



منتدى الضيافة
Hospitality Forum
الشارقة
2018 Sharjah



Government of Sharjah
Sharjah Commerce & Tourism
Development Authority

الشارقة®
Sharjah

حكومة الشارقة
هيئة الإنماء التجاري
والسياحي بالشارقة



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The Impact of Budget Travelers and Millennials on the Tourism Sector & Economy

Sharjah Hospitality Forum
14 November 2018



Latest world tourism trends



+7%

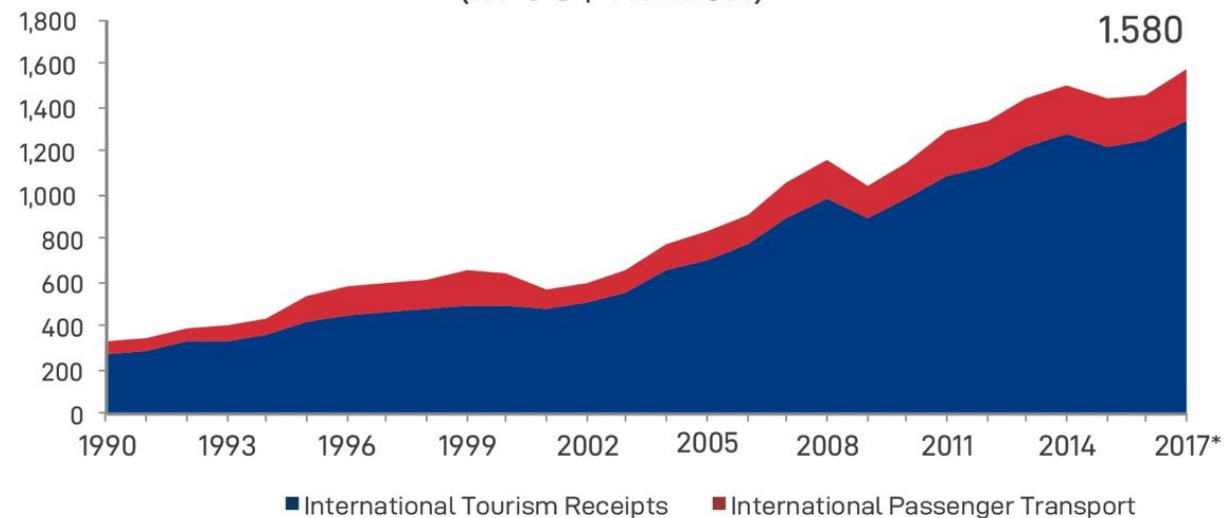
Total International Tourist Arrivals
1,326 million

+5%

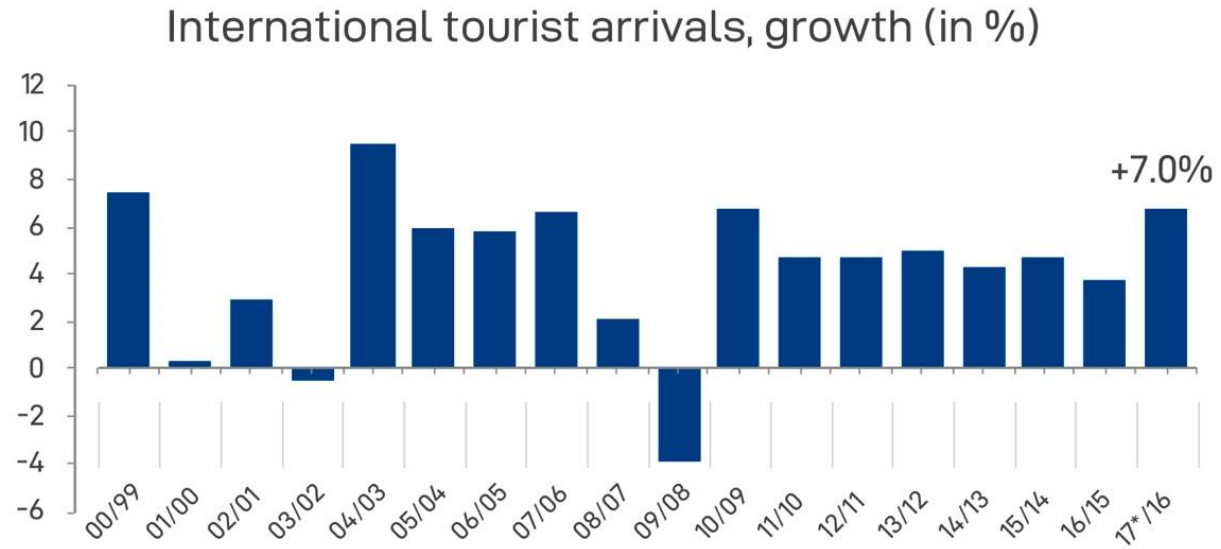
Total International Tourism Receipts
US\$ 1,340 billion

Tourism = 7% World Exports

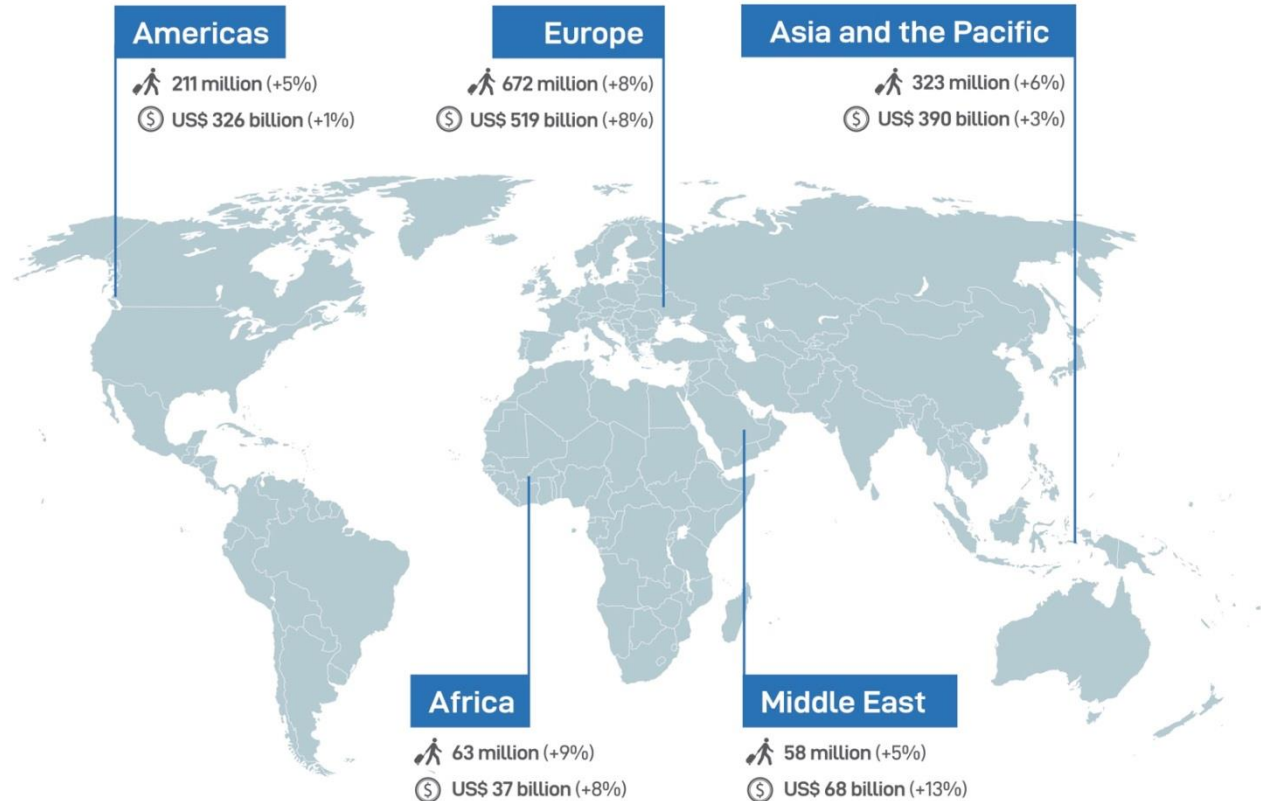
Value of tourism exports
(International tourism receipts + passenger transport services)
(in US\$ million)



