Which trends offer opportunities or pose threats on the European outbound tourism market?

Last updated:
22 November 2021

The European outbound tourism market is changing rapidly. New generations with different demands are taking over the market. The concern for sustainability is increasing, health & lifestyle is becoming an even more important factor and booking behaviour is changing. As a developing country supplier on the tourism market, you need to adjust to these changes. Amongst others, this can be done by offering a sustainable choice, seamlessly integrated within the supply chain, suitable for your (new) target group and offered via a diversity of online channels.

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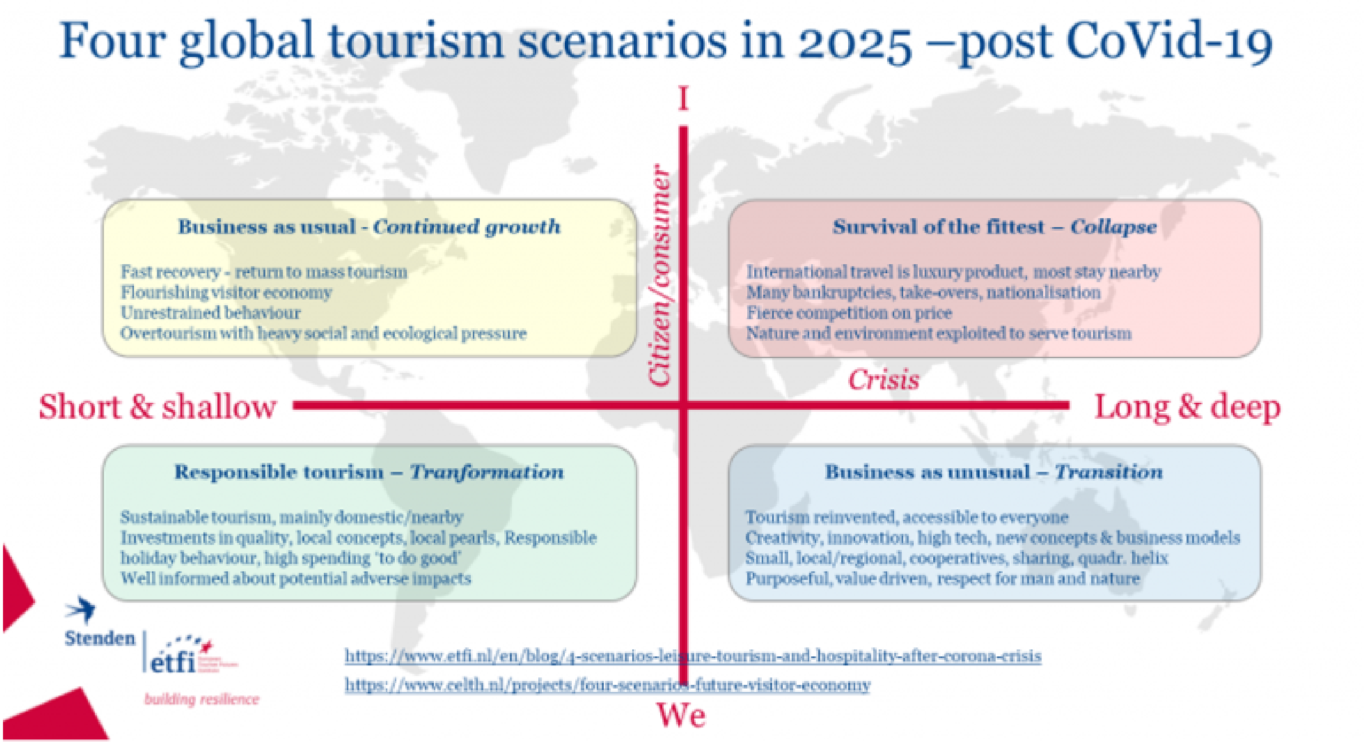
1. The disruptive impact of COVID-19 on global tourism

The European outbound tourism market has been changing rapidly. However, the outbreak of COVID-19 in early 2020 has had an enormous disruptive effect on tourism across the globe. Many tourism trends have been disrupted or put on hold for some years. On the other hand the pandemic has made travellers more demanding concerning services, facilities and experiences, especially with reference to sanitation, wellness, health and overall well-being.

It is difficult to anticipate when and how global tourism will recover. The International Air Transportation Association (IATA) thinks that international travel may not return to normal until 2023. Experts believe that a global roll-out of the vaccine and adoption of digital solutions for safe travel could lead to a recovery of international tourism during the years to come. This applies especially to tourism destinations in developing countries, where vaccination rates and immunity of the population are lagging behind.

The mid and long-term effects of the pandemic on global tourism remain uncertain. In a study by CELTH, 4 scenarios were explored of what could happen with global tourism (Figure 1). Each of the scenarios will result in different threats and/or opportunities for the tourism sector. The future of European tourism may include features of multiple scenarios.

Figure 1: 4 post-COVID-19 scenarios for global tourism



Source: ETFI

2. European market of Generation Y and Generation Z

The market of Generation Y (Gen Y) and Generation Z (Gen Z) in Europe is growing rapidly and shaping the future of travel. Globally, it is expected that this market will represent 50% of all travellers by 2025. Even the family market is increasingly taken over by families led by millennial parents.

Generations Y and Z were born and have grown up in the digital world. Both generations are tech savvy and technologically driven. Compared to older generations, Generations Y and Z travel differently, have different needs and demands and require different kinds of holidays and related services. Although technology is essential for both groups, their needs for communication, consumption and tourist experiences are different (see Table 1).

