%
Others	3,429	-3,427		2	-99.9%
Total	94,244	-3,621		90,623	-3.8%

Marketshare 2019	Marketshare 2020
16.2%	19.7%
20.8%	19.0%
13.0%	14.8%
11.3%	13.8%
7.2%	8.2%
4.4%	3.6%
3.0%	3.0%
3.3%	2.9%
1.7%	2.4%
2.3%	2.1%
1.1%	2.1%
1.5%	1.4%
2.3%	1.3%
0.4%	0.8%
4.2%	0.7%
0.3%	0.7%
0.8%	0.7%
0.6%	0.7%
0.4%	0.6%
0.5%	0.4%
0.3%	0.3%
0.0%	0.3%
0.7%	0.3%
0.1%	0.1%
0.0%	0.1%
0.0%	0.0%
3.6%	0.0%



CRUISE JANUARY



2019



CRUISE PAX

128,425

CRUISE CALLS

52



2020



CRUISE PAX

112,614

-12.3%

CRUISE CALLS

44

-15.4%

ABSOLUTE GROWTH PAX JANUARY

-15,811

-12.3%

ABSOLUTE GROWTH CALLS JANUARY

-8

-15.4%



Aruba Tourism
Authority



• GUEST SATISFACTION



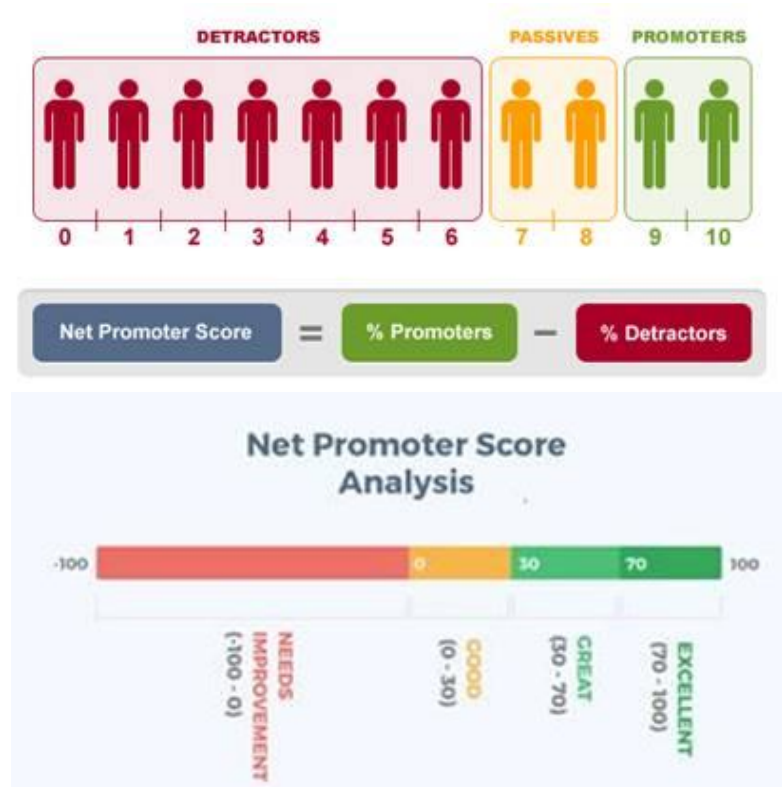
NET PROMOTER SCORE

Guest satisfaction and loyalty are measured on 10- point scale:

- Likelihood to recommend
- Likelihood to visit (in the next 5 years)
- Satisfaction

Overall score:

- -100 – 0 : Needs improvement
- 0 - 30 : Good
- 30 – 70 : Great
- 70 – 100 : Excellent



Guest satisfaction and loyalty are measured on 10- point scale were visitors were asked their overall satisfaction with their Aruba trip, their likelihood to return and their likelihood to recommend Aruba to friends and family. The latter being measured by the net promoter score. This score is used as a proxy for gauging the visitor's overall satisfaction with their Aruba experience and the visitor's loyalty to the brand. A score of 9 and 10 is rated as a promoter score (loyal customers, a score of 7 or 8 is a passive score meaning customers would not speak bad about Aruba but can easily switch to a competitor, and 0-6 is a detractor score



GUEST SATISFACTION

JANUARY 2020

In January 2020, 413 surveys were collected.