Growing above average



International Tourism 2017



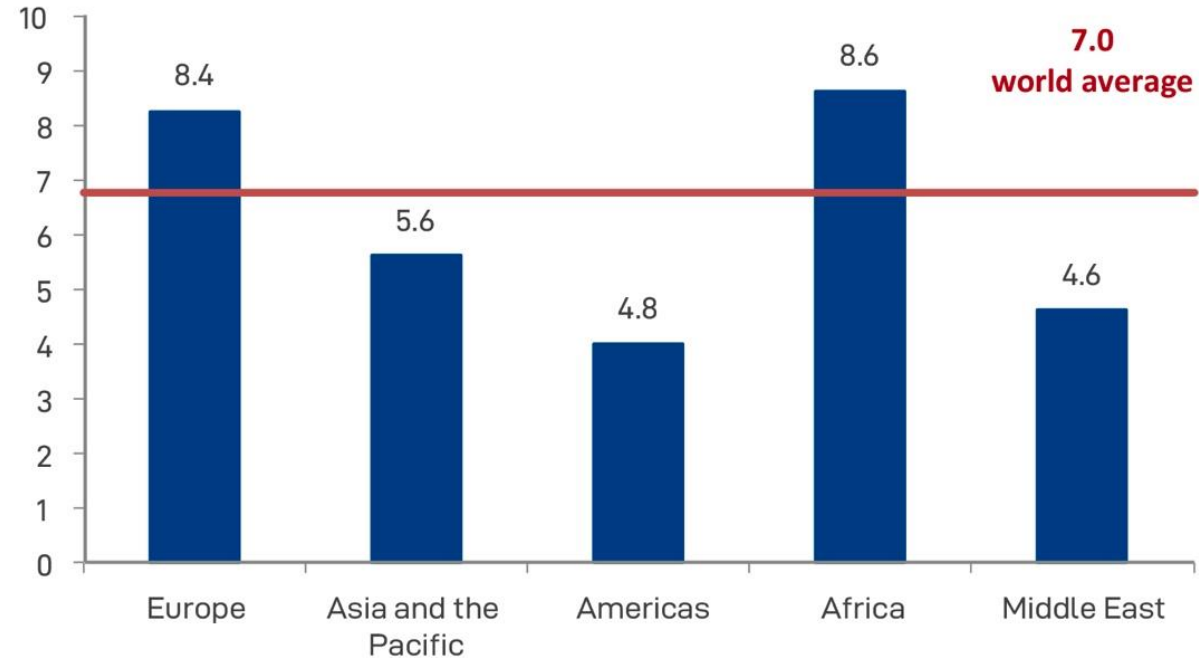
Recovery of destinations suffering security challenges in recent years

Economic upswing resulting in strong outbound demand from major source markets

Strong recovery in demand from the emerging source markets of Brazil and Russian Federation

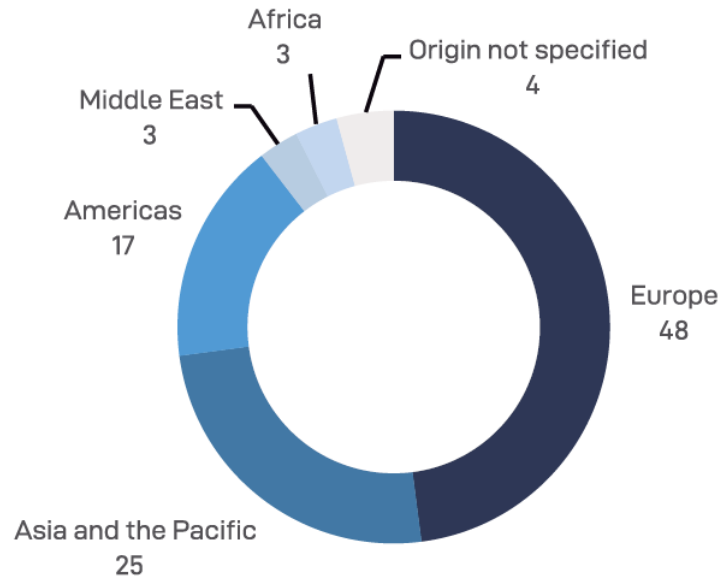
Europe and Africa leading

International tourist arrivals,
growth by region in 2017 (in %)



Europe and Asia main source markets

Outbound tourism, share by region of origin (%)