Table 1: Characteristics of Generation Y and Generation Z

	Gen Y	Gen Z
Synonyms	Millennials	Centennials, screen agers, iGen, click'n'go children
Born	1980–1995 (in 2021: 26–41 years)	1995–2010 (in 2020: 11–26 years)
% of European population	EU 16%, Europe 16%	EU 19%, Europe 20%

Profile	Tech savvy: 2 screens at once Curators and Sharers Now focused Optimists	Tech innate: 5 screens at once Creators and Collaborators Future focused Realists
Aspiration	Freedom and flexibility	Security and stability
Communication preference	With text (online and mobile)	With images (emoticons, stickers, Skype and Facetime)
Technology milestone	Smartphone, tablet	Augmented Reality/Virtual Reality

Tourism demand characteristics	• Prefers experiences over possessions (for example they favour a holiday over purchasing the latest TV or latest fashion), and they are more demanding of experience in their orientation and purchasing phase. • Spends more on the things that really matter, such as high-end travel experiences, and cut back (often significantly) on those that do not, such as flying (low cost airlines). • Expects a greater link between tourism services and their everyday life. They want to travel as a flashpacker, because they combine conventional social, local, simple backpacking with their enhanced lifestyle and need for flashy experiences. • Focus on exploration, interaction and emotional experience	• Relies heavily on social media, reviews and influencers, but they are more careful with their online persona than Gen Y and they prefer more privacy on platforms, so privacy settings are important. Most popular among Generation Z are YouTube, Snapchat, Instagram, Facebook and TikTok. • More price-conscious and economical than Gen Y • Focus on exploration, interaction and emotional experience

Source: Based on: WFC, Forbes and Expressworks

Gen Y and Z both feel attracted to various kinds of holidays, activities and experiences, which might be extended over multiple days, and prefer going to unspoilt places and avoiding the masses (see Table 2). Compared to Gen Y, Gen Z is more price sensitive and requires a brand to be open, fair and respectful. Travellers of Gen Z expect real-time information, short, yet powerful messages mostly sent via pictures, videos and channels that allow them to interact, co-create and share information.

Table 2: Examples of products and services Generation Y and Z feel attracted to

Types of holidays	• ‘do-good, feel-good holidays’, where travellers do something in return for the destination, such as a beach clean-up • ‘purposeful holidays’ with the aim of returning reborn, such as a ‘mumcation’ for mothers who want to refuel (see for example the Health & Fitness Travel website), safe-your-marriage trips, ‘painmoons’ (travelling with the aim of recovering from a stressful period or a period of hard work; see for example the website of Iron Mountain Hot Springs), or a digital detox (jomo – the joy of missing out) • ‘adventure holidays’ to escape from the daily hustle and bustle, such as adrenaline-pumping activities • so-called second city travel, to cities beyond the well-known overcrowded tourism hot spots. Mpumalanga in South Africa is regarded as an example of a second city destination with a booming travel industry • surfing holidays (‘surfaris’, see for example Worldsurfaris) • epic rail journeys where the transportation with a luxury, historical or scenic train is part of the experience, such as the Orient Express. According to a study by Expedia it seems that the younger the generation, the more interest in such journeys • Long-distance hikes that offer travellers a once-in-a-lifetime experience and the opportunity to immerse themselves in places and get to know locals, connect or reconnect with their inner self and find peace and consolation.

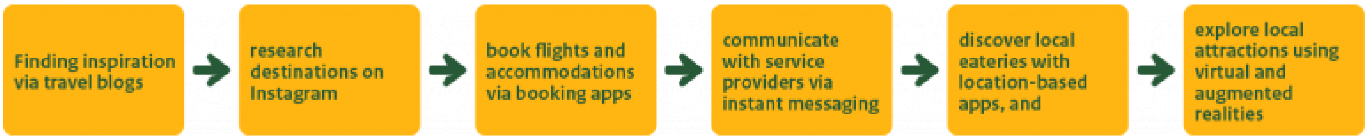
Types of products and experiences	• slow travel, which means that travellers invest more time to experience destinations more deeply and in a more laid-back way • transformative experiences that focus on helping others as well as helping oneself. This could be a destination off the beaten track, a yoga retreat or a spartan holiday that combines a digital detox with minimalist living, whereby you travel with as little as possible. Companies such as Fuselage, Vipp Shelter and Unyoked offer forest micro hotels hidden away from the modern world. • authentic, unique and once-in-a-lifetime experiences (like for example hot-air ballooning over the Masai Mara) • opportunities to immerse in the local culture and to 'feel like a local', such as opportunities to stay with a local family, indulge in the local nightlife or services that connect travellers to local tastes, made accessible via platforms (examples are EatWith or BiteMojo) • opportunities to explore hidden gems, such as via Accor Local (an Accor initiative to get local residents more involved with hotels, recruiting them to act as ambassadors for the destinations and so indirectly also for the hotels) • part of the history made more tangible to visitors by means of a VR walking tour, such as the VR walking tour developed by Croatia Travel Co • opportunities to learn a new skill or to experience a new way of thinking • history and culture walking tours (where visitors have the opportunity to meet other travellers and have a destination expert at their disposal) • ecological tours (unique experiences that educate visitors and share inside information with them on the area and how to protect it for the future)
Facilities	• space for experiences with other consumers, to make new friends • sleeping accommodation in a stylish, fun-loving and hipster manner with a smart design (such as AirBnB or boutique hostels) • hometels (hotels that give you the feeling of being at home). These are offered by, for example, Domio (across the USA and London) and Veeve (in London, Los Angeles and Paris) • community camping • opportunities to mix business with leisure, or leisure with business (referred to as 'bleisure') enabled by platforms such as WeWork

For nature-related holidays, the markets of the Czech Republic, the Netherlands and Bulgaria offer the best opportunities In Europe. For culture-related holidays, the biggest opportunities are in Spain, Malta and Estonia. To read more about growing markets in Europe, check out our Market Statistics and Outlook Study.

If you want to be attractive for the Gen Y and Gen Z market, it is important to:

- understand their habits, preferences and values, show empathy, respect their opinion, and treat them in a personal way
- place emphasis on the consumer experience and to offer opportunities for (solo) travellers who are willing to pay for an engaging experience. Examples are to personalise your offering and to provide a seamless travel experience
- be instagrammable. This means that your visual appeal should stimulate the travellers to take photographs that they post on the social media application Instagram. There are many websites that show you what Instagrammable looks like. Some give concrete advice
- be transparent about who you are, the core values that drive you, and that you are socially responsible; Do not show pictures that are made-up, and also show the downsides of tourism for the community or destination and how it looks like in the tourism season.
- create a meaningful brand
- allow them to interact and to co-create (more information on how to develop new products based on your customers' personas can be read in our report on product development in tourism)
- customise and personalise your product and service, even more than for Gen X than for Gen Y.

Figure 2: The customer journey of a millennial



To connect with the market of Generations Y and Z, you need to ensure a clear online presence on multiple platforms such as Facebook and Instagram. This helps potential visitors in these generations to find you online and to access your online information in an easy way. If you want to promote your offer online, find professionals to write reviews for you. These could be trusted bloggers, social media influencers or even reviewers from magazines such as National Geographic, Business Insider or Travel Channel (like TripAdvisor). Invite them for a free stay, and they will write about you. You can find bloggers and vloggers via Typsy or YouTube. When communicating with them, make use of images and emoticons.