Questions	Very Likely / very satisfied (in %)- 2020	Net promoter score January 2020 N=413	Net promoter score January 2019 N=648
How likely are you to recommend	83%	81	77
Likelihood of visiting	66%	49	58
How satisfied are you	82%	79	79

As can be seen in the table in January 2020, Aruba received a higher net promoter score than in January 2019. This score indicates that our visitors enjoyed their experience on island and would recommend Aruba to their friends and family, and are satisfied with their visit to Aruba.

A lower score is recorded for “likelihood to visit” in comparison to “likelihood to recommend and “satisfaction”. This indicates that visitors are satisfied but they are still open to visit other places. The score is not a detractor, but it is a passive one, meaning that our visitors are not 100% loyal to Aruba.



WHAT ARE THE OVERALL COMMENTS?

OCTOBER 2019



57% of the comment were centered on safety, beaches, friendliness, great weather, great hospitality and wonderful time

"The service and food, hospitality of the island were beyond expectations. The availability of clean drinking water was outstanding and the quality of beaches and natural attractions were out of this world. I love Aruba!!!"

"Very friendly and welcoming people"

"Everyone was extremely nice. We felt safe and loved enjoying the island and nightlife".

"We love Aruba. The people are friendly, the beach is gorgeous!"

"My favorite place on Earth! Great people great weather beautiful country"



43% of the comment were centered on Aruba being expensive, expensive taxi's, low quality of service and stray dogs

"Las personas son mal educadas y el trato al latino es pésimo muy mal"

"A family member was drugged at a club called gusto. This is something tourist should be warned about as the incident rate seems high"

"Hi costs of some items is a deterrent for some to visit. US beer should not be so expensive"

"Baja Calidad del servicio, solo se busca la propina fácil. Se atiende mucho mejor al americano. Todo muy Caro. Poca amabilidad en general. Nadie se ríe ni es Feliz como indica el slogan de la isla".

"Hermoso lugar pero muy caro los hoteles siendo que en Europa están la mitad."

Skift. 2020



TIDBITS: Mega trends, defining travel 2020

Skift.
RESEARCH

MEGATRENDS
DEFINING TRAVEL IN 2020

ARUBA
Aruba Tourism
Authority



WHAT HAPPENED TO THE FUTURE OF TRAVEL ?

Excerpt

The year 2020 is here. The future of travel is now the present of travel — and it feels like the morning after came with a giant hangover. Travel is now eating the world, in more ways than one. We are by many accounts the world's largest industry and have a footprint to match it. With scale, however, comes complex challenges and a looming backlash from both governments and consumers. How soon will the travel industry become Big Travel, the way technology services have become Big Tech with significant scrutiny from both regulators and customers? It's happening now in bits and pieces; travel may be in two years where the tech backlash is now.

Overtourism, likewise, has become a buzzword and a reality that everyone has an opinion on but few know how to deal with. This also feels like an age of overload in everything, everywhere. In a world of binge watching and invasive digital advertising operations, where does travel stand as an antidote to all that is artificial and designed to overwhelm? Can real human connection fostered in a world of surging cross-border travel actually create a stronger, more inclusive world?

THE FUTURE OF HOTEL LOYALTY: RECOGNIZING MORE THAN THE STAY

Hotel loyalty is no longer just about earning points for hotel stays. Today, forward-thinking brands like Hyatt are extending loyalty “beyond the stay” through a savvy mix of strategic alliances, unique experiences, and new opportunities to earn from daily spending.

Hospitality loyalty programs are in the midst of a dramatic shake-up. Traveler priorities are evolving as consumers seek out more varied options to earn and use rewards beyond the stay.