4 of 5 tourists travel within their own region



Source: World Tourism Organization (UNWTO) ©

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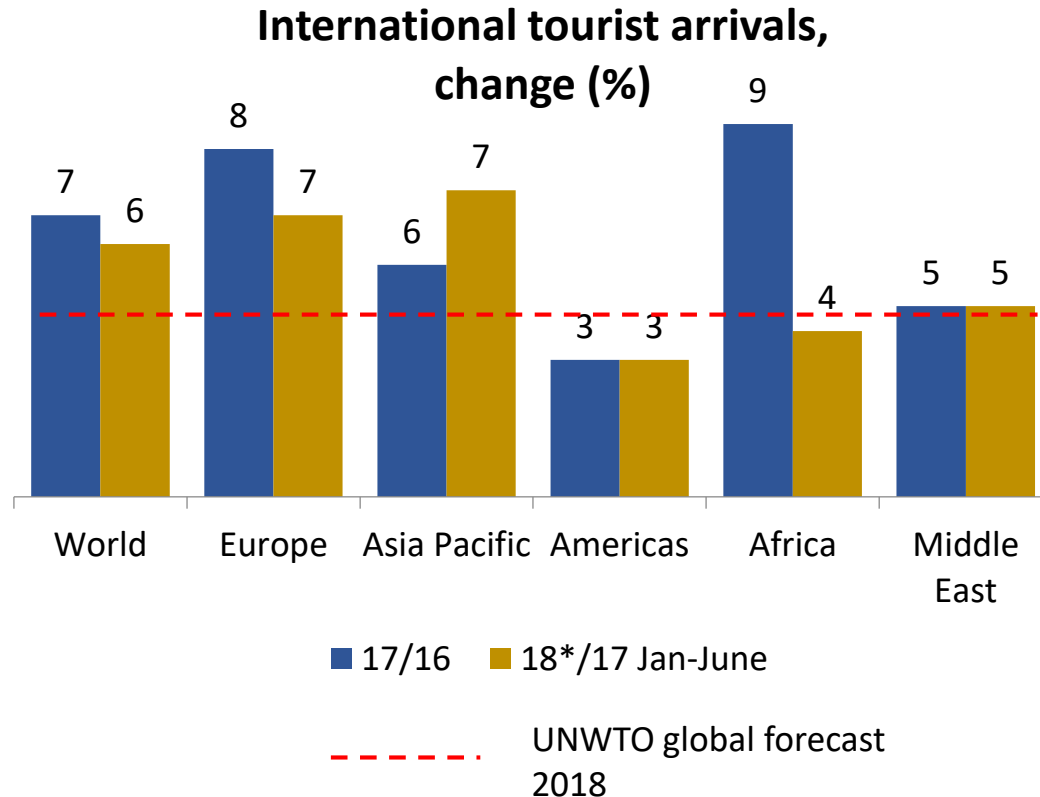
China and USA lead spend



* = Provisional figure or data

Source: World Tourism Organization (UNWTO) ©

2018: Continued strength



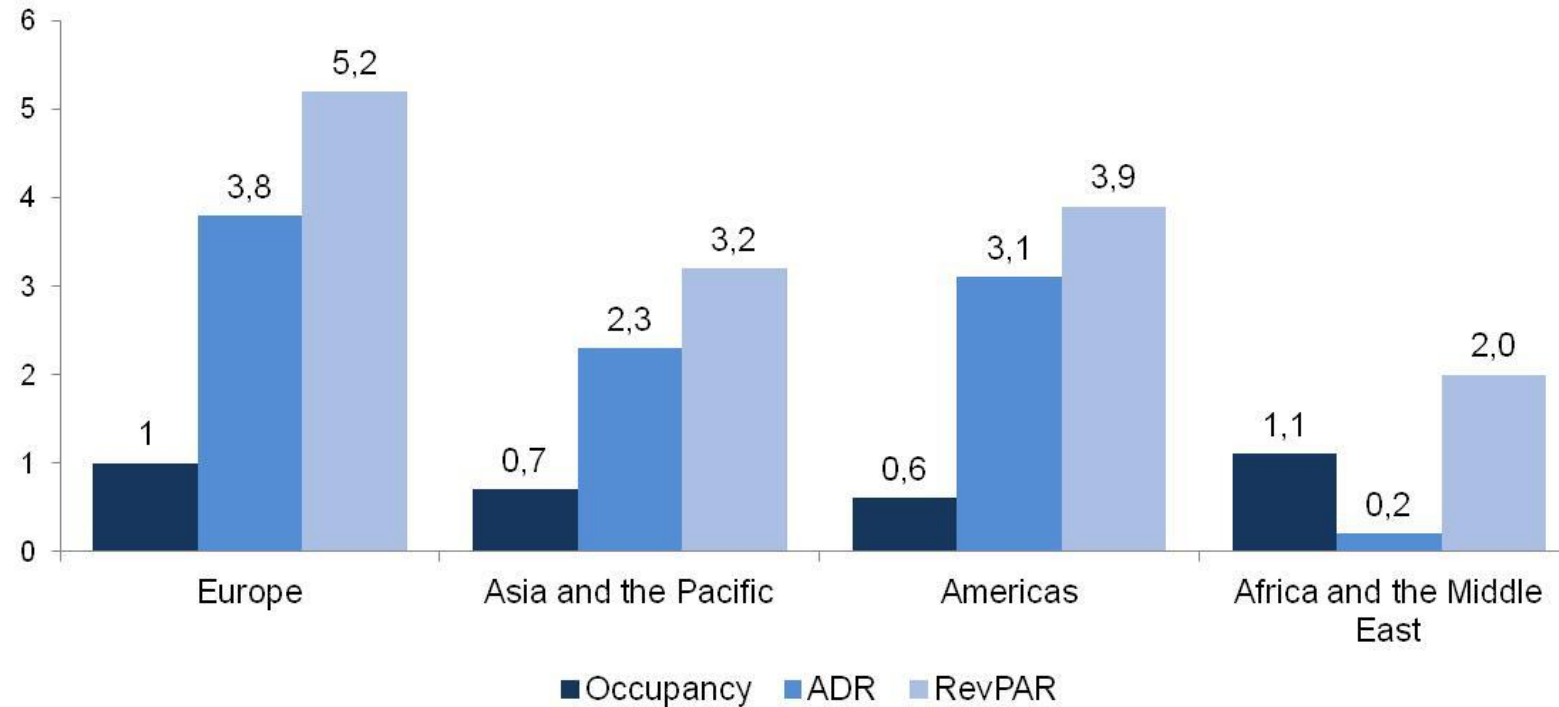
- Continuation of the strong results of 2017
- Growth led by Asia and the Pacific and Europe
- Growth exceeds UNWTO's forecast of 4% to 5% for 2018