It is helpful to get inspiration from others. Inspiring destinations include the jungles of Western Borneo in Indonesia, the deserts of Western Mongolia and Soneva Kiri Resorts' slow life philosophy in Thailand. Some hotel chains have developed specific hotel brands for Gen Y travellers, such as: Radisson RED, Moxy by Marriott, Tommie, AC Hotels, Hyatt Centric and Hilton's Canopy. Black Tomato is a project that helps travellers go off the beaten track.

Future perspective

The pandemic meant that both generations were not able to meet friends or go to festivals or other events and had difficulties in finding a job. Because they were stuck at home, they may want to use their time better after the pandemic and cut back on unnecessary spending. This may give an extra boost to interest in holidays where they can meet others or learn a new skill, do-good-feel-good holidays and purposeful holidays and suppress the demand for relax holidays and long-haul travel. Younger and higher educated youngsters are among the biggest target groups of long-haul travel, especially in the domain of Free Independent Travel (FIT).

Since working from home has become widely accepted during the pandemic and is probably going to stay, the demand for workcations or nomadic working, a combination of working and travelling, is expected to increase. The demand for sabbaticals may also increase. Especially when sabbaticals focus on reconnecting with yourself and really getting to know a destination.

Tips:

- Find ways to focus on a tourism offer related to learning new skills, do-good-feel-good holidays and purposeful holidays
- Target travellers with a demand for nomadic working. Offer them leisure activities to stretch the legs and unwind by offering guided or self-guided walks in nature, wellness after the walk and opportunities to cook local food afterwards together with locals and ending the day with a local dance performance. This experience will definitely lead to new inspiration and a creative mind for another working day.
- Although businesses' budgets for business travel are scaled down, there is potential in offering a combination of co-working camps, walking activities and retreats for personnel. Coworking Camp from Malaga offers co-working camps.
- Offer products for sabbatical travellers, such as sabbatical walks. Original Travel from the UK offers a range of itineraries, among which are different kinds of sabbaticals.

3. Demand for sustainable and regenerative holidays

Sustainable tourism development mainly deals with an attempt to find a fair balance between the economic benefits of tourism and the negative social and environmental consequences of travel and tourism, such as sacrifice of nature and agricultural land, dislocation of traditional societies, concerns about excessive water usage, unsustainable food consumption, and concerns about labour practices, animal welfare, and the negative impact of 'overtourism' on host communities' quality of life.

Travellers (especially Generations Y and Z) are increasingly aware of and concerned about sustainability. The coronavirus pandemic, in combination with worries about climate change, has made them even more eco-conscious during their booking behaviour. A study by Abercrombie & Kent and another by Booking.com showed that more than half of respondents prefer to have more responsible or sustainable travel options. The second study showed a shift in keywords towards more nature-based, rural and outdoor ways of travelling.

European policy to fight climate change

The fight against climate change has been put high on the political agenda of the EU. Worldwide, there is evidence that the climate is changing because of pollution caused by industrialisation and the burning of fossil fuels. The European Green Deal entails a series of policy measures to fight climate change and make Europe climate neutral by 2050. Because the Green Deal includes all sectors of the economy, including travel, energy and infrastructure, it is likely that the policy measures will have a big impact on the way Europeans travel and where they travel.

Additional flight tax, excise duties and value added tax on kerosine may make flying much more expensive during the years to come. A study by Motivaction in the Netherlands shows that support for flying has decreased over the past few years, and one-third of the respondents who fly expect to fly less frequently than they used to. The study also showed that support for a flight tax has increased.

Regenerative tourism

Regenerative tourism is regarded as a new stage in sustainable tourism development. While the focus of sustainable tourism is on minimising negative effects, regenerative tourism aims to leave the place or the local community better than it was and to use it as a tool to improve the quality of life of the residents and revitalise the local community. The demand for do-good-feel-good holidays is increasing, and so is transparency of how travel organisations use their money for building or rebuilding communities.

Figure 3: The UN Sustainable Development Goals

If you want to develop sustainable tourism or regenerative tourism, the United Nations Sustainable Development Goals should be your source of inspiration. These goals aim to stimulate actions to end poverty, protect the planet and ensure that, by 2030, all people enjoy peace and prosperity. Because tourism is interconnected with many other sectors, even small improvements in your business can have important effects.

Inspirational examples of regenerative tourism products are:

- Playa Viva in Mexico, the very first regenerative resort.
- The ecological tours offered by EcoZip in New Zealand: the zipline tour funds the conservation and restoration of Waiheke Island forest.
- La Choza Chula, based in El Paredón on the Pacific coast of Guatemala, is a business that runs turtle and mangrove tours in the area, cooking classes, homestay programmes, cultural immersion programmes, volunteer programmes and weekly English classes for their guides. It has funded the construction of a library, set up a mobile library, and built a computer lab and a secondary school.

New business models

If you want to become more sustainable in the way you do business and earn money, do not present your products or services as more sustainable than they actually are (this is called 'greenwashing'). Instead, make your offering relevant for your consumers, by:

1. Aiming for 'ethical' consumers, such as Generations Y and Z. These people do not only have a positive attitude to sustainability, but also translate this into their booking behaviour;
2. Focusing your products and services on their needs.

If you follow the principle of Creating Shared Value, you create value for both your business and the community. Thus, a sustainable business model turns into a regenerative business model. When you fail to turn your investments in sustainability into value for your customers, employees and/or stakeholders in the community, this is called grey-washing.

Future perspective

It is expected that tourists after the pandemic will show an increased interest in 2 specific forms of regenerative tourism: volunteer tourism and peace tourism. Volunteer tourists (also called voluntourists) want to volunteer in a foreign destination. Peace tourists want to help a destination establish peace after a period of conflict (or study how peace is developed and celebrated by the population). This development is facilitated by Global Peace Parks.

Tips:

Familiarise yourself with the guidelines on how to develop a sustainable business provided by the Global Sustainable Tourism Council and get certified. Green Tourism offers several certification programmes.

Increase your focus on Sustainable procurement. That means that all products and services that you buy are as sustainable as possible, so with minimum social and environmental impacts.