Hotels, too, are adapting their loyalty offerings in response, offering new types of rewards and looking for ways to serve customers not just while they’re on property but as part of their daily lives.

EXAMPLE: WORLD OF HYATT on next page....

EXAMPLE: WORLD OF HYATT

World of Hyatt was founded on a listening-based approach and continually evolves as we seek to understand what's most important to our guests. Since launch, World of Hyatt has led the way with meaningful benefits and experiences that add more value to members' lives.

These differentiated offerings were built on competitive advantages like confirmable suite upgrades at time of booking and Free Night awards. Hyatt also leaned into its purpose to create newer benefits like *Guest of Honor*, allowing *Globalist* members to extend their in-hotel benefits to a loved one on an award stay. Hyatt continued to evolve based on direct member feedback, which is why they introduced *Milestone Rewards*, which recognizes members more frequently as they work toward the next elite tier.

Care extends beyond when Hyatt's members are in the hotels. Hyatt strategic alliances are a reflection of the dynamic lives their customers lead and our commitment to enhance how they live and travel.

Hyatt sees tremendous value in being where its members already are and where they want to be, and are committed to designing experiences and benefits for them. Through their new American Airlines collaboration, elite members have more ways to earn miles, points, and status when flying American or staying at Hyatt properties, and they are able to enjoy exclusive benefits across both programs.

Another way Hyatt is caring for members is through their alliance with Small Luxury Hotels of the World, which allows members to earn and redeem points and enjoy on-property benefits at more than 250 participating hotels, including new locations across both Europe and Asia.



Subscription travel is the next frontier of loyalty

Earning consumer loyalty means more than giving them rewards.

Subscriptions and memberships represent a compelling way for travel companies to create lasting relationships with consumers.

Tourism's New Competitive Advantage Is Protecting — Not Just Promoting — Destinations

By Rosie Spinks
Illustrations by Min Liu



Responding to the burden that tourism can bring requires more than tacking on the idea of management to tourism boards' activities; it requires a paradigm shift in how destinations operate. That shift is under way.

It seems almost quaint to think that, not too long ago, the job of tourism boards and destination marketers could be described so simply: Get more people to visit your destination.

In an age where local residents from Barcelona and Venice to Boracay Island are protesting tourism itself, measuring success by swelling visitor numbers no longer feels relevant. The holy grail of a sustainable yet lucrative tourism industry has, by definition, come to mean tourism that local residents and stakeholders feel good about too.

Realizing this goal presents myriad challenges. Tourism boards and destination marketers have very different configurations around the world, including government agencies that can set 10-year plans (and allocate the resources to achieve them) and private-sector membership bodies that exist solely to help the bottom lines of their profit motivated members.

In addition, many of the destination marketing outfits — creative and committed as they are — don't have the expertise or resources to effortlessly adapt to a management-based approach overnight.

The trend line is crystal clear: Destinations that are to remain competitive and attractive to visitors for years to come will have to start protecting their communities and cultural capital now. This shift in approach requires reimagining the way that destination marketing and management intersect as well as incorporating the concerns of local stakeholders into the tourism boards' strategic planning.

1. Rethink the game plan

Management has become something of a buzzword used by destination marketers around the world to signify that they are woke to the age of overtourism.

One example is the **Thompson Okanagan Tourism Association** in British Columbia, Canada. The group decided to split its resources, with 60 percent going to development and planning and 40 percent going to promotion. "The fascinating thing is that they've increased their number of visitors, length of stay, average spend -and they've improved relations between First Nation indigenous people and the greater majority white community," Durband said.

On the other end of the visitor numbers spectrum is Holland, in particular Amsterdam, which is perhaps the overtourism poster child that has done the most so far to reverse course.

The Netherlands Board of Tourism and Conventions (NBTC) Holland Marketing, the country's destination marketing group, is making sure that marketing is just one of its four pillars: intelligence and insights; strategy and branding; destination development; and then marketing.