Hotel Indicators up

Improved results overall

Hotel Performance January-August 2018

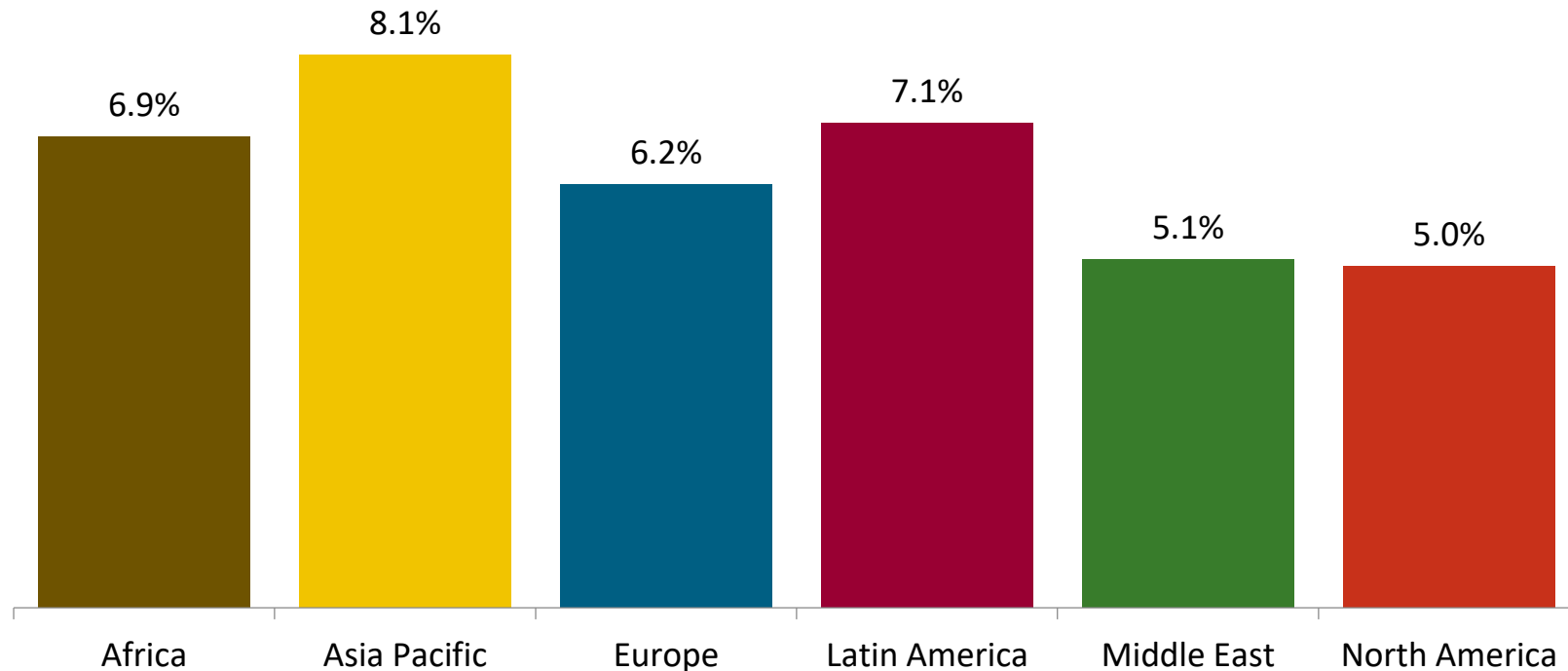




Strong demand in air travel

Asia and Pacific leads growth in Air Transport – January-August 2018

Revenue Passenger Kilometers (RPK), growth (%)

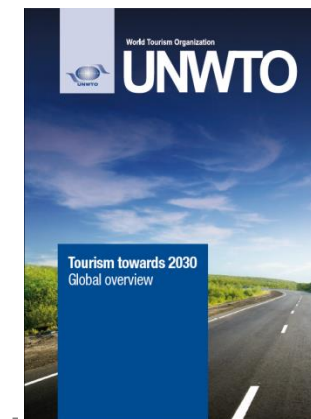
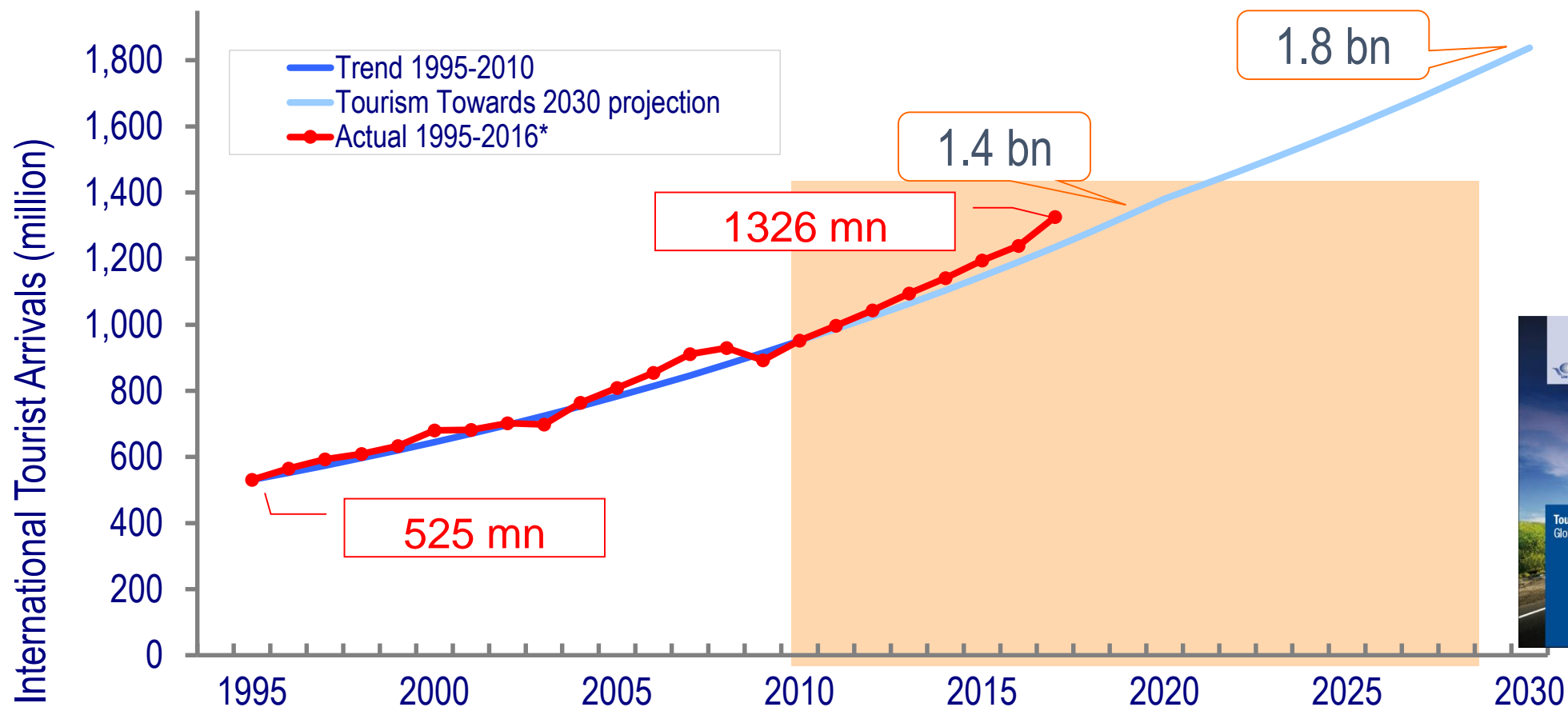