Involve the local community in planning and development (for example, Kura Hulanda on Curaçao). This could be local guides or experts, providers of local food and of local accommodation, local farms or factories, and more (look at the website of Tourism for SDGS for an example in East Africa).

Offer opportunities to visitors to work in a nature reserve or engaging in conservation work.

Promote the sustainable nature of your product or service. Show that you are good for people and the planet, for example by offering activities with a low footprint, and that you invest part of your profit from bookings in nature conservation (focus on walking as a low carbon footprint activity).

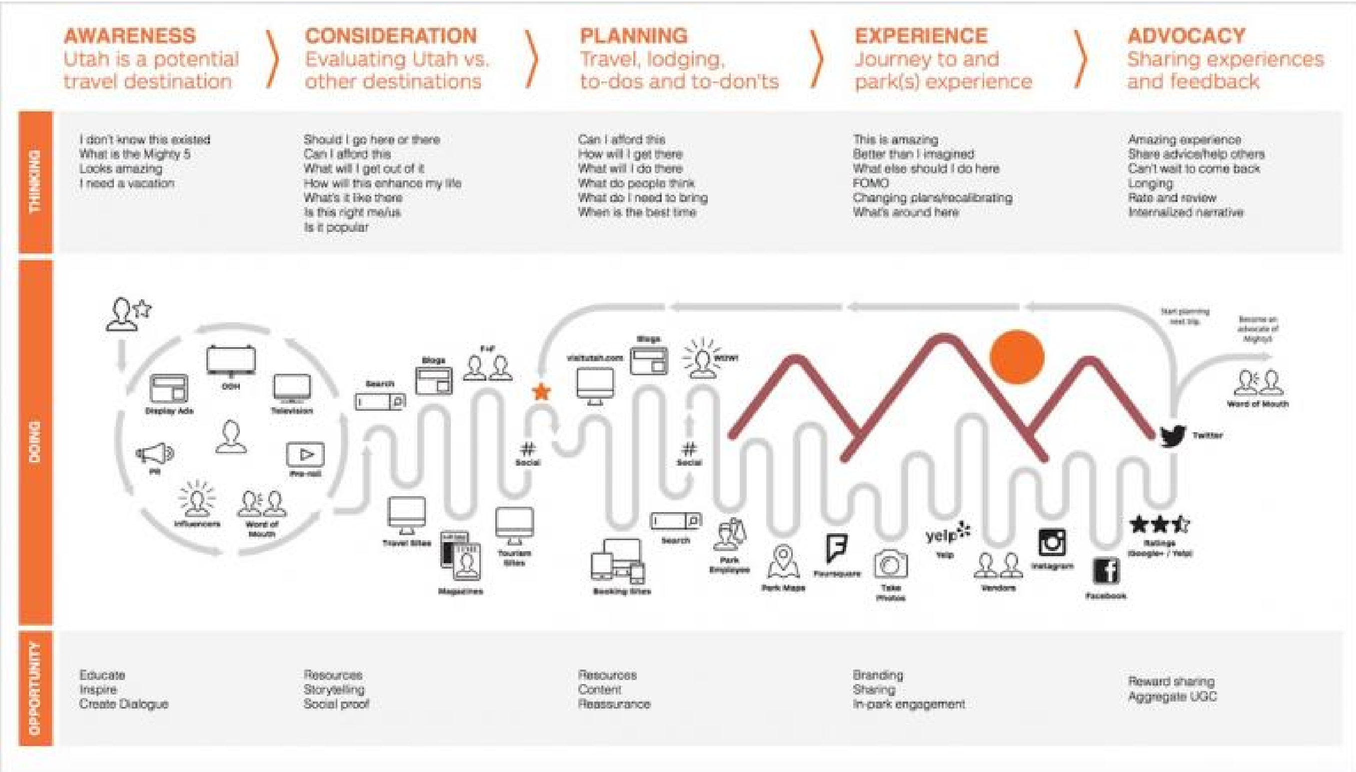
4. Seamless customer journey

Traditionally players in the travel industry are operating rather independently. However, the ongoing improvement of mobile devices, the increased dominance of digital channels, Online Travel Agencies (OTAs) and meta search engines allow travellers to access information anywhere in real time and give them more control over the subsequent phases of their holiday, bit they want these phases to be seamlessly connected. The increase in demand for a seamless customer journey cannot be regarded separately from the rise of the Gen Y and Gen Z markets.

Uber, AirBnB and CarRentals are examples of digital channels. Expedia, Priceline, Agoda and Booking.com are examples of OTAs. A meta search engine is an online service that collects, combines and integrates data from other search engines, such as Trivago, Trip Advisor and Google.

Because travellers are and will be more in control, they can make their holiday more affordable (personalised pricing), efficient and accessible themselves. They want the phases within their personalised ‘customer journey’ to be integrated and seamless. The customer journey refers to the phases of a holiday from the moment of orientation, via the fine tuning of the holiday plans, booking, travel, stay at the destination, return travel and reflection and evaluation of the holiday back home. Along this journey there is a series of so-called touch points between traveller and service providers, such as illustrated in the example in figure 4.

Figure 4: The customer journey for a visitor to Utah, with 5 phases, each with clients’ thoughts (thinking), a variety of touchpoints (doing) and business opportunities (opportunity)

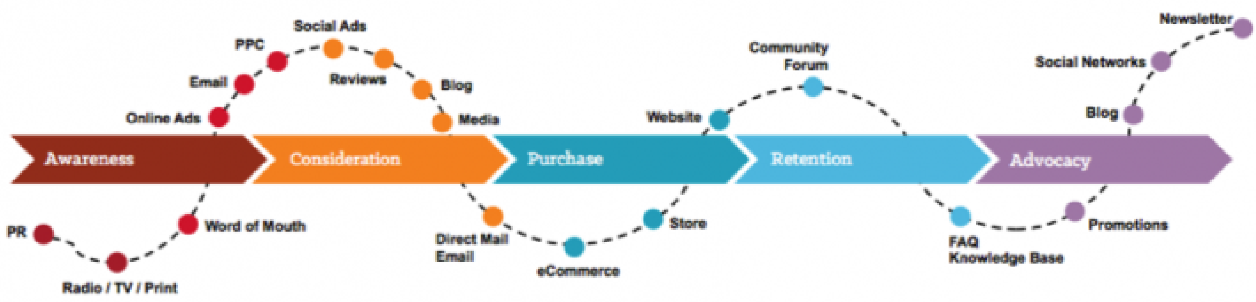


Source: Hummingbuzz

The challenge for businesses your business is to provide value at each touchpoint along the customer journey (before, during and after the holiday), and to build a more rewarding, integrated and seamless customer journey (figure 5). Companies such as VisaFast, ChinaVisaApp and VisaExplore have already developed apps for a customer-friendly, fast and efficient application for visas on the go (convenient language, available 24/7, end-to-end process from filling the forms to payment and digital submission). Implementing appropriate solutions and services at each stage of the journey will be crucial to success of your business. Basically, you need