2. Tourists vs. Locals

Perhaps the biggest indicator of how sustainable a destination is how its residents feel about tourists who visit. In western Europe, the public sector is increasingly using digital platforms to solicit feedback from local stakeholders — including local business and in some cases residents — according to European Tourism Association Secretary General Tim Fairhurst.

3. Maximum Capacity

A decade on, what today feels something of a taboo in the tourism world — openly admitting that there is actually an upper limit to the amount of tourists who can visit a destination — will likely be a baseline assumption of a sustainable destination.

This future will also likely depend on governments prioritizing sustainable tourism management as a policy priority.

The future of travel will be driven by urban living innovations



Cities have always been incubators for innovation, but with two thirds of the world's population expected to live in urban areas by 2050, developments being rolled out today to accommodate that new density will serve the travel industry in positive ways.

As travelers both seek experiences that reflect the unique characteristics of the places they visit and desire the comforts of home while abroad, cities making the strongest and smartest investments in new models and concepts of urban living have become more attractive destinations.

As city life changes, so too does the experience of visitors who contribute to the local economy and, increasingly, look for modern conveniences during a trip. Travelers want an experience curated for their particular needs and not the one-size-fits-all attitude of the big-box hotel or generic shopping district.

Augmented hospitality is changing the way we experience cities

As new concepts of urban living evolve and cities become even more attractive destinations for both working and living, hospitality brands will need to rethink the role they play for visitors and locals alike.

One company rethinking how its properties and services are developed and deployed in cities across the globe is Accor. Not only is the brand transforming its core service offering, it's also redesigning the brand around new services, collectively referred to as “augmented hospitality.”

Augmented hospitality has been explained by Accor executives as a refined vision of hospitality that focuses on tailor-made services offered to a wide breadth of consumers. The goal is to deeply understand consumers and offer travel and lifestyle experiences that are clustered into three categories: Live, Work, and Play. According to the brand, “Augmented hospitality means anticipating a customer’s every need.

GEN Z ASSERTS ITSELF AS TRAVEL'S NEXT BIG OPPORTUNITY

The millennial generation has been at the forefront of the collective mind of the travel industry for years. But starting in 2020, Generation Z will begin entering adulthood. The travel industry would be wise to shift some focus here if it wants to stay ahead of the game.

This year the oldest members of Gen Z will be graduating from college and taking up larger portions of the global workforce and population. This generation is already travel-savvy and heavily involved in trip planning. Large numbers of Gen Z travelers around the world soon will have the money and autonomy to take control of their own trips for the first time.

The year 2020, will also be the first full year that we expect Gen Z to take up the largest portion of the global population.

Gen Z will have surpassed millennials in terms of global population share sometime in 2019, when it's expected to reach 32 percent of the global population, according to an analysis of United Nations data by Bloomberg.

SO WHAT'S NEXT FOR GEN Z?

As members of Gen Z fully enter adulthood in the next decade, they will have greater autonomy over their travel decisions, and as their spending power increases, so too will their ability to travel. The oldest Gen Zers by 2030 will be in their 30s, and many will likely have children by then, bringing Gen Z family travel onto the radar of the travel industry.

It will take time for us to see the real travel behaviors and preferences of Gen Zers as they continue to come into their own. Unlike millennials, however, Gen Z travelers will continue forging their own path when it comes to digital behavior, especially as they continue to come of age in an era wrought with privacy concerns and scandals involving Big Tech and social media companies.

Gen Z is already giving us a look at where it's heading, and as the decade progresses, we will know as much about this generation as we do about millennials today. As 2020 gets under way, travel companies that want to remain a step ahead will need to keep their eye on Gen Z.

Wellness travel makes aging aspirational



Wellness travel isn't just for the 20-something yogi anymore. Companies are looking at aging as a big opportunity, leaning further into transformational travel with a focus on mind and spirit. There's a whole lot of people growing old and living longer while trying to figure that all out. Travel is seeing a chance to help unlock the mysteries.

A decade ago, if you were having a midlife crisis, you'd buy a new car, get a new haircut, or maybe pick up a new hobby. But these days, turning 50 — or whatever age you deem “midlife” — isn't what it used to be.