Looking ahead

Actual Trend vs. Tourism Towards 2030 projection

World



Source: World Tourism Organization (UNWTO)

Trends 🔍

A close-up photograph of a computer keyboard. The central focus is a single, rectangular purple key with rounded corners. On this key, the word "Trends" is printed in a clean, white, sans-serif font. To the right of the text is a white magnifying glass icon, consisting of a circle and a handle. The key is set against a background of other standard white keyboard keys, which are slightly out of focus. The lighting is soft, highlighting the texture of the plastic keys.



Asia keeps rising and is maturing



**New segments & multigenerational travel:
understanding consumers**



‘Overtourism’ & or bad management?



18:30	Singapore	Flight closing	13	21:35	Taipei	Cancelled
18:30	Helsinki	Flight closing	23	22:00	Sydney	Cancelled
18:45	Vienna	Flight closing	24		via: Bangkok	
18:50	Madrid	Cancelled		22:00	Dehli	Cancelled
19:15	Tokyo	Delayed		22:00	Dubai	Cancelled
19:35	Madrid	Delayed		22:05	Singapore	Cancelled
19:35	Istanbul	Cancelled		22:15	Sydney	Cancelled
19:50	Lisbon	Cancelled			via: Bangkok	
20:00	Islamabad	Cancelled		22:15	Dubai	Cancelled
20:15	Hong Kong	Cancelled		22:20	Hong Kong	Cancelled
20:25	Newark	Cancelled		22:20	Lagos	Cancelled
20:30	Singapore	Cancelled		22:30	Cairo	Cancelled
20:30	Johannesburg	Cancelled		22:30	Melbourne	Cancelled
20:40	Dubai	Cancelled			via: Hong Kong	
				22:30	Sydney	Cancelled
					via: Hong Kong	
				22:30	Istanbul	Cancelled
				22:35	Muscat	Cancelled

Building resilience: crisis is the new normal



WORLD
TOURISM
DAY
27 SEPT

TOURISM AND THE DIGITAL TRANSFORMATION

**Technology-AI-big data in all the steps of the
journey**



Sustainable tourism goes mainstream

Spot the differences...



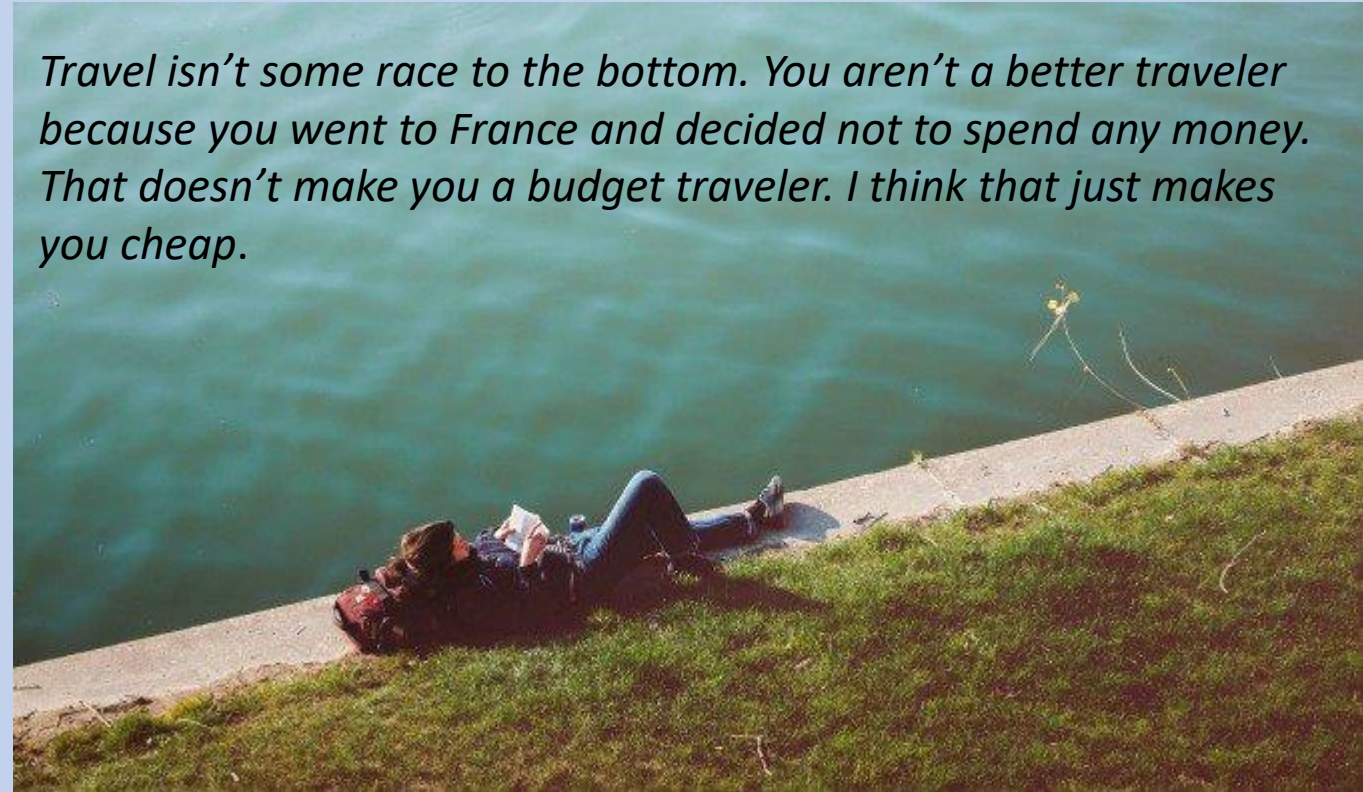
Defining a budget traveler

I remember when I first went overseas. I did everything as cheaply as I could. I skipped doing a lot of things I would have loved to do in the name of “budget travel.” I never took that cooking class in Italy, never went diving in Thailand, never did a wine tour in Australia, and never went inside the Tower of London.