- to ensure online presence in social media (such as Facebook or Instagram), review sites, messaging apps, chatbots, internet-enabled subscription programmes, pop-up shops, or subscribing to OTAs
- to increase the number of touchpoints and to enhance them
- to personalise and engage with the traveller at every touchpoint in ways that suit their interests and lifestyle
- to offer maximum utility and functionality at each touchpoint by giving the consumer some degree of control.

Figure 5: General outline of a customer journey, with 5 phases and a series of touch points



Source: Travelnext

The accumulation of positive and negative experiences at each touchpoint define the overall holiday experience and the level of satisfaction. The higher the level of satisfaction, the more likely it is that the customer will come back and promotes it to their friends, fans and followers. An annoyed customer does not come back and shares his or her bad experiences with even more peers!

However, it should not be neglected that an increasing group of tourists want to escape from their complex digital life and want to be unplugged during their holiday – the Joy of Missing Out (JoMo), which offers another opportunity.

Future perspective

With the increasing market of Gen Y and Gen Z in Europe, and a continued evolution of technology, it is anticipated that the need for personalised and seamless customer journeys will increase. New generations of mobile devices will become so powerful that they can be used for any purpose and will be able to predict travellers' needs and solve problems in real time. They will increasingly give the opportunity to establish a seamless customer journey.

Emerging technological developments such as the new 5G network and blockchain technology will facilitate this trend even more. 5G will boost the possibilities of being connected everywhere, and blockchain technology allows cheaper, better and faster travel experiences to be created. The COVID-19 pandemic has accelerated the shift to digital channels and to e-commerce by 5 years, according to experts, and they think that this will remain after the pandemic. Some even think that emerging technologies of instant check-in and facial recognition will spread throughout the travel industry.

Tips:

Get to know your customer both online (via technology) and during his/her stay, and establish a relationship. There are many online instruction of how to create a route map for the development of a customer journey for a specific target group. Some also explain the idea of a (seamless) customer journey quite well with a clear description of the steps to be taken, with references to concrete tools to use. Another one provides a practical example from the perspective of an AirBnB. Personas form an important feature of your customer journey mapping. This is explained in the document How to start developing your tourism product. Map and understand the customer journey of your guests (see for example the website of uxmastery, or Visual Paradigm for a tutorial and online tool)

Understand which possible partners may play a role in the customer journey of your guests and start to collaborate with them to create a seamless customer journey.

Participate in OTAs or pay for actions to increase your online presence and findability

Hire a social media strategist with sufficient experience (see for example the website of Virtual Employee). You could post vacancies for such jobs on various online platforms (such as Indeed, Monsterboard or LinkedIn), on social media or with head hunter bureaus. A cheaper short-term solution could be to hire an intern.

5. Modular travel and booking behaviour

During the past few years, travellers' booking behaviour has changed because of the rise of the Gen Y and Gen Z markets. In the first place, there has been an increased need for 'modular travel'. This trend towards a demand for modular experiences suits the needs and high expectation levels concerning flexibility of travellers in these 2 generations. With 'modular travel', the journey is composed of several components or modules that are interconnected to form a personalised travel experience. The modules are expected to be flexible, adaptive and customised to the travellers' needs and interests.

The development of modular travel and Free Independent Travel has put traditional tour operators under pressure. Travellers have become better informed than the employees of the tour operator. And what traditional tour operators have to offer can easily be copied from the internet and booked directly, often at better prices and conditions. Note that elderly generations are still interested in package tours provided by traditional tour operators, although it is foreseen that this will decrease as well in the longer term.

However, there is evidence that travellers are returning to a new generation of tour operators that offer 'modules' online. As the young generations enjoy their free time, they prefer to turn to specialised online platforms or portals to research, plan and book authentic and unique experiences. Here, the modular travellers can shop for experiences and book the modules from home or even during the tour itself as Fully Independent Travellers (FITs). Ctrip and Qunar are examples of such new OTAs (Online Travel Agencies).

According to a study by Booking.com, 59% of the market of travellers even prefer to hand over the decision-making process of what and where to book to technology. The tech-led recommendations provide travellers with a wide array of new experiences that they would never have noticed without the use of that technology, and it also saves them time. Such apps allow travellers to pre-plan wildcard and surprise options but also to book these in real-time. The 'smart' technology makes use of Artificial Intelligence to offer tailored suggestions based on preferences, previous trips and general key factors such as weather and popularity.

Via such new OTAs, you have the opportunity to personally connect almost directly with potential European customers anytime and anywhere, without an intermediary to which you need to pay a commission. They offer the possibility to tailor to the needs of the customer in real time and to establish a personal relationship during the customer journey. Customers who interacted with a person during the booking process tend to spend more than customers who merely book online.

A consequence of the development of modular travel is that last-minute bookings are on the rise. Traditional bookings are generally made 13 days in advance, which shortens to 5 days with online bookings. Modular multi-day tours and activities, and custom tours are created in advance or even upon arrival at the destination. Reservation for tours and activities up to 3 hours tend to be booked locally at the destination or just before arrival.

The trend to book a holiday, tour or activity last minute makes it difficult for businesses to plan staff capacity and resources in advance. Besides, business will be more dependent on the weather, as this will affect last-minute bookings. To overcome this disadvantage local partnerships / collaboration and live availability will be key success factors.

The trend to book last minutes has developed already for some time. There are no reasons to believe that this will change in the near future. It is difficult to foresee whether the return to modular travel via travel agents and

OTAs will grow over the years to come, or whether this has been a temporary revival. It is likely that, with a lot of uncertainty about travel safety, hygiene, variety in health regulations and contradicting information, travel will be increasingly complex and travellers will turn to tour operators and other travel experts if they want to plan a holiday trip.