A new wave of adults are eschewing the gadgets, luxury home remodels, and beauty treatments.

Sensing this shift, travel is helping to reframe aging, longevity, and what it means to be at midlife. Instead of offering ways to stave off the inevitable physical decline (think fasts, juice detoxes, or pilates retreats), travel companies are offering new and innovative ways to address the mind and spirit.

Whether through new elder academies, so-called wellness sabbaticals, or universities offering new programs tailored for midlifers, the demand is growing.

The United Nations projects the global population who will be over the age of 60 is expected to more than triple to 2.1 billion by 2050. That will create even more demand.

Moving beyond demographics: data drives the future of travel advertising

The world is awash in data, but as consumer skepticism about Big Tech is on the rise, travel brands need to rethink the way they use information to generate hyper-relevant offers. The winners will hit the right mix of helpfulness and relevance, evolving beyond personalization to forge even deeper and more meaningful relationships with consumers.

The average traveler spends 53 days looking at 28 different websites before they make a travel purchase, generating huge volumes of data about likes, dislikes, travel dates, brand preferences, and shopping habits. Multiply that by the average of five trips a U.S. traveler takes annually, and you get a sense of the wealth of data that brands can amass to understand the "why" behind consumer decisions.

With that “why,” brands can go beyond standard demographic data that shows "who" a user is and create a customized advertising experience that focuses on what they want and what drives their decisions, resulting in more relevant advertising, increased sales, and more satisfied customers. But knowing where to find that data, and how to best harness it, remains challenging.

To get from today's standard to the future of customized travel advertising, brands will need to rethink how they can deliver personal experiences without owning every step in the customer journey. Those companies that use opt-in campaigns, transparent data collection, and flexible data architecture that can respond to new privacy regulations (like Europe’s General Data Protection Regulation and California’s California Consumer Privacy Act) will be the ones ahead of the curve, said Flecha.

Add to that the right mix of third- and first-party data to target customers based on their choices and intent — rather than their demographics — and these travel brands will go from offering personalization to forging deep, multilayered relationships that evolve along with consumers.



Consumer Brands Jump Into Travel With a Hospitality Mashup

Consumer brands that see the passion of travelers are taking the leap. These brands are becoming hotel proprietors in greater numbers to reach out to millennials, who see travel as a lifestyle experience. Expect more retailers to invade the hospitality space.

“People don’t just want to experience the same product that you can get in any market or any city,” he said. “That’s why all the big brands, the Marriotts, Hiltons, and Hyatts, are either developing or buying out lifestyle brands in order to reach a consumer they haven’t historically reached.”

Travel Payments Find Path to Painless

By Sean O'Neill

Illustrations by Amanda Berglund



Global payments technology and rules are changing swiftly, led by seamless innovations in Asia that are making life easier for consumers. Travel companies of all sizes are finally taking action in order to stay competitive.

To go 21st century, however, you'd have to update your back-office payment processes that date from your father's era. You'll be in good company, though: As the financial world rapidly evolves, most travel brands are racing to stay current.

Technology is one source of this change, but so is regulation. New European Union rules that come into force December 2020 require changes in cross-border commerce. European regulators are trying to fight fraud by requiring most online payments to go through an additional level of verification called "strong" or "second-factor." The new rules will have a side effect: They'll likely prod many companies to revamp their approaches to payments because modern processes readily comply with the rules.