I regret those decisions to this day

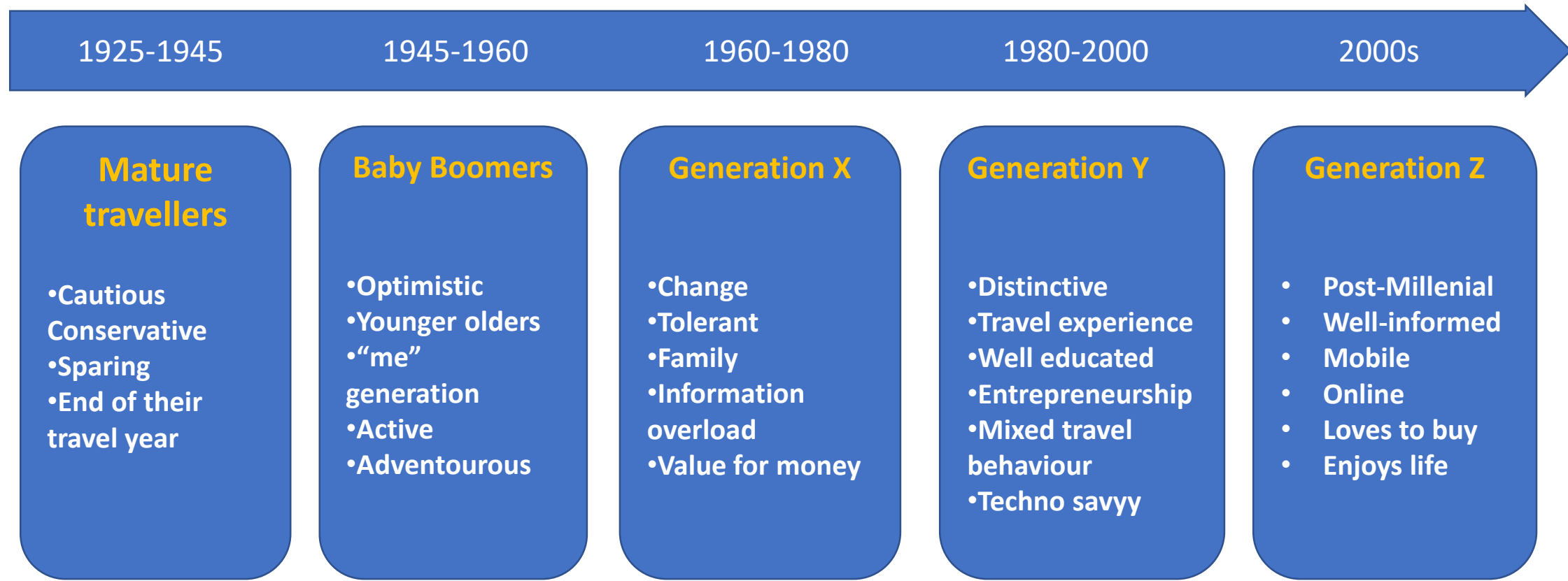
Because frugality is cool. Cheapness is not.

Travel isn't some race to the bottom. You aren't a better traveler because you went to France and decided not to spend any money. That doesn't make you a budget traveler. I think that just makes you cheap.



<https://www.nomadicmatt.com/travel-blogs/defining-a-budget-traveler/>

Who are the millenials?







UNDERSTANDING THE MILLENNIAL

- The influence of an online community
- Desire to seek authenticity
- Travelling in order to indulge one's personal passions: architecture, arts, foreign languages, food, music, sports, design, wellbeing, religion
- Truly connected travellers – constant interaction
- Selective spenders
- Leading the way in the so-called sharing economy

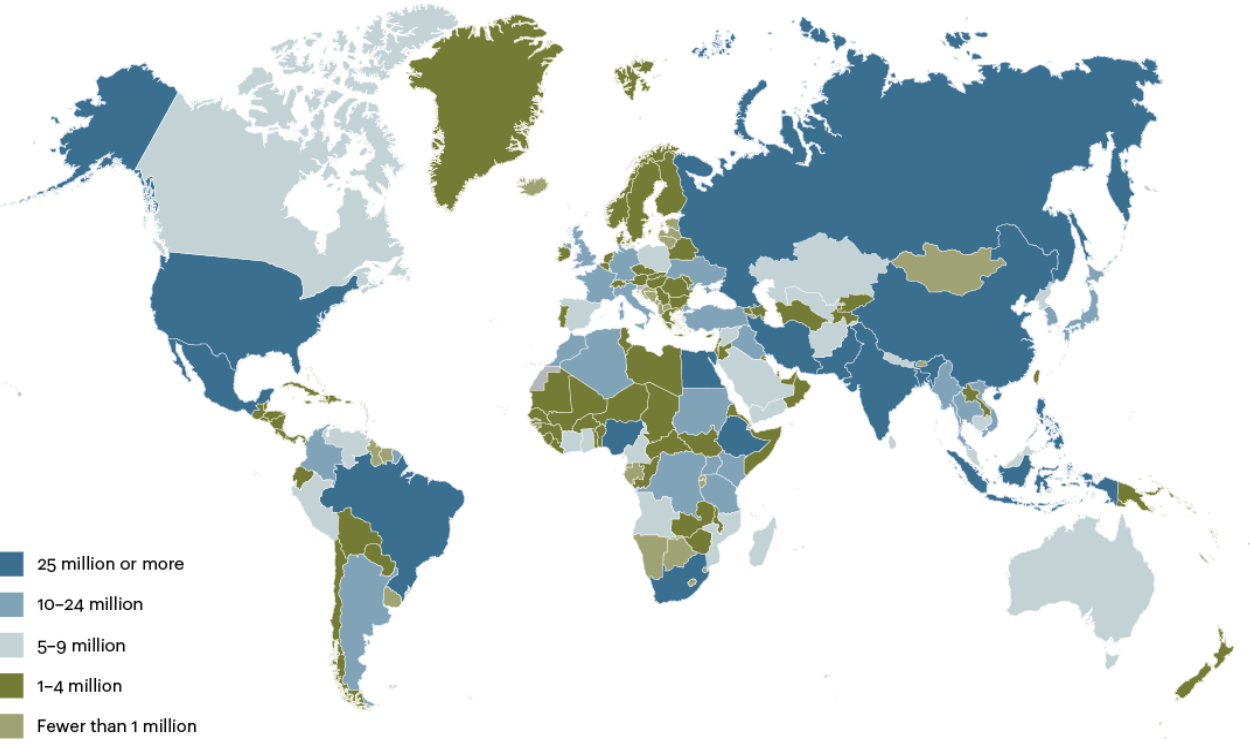
Creative thinking at its best

1. Do you believe that the world is round or flat?

	%	TOTAL	18-24	25-34	35-44	45-54	55*
I have always believed the world is round		84	66	76	82	85	94
I always thought the world is round, but more recently I am skeptical/have doubts		5	9	7	6	3	1
 I always thought the world is flat, but more recently I am skeptical/have doubts		2	5	4	3	2	1
 I have always believed the world is flat		2	4	3	1	2	2
Other/Not sure		7	16	10	8	8	2