Future perspective

The COVID-19 pandemic has made consumers more price conscious in their booking behaviour. Destinations, trip components ('modules') and local opportunities are more carefully considered and compared based on reviews and promotions, discounts and savings. Travellers have also become more sensitive towards flexibility. This refers to, for example, the possibility to get payments refunded, to cancel or postpone a booking without extra costs, possibilities for additional insurance or last-minute booking possibilities. As a more cautious booking process may take more time, the number of last-minute bookings may decline.

Tips:

Think modular: identify relevant modules that suit the needs of your customers throughout their customer journey

Design various flexible experience 'packages' that connect modules with each other.

Ensure a variety of online distribution channels of the 'modules' that you have identified, including the new OTAs

Try to build a relationship with the customer and to educate them on booking more in advance when more product and choice is available. A new tool such as Virtuoso's Orchestrator offers the possibility for travel agents and travellers to collaborate and create a portfolio of bookings 3-5 years in advance.

Collaborate with other businesses to exchange staff. This makes your business more flexible to respond to changes in demand due to last-minute bookings.

6. Health, wellness and sports holidays

Concerns about obesity, food sensitivity, and people affected from diseases, have resulted in a shift in attitude towards health and healthy lifestyle habits, both physically and mentally. Health and a healthy lifestyle have also become increasingly important in tourists' decision-making, and so the demand for wellness tourism is growing.

According to a recent study by the WTA (Wellness Tourism Association) and HTWW (Health Tourism World Wide), the most important motivations that trigger demand for wellness travel are the need to de-stress or recharge, relaxation, self-healing, self-development, fitness, escapism, self-reward, rejuvenation and pampering. The study reports that what matters most are location & setting, brand & reputation, storytelling and treatments & services.

The most significant target groups for wellness tourism are couples, groups of friends, women travelling solo and ordinary guests looking for healthy options and alternatives during their holidays. People born before 1946 mainly feel attracted to natural resource-based therapies. The cohort born between 1946 and 1975 predominantly feels attracted by natural resource-based therapies in combination with medical wellness and spiritual practices such as yoga. Cohorts born in 1976 and later (including Generation Y and Generation Z) show a main interest in Sports & Fitness and Therapeutic Recreation. Both of these types of wellness are closely related to physical activities.

Globally, Europe takes the lead in the generation of wellness-focused trips, and its lead position is still increasing. A recent study by the Wellness Tourism Association and Health Tourism World Wide revealed that Central and Eastern Europe are the biggest wellness travel markets in Europe.

The wellness market of Europeans travelling specifically for wellness (health as primary motive) is particularly big in countries such as Iceland, Sweden, Hungary, Portugal, Slovakia and the Czech Republic. This group feels particularly attracted to spas and medical-focused destination spas. Such spas focus on the concept of total wellbeing, and their main goal is to promote and monitor the achievement of both physical and mental health goals, complemented with other lifestyle features. Facilities include:

The wellness market of Europeans that simply wants to remain healthy (health not as a primary reason) to go on holiday makes up the bulk of wellness tourism, accounting for 86 percent of expenditures in 2017. This market also shows a faster growth (10%) between 2015 and 2017 than the previous group with wellness as a primary motivation (growth rate of 8%). Travellers seek to combine the desire to relax, to escape from one's mundane life (retreats), to spend time in nature, to have unique and authentic experiences, to be with family and friends, to have a digital detox (wifi-free destinations, staying off-the-grid), to stay in tiny houses, with mental/physical health and wellness. Smaller hospitality businesses increasingly cater for the growing demand of health and wellness as part of a regular holiday on this market. Healing Holidays is an example of a business that offers a variety of trips to disconnect.

It is the vast rise of interest in health and wellness travellers with a secondary motivation (health not as a primary reason) which offers many opportunities for all kinds of small and medium-sized businesses to include health and wellness into their offerings. Day spas, workplace wellness, medical spas and resorts, Thalasso spas and resorts and hot spring/thermal spas/resorts are the wellness facilities with the highest growth potential. Rituals, natural resources-based therapies, spiritual practices, psychological therapies, medical wellness, nutrition/detox programmes, massages & therapeutic recreation offer the biggest potential on the European market of wellness treatments. Other relevant products, services and facilities for the European wellness market are listed in table 3.

Wellness tourism is extremely profitable, as wellness travellers generally spend 178% more than the average traveller, according to Heritage Hotels of Europe. To attract the wellness tourists from Europe, you need to put sufficient effort into sharing information about your offering to the market. The Wellness Tourism Association and Health Tourism World Wide have reported that respondents do not know much about what many destinations have to offer.

Table 3: Examples of wellness products, services and facilities

Products and services

• wellness trips built around a specific wellness activity, from boot camps to meditation and silence retreats • activities in nature in combination with wellness, such as hiking (short or long distances) to a scenic location for meditation, or yoga and tai chi in an outdoor setting • healthy and organic food holidays, or serving meals with a view to better nutrition, or even special diets (such as keto or vegan) • motion-based travel opportunities, such as walks or cycling trips in beautiful places, bike-to-boat vacations in Croatia or swim-specific tours in the Maldives or the Bahamas • holistic holidays • remote/off-the-grid areas with basic facilities that offer the possibility to disconnect, gain pure experiences and connect or reconnect with nature. These could be small campsites, tiny houses, lodges or log cabins • exercise and fitness programs highly focused on results • life-coaching that embraces nutrition, physical exercise, stress management, goal setting and empowerment • personalised health and wellness programs that focus on digital or regular detoxing, meditation or spa or massage therapies • walking therapy in itineraries • extreme wellness programs and extreme sports focusing on discomfort and endurance, in which extreme challenges are key • traditional sport and recreation activities in nature (such as walks, hiking, cycling, running, boating, swimming, meditation, etc.)
Facilities
• specially furnished fitness rooms • exercise equipment • meditation and yoga facilities • quality beds • room lighting following individual biorhythm in order to increase energy levels • air purification • water enriched with vitamins • fresh organic food purchased from local producers etc.