Short-Term Rental Winners Emerge

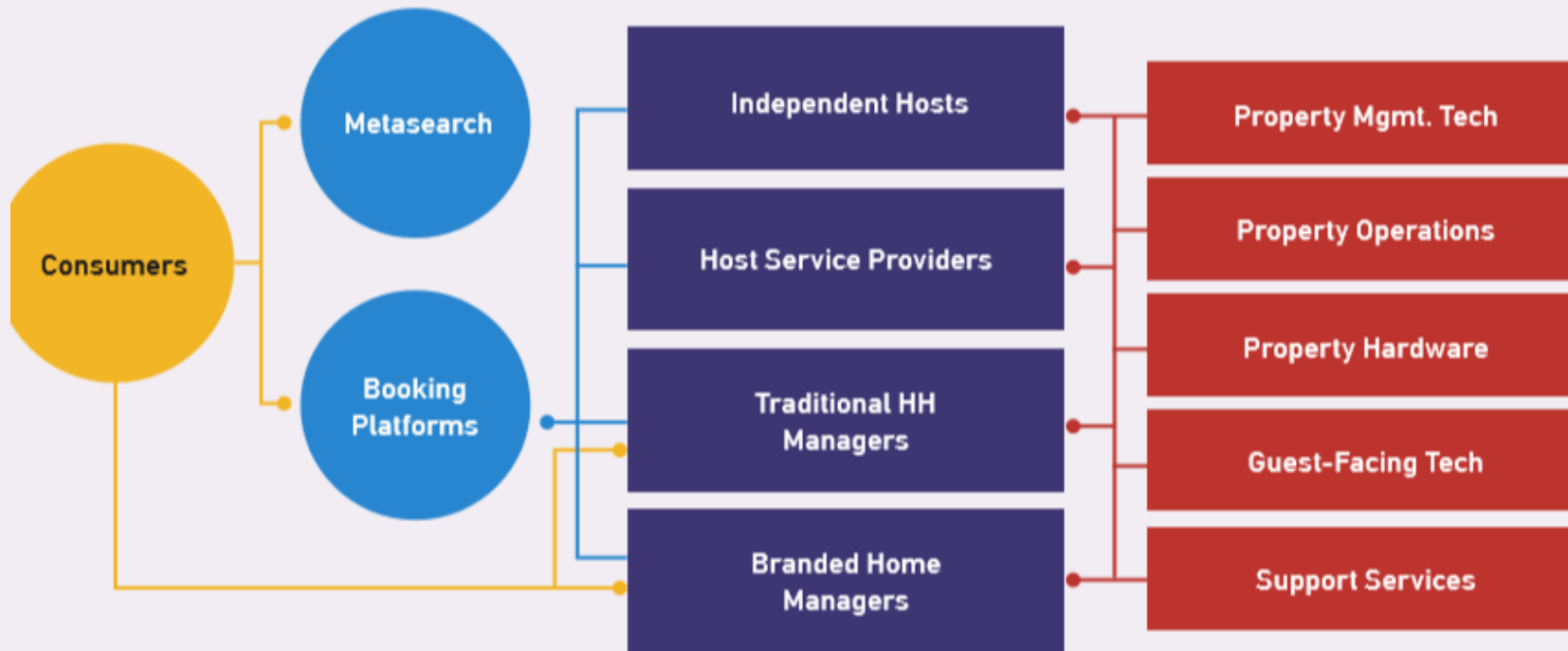
The short-term rental ecosystem is getting bigger, which means many winners are set to emerge from the pack. Expect further brand driven professionalization, more outside investment, and vendor consolidation. Those getting on board will benefit, but is a backlash in the cards?

Skift Research estimates that global gross bookings of short-term rental properties grew 7 percent in 2019 to a total of \$115 billion.

Five companies — Airbnb, Booking Holdings with its Booking.com and Agoda platforms, Expedia Group with its Vrbo/HomeAway, TripAdvisor, and Chinese platform Tujia — registered 73 percent of all bookings, showing how the booking landscape has become highly consolidated.

In many other aspects, however, the short term rental sector is extremely fragmented.

Source: Skift Research



While regulation remains a major uncertainty, there is little doubt that short-term rental sales will continue to grow. Expect more investment, more funding rounds, and more acquisitions. The biggest change, however, might come out of the opposite corner.

We will go out on a limb and argue that the short-term rental sector will go back to its roots. Not the entire sector, of course, but we are at a seminal moment now where some stakeholders will look at the professionalization and commercialization of the sector as a strong antithesis to its origins. These parties will find a strong marketing ploy in offering the opposite.