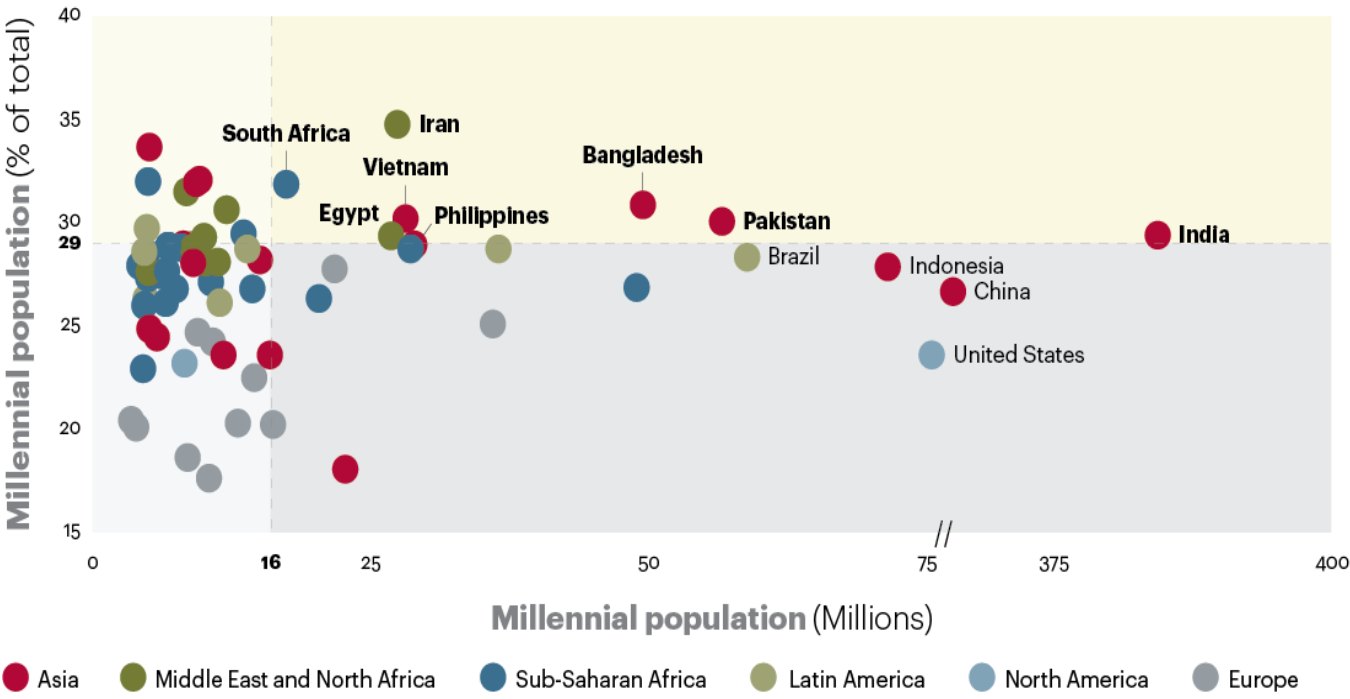
Breakdown of Americans, broken down by age, who believe the Earth is flat, round, or, skeptical, or unsure.
YouGov Survey

Figure 1
Global Millennials are located in the world's largest countries, with the greatest concentration in Asia



Sources: UN World Population Prospects 2015; A.T. Kearney analysis

Figure 2
The eight “Millennial Majors” stand out for their substantial Millennial populations



Note: In bold, the eight “Millennial Majors.” The dividing lines are drawn at the value for the 20th-highest ranked country in the world on each of the Millennial population measures

Sources: UN World Population Prospects 2015, IMF World Economic Outlook; A.T. Kearney analysis

Millennials: Facts and Figures

Youth travel according to WYSE-UNWTO:

- **23%** of the over one bn tourist travelling internationally each year.
- **USD\$ 286 bn** value of international youth travel market.
- **USD 2,160** on average per trip vs USD 1,097 per trip for international tourists as a whole.
- Spends to two thirds more on average and around 60% of travel budget is spent in the destination.
- 370 million youth travellers by 2020, spending over USD 400 billion.

- travel more frequently and off the beaten track.
- likely to return to the destination over their lifetime.
- pioneer travellers who discover and promote destinations not yet visited by traditional tourists

MMGY Global's survey on business travellers:

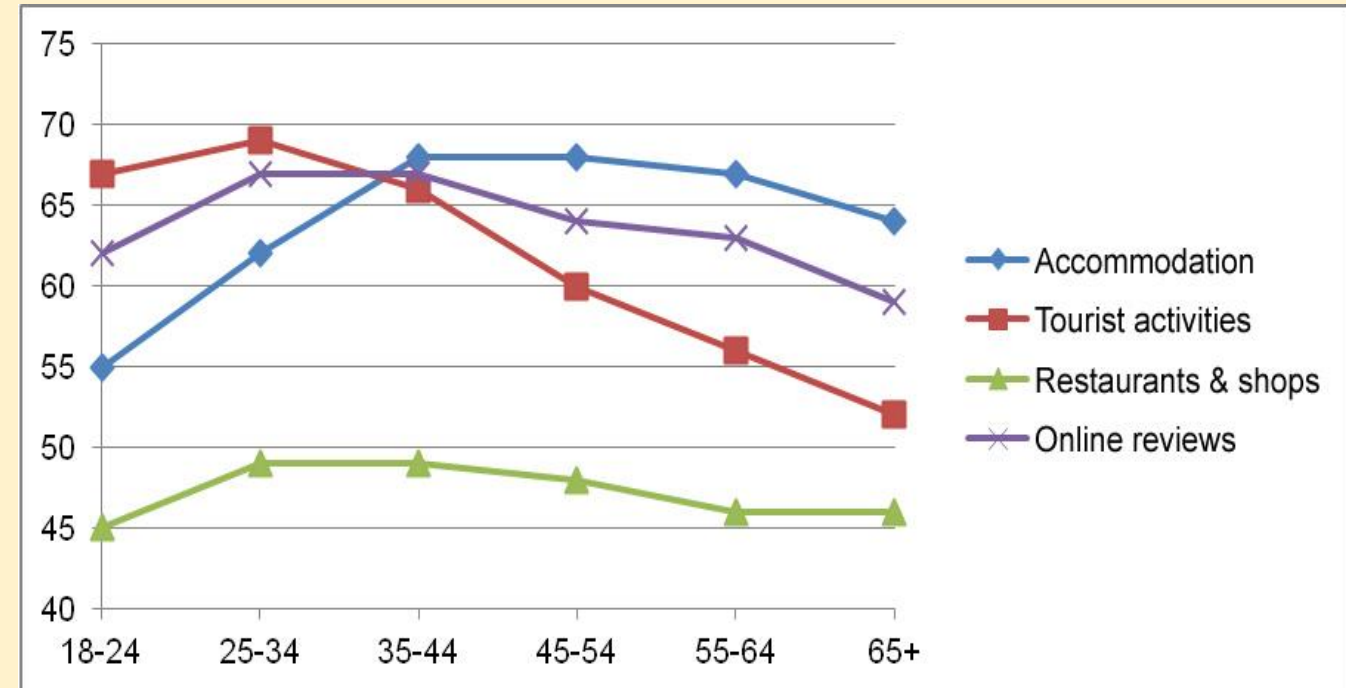
- **81%** of millennials preferring ride-sharing services to taxis
- **44%** of millennials prefer Airbnb-style accommodations over hotels. 'Bleisure' is a very terrible word, but a very real thing.