Future perspective

The pandemic has badly effected tourism from Europe. Experts think that, as soon as tourism starts to recover, the wellness sector may recover faster than other subsectors in tourism. It is anticipated that wellness travel, extreme wellness travel and spiritual travel will see a strong growth once the COVID-19 pandemic has ended. The average length of stay and the revenue per wellness guest are expected to increase at a moderate level. Extreme wellness refers to the interest in more challenging and enduring activities. Unfortunately, it is likely that, after the pandemic, wellness tourists will make more short-term travel decisions and stay closer to home. This will have a negative effect on long-haul wellness travel.

Increasingly, the industry is expected to provide wellness services as part of another service (also referred to as ‘wellnessification’). The Global Wellness Institute shows that the wellness industry is estimated to grow to 900 billion dollars in 2022, in comparison to 640 billion dollars in 2017.

Tips:

Read the Global Wellness Economy Monitor from the Global Wellness Institute (2018) and the CBI fact sheet on wellness tourism

Do not promote your health and wellness offer as a luxury product. The majority of wellness travellers do not see wellness as a primary motive for a holiday but as a free or affordable environment that matches their healthy lifestyle.

Cooperate with the health sector if you want to initiate new health or wellness tourism products, for example by establishing an association and/or by branding it as both a tourism and a health product.

Become a specialist agent in wellness tourism to familiarise European wellness travellers with unknown and far-away destinations. Specialist knowledge, information and programming offer a competitive advantage on the market.

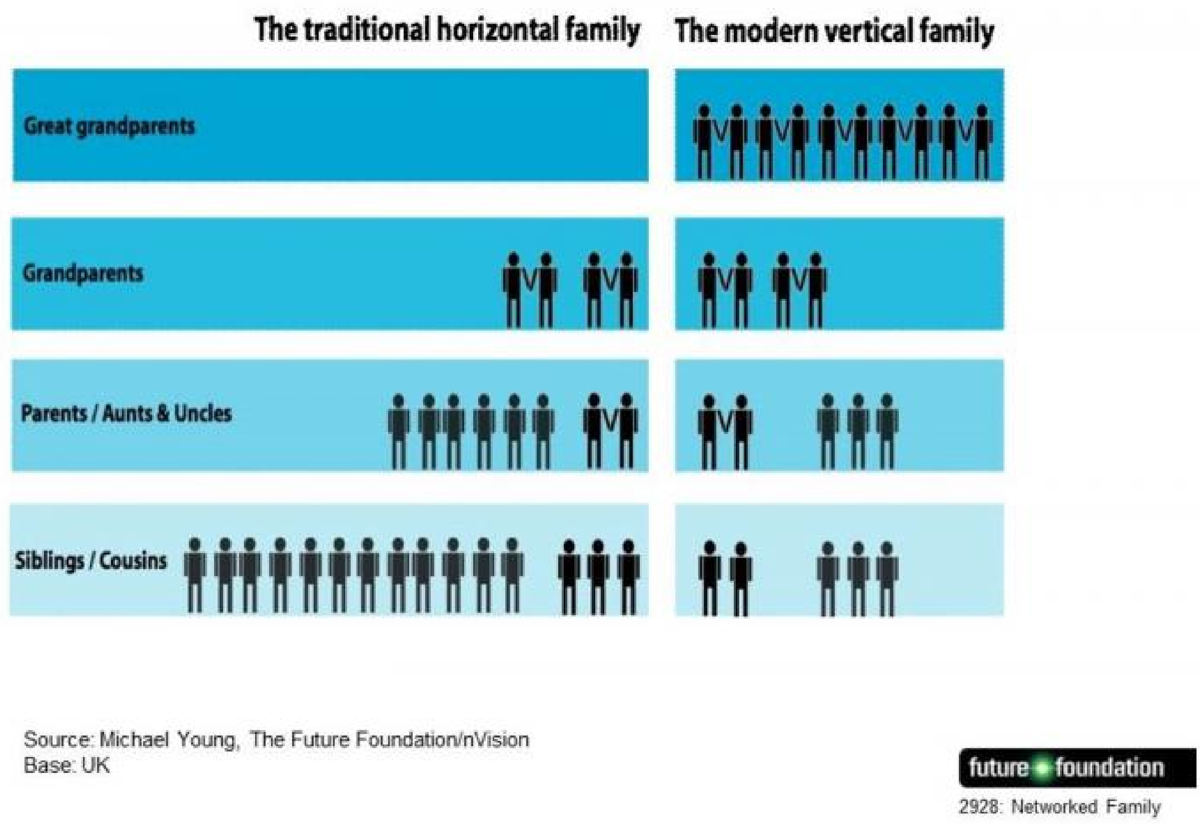
7. Multi-generational travel and extended families

The market of multigenerational (multi-gen) travel is booming and makes up between 33% and 40% of the total travel market. Multi-gen travel refers to multiple generations within one family going on holiday together (kids, parents and grandparents), in search of experiences that create closer bonds and shared lasting memories. Look at the Covington website for more information. The growth of multigenerational tourism has led to a growing demand for larger types of accommodation that can cater for bigger family groups, such as hotel suites, (semi-detached) villas and cottages.

Contrary to traditional family holidays with grandparents taking the kids and grandkids, the trend is that baby-boomer parents (born between 1946 and 1964, 55–73 years of age in 2019) take the adult children plus their grandparents on family trips. This results in a larger number of 20- and 30-year-olds taking more expensive trips than they would on their own. Interesting is that that the adult ‘children’ (Gen Z, born between 1995 and 2010) play a big role in the holiday planning and drive the decision on destination and type of trips, which results in more exotic or adventurous travel.

The trend is reinforced by the rise of blended or reconstituted families and the verticalisation of families. Blended families are composed of two previously divorced persons with their single-parent families, children and principally eight grandparents. The verticalisation of families means that, because grandparents live longer than a few decades ago, they have more time to spend with their grandchildren. As a consequence, the care for the grandchildren is moving from the siblings and cousins in traditional large families to the grandparents in modern vertical families. This is illustrated in Figure 6. These trends combined imply that grandparents increasingly join parents and their children on holiday (vertical families), while at the same time the number of grandparents and grandchildren doubles in case of blended families (blended family holidays). Read a Traveller column for an illustration of this holiday type.

Figure 6: The multigenerational family



Source: Tomorrow's Tourism

The business advantage of this niche is that multi-gen families tend to book earlier and they prefer multiple holidays per year, while they tend to end the family vacation with planning the next one. Mukti-gen travellers prefer to stay in accommodation that offer everyone a little space and privacy, with connecting rooms, at a destination that is colourful, off the beaten track and unique for the family to explore and discover together, and of course, features plenty of chances to swim in pools or at the beach.