IPK International on Millennials outbound survey:

- **Over 40%** of all worldwide outbound trips
- **Luxury trips** are increasing
- **USA, UK and Germany** major source markets

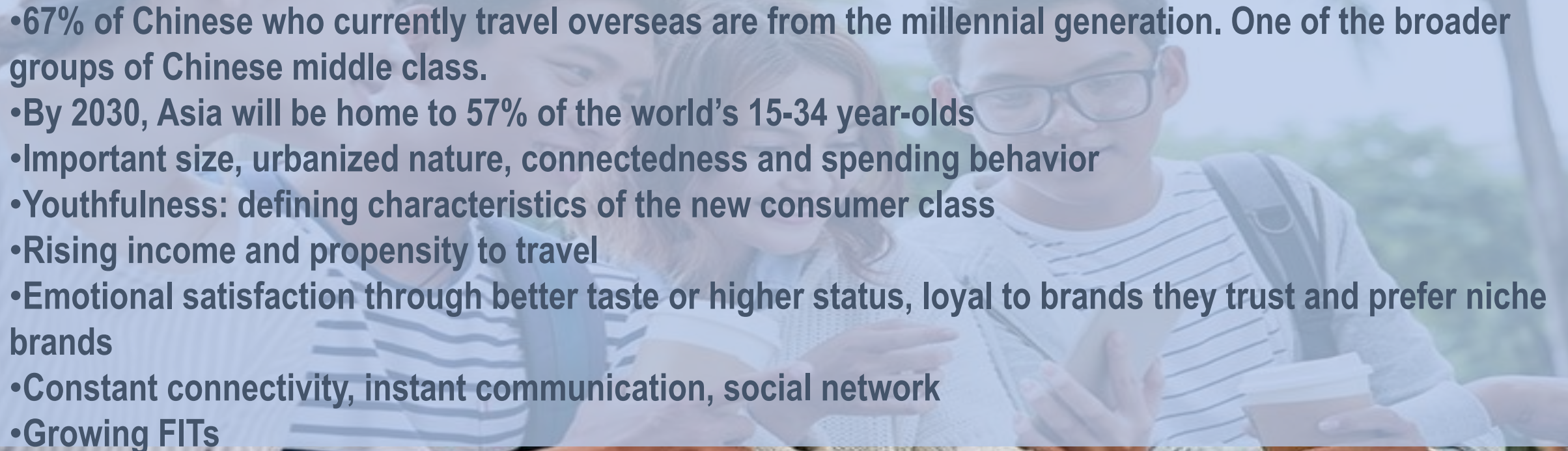
Millennials: Facts and Figures

1. Millennials spend less time planning ahead.
2. Millennials choose destinations by activities and reviews.
3. Millennials choose accommodations by more than just price.
4. Millennials are more likely to book upon arrival.
5. Millennials are less likely to book via the accommodation's website.
6. Millennials like some things to be old-fashioned.
7. Millennials are flocking to Asia and Europe.



Source: TripAdvisor Insights, <https://www.tripadvisor.com/TripAdvisorInsights/w620>

The Asian Millennials are coming to a destination near you

- 
- A group of four young adults, three women and one man, are gathered outdoors, looking at a smartphone held by one of the women. They are all dressed in casual attire, including striped shirts. The background is a blurred outdoor setting with trees and a building. A semi-transparent blue box is overlaid on the image, containing a list of bullet points.
- 67% of Chinese who currently travel overseas are from the millennial generation. One of the broader groups of Chinese middle class.
 - By 2030, Asia will be home to 57% of the world's 15-34 year-olds
 - Important size, urbanized nature, connectedness and spending behavior
 - Youthfulness: defining characteristics of the new consumer class
 - Rising income and propensity to travel
 - Emotional satisfaction through better taste or higher status, loyal to brands they trust and prefer niche brands
 - Constant connectivity, instant communication, social network
 - Growing FITs



**How to attract and
engage them?**

- Engagement, brand, storytelling, connect, sustainable values, personalization, loyalty
- Product development and experience
- Involve local communities
- Target new segments (FITs-solo, niche, culture, education and voluntarism, MICE) and markets
- Learn from each other, understand and monitor, exchange best practice, anticipate
- Put into place adequate policies (investment, infrastructure, travel facilitation, accessibility, sustainability)
- Private-public collaboration and at all levels, partnerships
- Technology, digitalization, new business models and innovation in all steps of the journey, but innovation is also thinking out of the box



Be creative!

“Millennials are spending their money in a curated way that sends a message about themselves and their own brand” Josh Wyatt, Chief Strategy Officer, Generator Hostels (Skift, 2016)



**Human after all: what
makes a real difference**

What's next in UNWTO's innovation agenda?

**TOURISM TECH ADVENTURE
FORUM: AMERICAS**
Buenos Aires, Argentina

INVESTOUR
Madrid, Spain

**DESIGNATION OF WINNER OF THE
1ST UNWTO TOURISM STARTUP
COMPETITION**
Madrid, Spain

**UNWTO TOURISM TECH
ADVENTURE ANATO**
Colombia

**1ST UNWTO GASTRONOMY
TOURISM START-UP
COMPETITION**
San Sebastian, Spain

**1st UNWTO SPORTS
TOURISM START-UP
COMPETITION**
Barcelona, Spain





Shukran!

Thank you!

Michel Julian - mjulian@unwto.org

**Market Intelligence and Competitiveness
World Tourism Organization (UNWTO)**