Myanmar is a new, up-and-coming destination for multi-gen families. African safaris to for example the Serengeti are also popular. Because many lodges have a minimum age, this is suitable for adventurous families with older children. Other suggestions are listed on the Africa Endeavours website. A specific type of holiday that offers opportunities for this market are heritage trips with a visit to the hometown or country the family is from.

More and more multi-gen travellers (just as with the Gen Y and Gen Z) return to the new generation of travel agents (OTAS). They are beginning to realise the value of an experienced travel agent who customises a trip that is a perfect fit for their family. Therefore, experienced travel agents offer another opportunity to approach this market.

Future perspective

It is expected that multi-generational travel (just like regular family travel) will surge once tourism starts to recover again. The most important reason is that, in many cases, family members have not been able to meet for a long time, and travel restrictions have forced them to skip a number of holidays. Multi-generational holidays get a new twist by being perceived as a kind of family reunion, as a chance to reconnect once everyone in the family is vaccinated.

The difference with pre-pandemic times is that the families will look for safer destinations and hotels. Therefore, accommodations that are perceived as cleaner (such as larger villas and private homes), away from busy resorts or popular destinations and more remote, will be in favour, especially if the family includes members at a more vulnerable age.

Such accommodation might face increasing competition from hotels that invest in private villas and even rent entire floors. Hotels may also leave their rooms vacant for a number of days and have them be completely disinfected before a new guest can check in. Also, think of contactless systems such as automatic locks that can be opened via a mobile phone app or contactless food deliveries.

Private guided tours also seem to be becoming more popular with families who want to reunite. These tours include a private bus and travel director. Ancestral tourism could be a way to give more meaning to a multi-gen holiday and to explore the common heritage of the family.

Tips:

- If you are an African entrepreneur, you need to explore this market. Several African countries seem to become top destinations for multi-gen trips because of their once-in-a-lifetime cachet for those who can afford it (look at NextAvenue for an example)
- Composing a multi-gen holiday for a diversity of ages and interests requires sufficient research and planning to cater for everyone's needs and interests
- Have a large accommodation in a prime condition with room for privacy, such as the so-called reunion bungalow from Landal Green Parks in the Netherlands, which caters for 18 persons and comes equipped with nine bedrooms, nine bathrooms and multiple kitchens
- Provide activities that family members can take together, such as private guided tours
- Offer sufficient leisure facilities for all age groups, such as kids' clubs for young children, game and evening entertainment for tweens, sports and spa programmes for teenagers or babysitting services for parents to go out

8. Technologically manufactured personal experiences

Driven by the increasing impact of Generation Y and Generation Z on the European tourist market, the demand for technologically manufactured personal experiences is increasing. The rise of mobile devices such as smart phones and tablets has boosted the need among these young generations for private personalisation of their experiences along all phases of the customer journey. The rise in demand for personalised experiences is boosted by technological advancements that make it possible to create them.

The travellers expect experiences that closely match with their personal preferences, from destinations and accommodation to fine-tuned 'smart' hotel rooms and activities. The better the match, the better the chance that visitors will return and share it with their friends, fans and followers. Medium asserts that 90% of travellers worldwide expect a personalised experience when they book a holiday. According to Travolution, 81% of travel respondents consider it important that they are provided with personalised experiences. The trends report from WeAreMarketing reveals that 69% of travellers will be more loyal to a service provider that personalises their experiences.

Examples of technologies to manufacture personal experiences are:

Augmented Reality (AR): with AR, virtual elements are projected onto real world experiences. By using an AR app on the smart phone, and directing the lens of the phone to a place or object, information is projected on the screen in the form of an overlay. You can use AR to provide targeted and specific information to your customers. For example by providing information about the location of restaurants at a city square, or background information about a menu in a restaurant, an animal, an attraction, a historic building, etc. It can even allow visitors to a museum to see the artefacts in their original appearance. The augmented reality app Dilly Bag connects users with the stories of Indigenous Australian servicemen via a smartphone. The Lausanne Hotel School has made a video that shows how AR may be used in the near future in hotel accommodation.

Virtual Reality (VR): with Virtual Reality, travellers do not physically have to be at a place in order to view and experience it. VR requires the use of a VR Headset (such as Oculus Rift) in combination with videos that are shot in 3D. With the headset travellers are be able to look around in all directions by turning their head, like they would do on site. VR can be used to

- promote a destination, accommodation, restaurants interiors, or services at the traveller's home during the planning and decision-making phase of the customer journey. Under the Canopy gives the opportunity to experience the beauty of the Amazon forest and its wildlife. Marriott has introduced Teleporter, which not only transports the user to a completely different environment but also makes it possible to feel it. Atlantis Dubai has created a virtual hotel tour. But there are more examples of VR that can be used in hotels. Soundwalkrs offers virtual and self-guided tours.
- to provide virtual excursions or experiences that would otherwise be inaccessible (disability), unsafe (wild animals), impossible (mountain climb, Covid-19), non-sustainable (destinations suffering from overtourism) or unaffordable. Also, museums have discovered the possibility of using virtual tours to walk through the property and enjoy pieces of art. In Denmark, there are plans to turn a virtual reality exhibition exploring Viking history and Norse mythology into a permanent theme park.

This video explains how such a VR video is created. In other videos, you can see how it results in virtual experiences in British Columbia, such as, for example, a canyon (although you need the equipment to get the real experience of being able to move your head and look in all directions).

A study by Booking.com indicated that 36% of the respondents prefer virtual reality before they visit an unknown destination in order to feel at ease. Now that 5G has increasingly been rolled out in Europe, it will be easier for travel brands to create immersive digital experiences with friends and families. Of the respondents, 30% opt for acquiring virtual experiences at home without visiting a destination. This enables 'stay-at-homers' to experience collections from museums and galleries, destinations and tourist attractions online. Examples are going on a virtual safari while at the same time supporting conservation efforts, exploring ancient tombs or entering a simulated past living situation in a specific destination. WildEarth offers a range of live and recorded safaris to children.

Humanised interfaces such as voice search and voice control. Interfaces with mobile devices are getting more and more intuitive, interactive, gesture sensitive and human. Voice search and voice control serve as examples of this that were probably boosted by the COVID-19 pandemic. Voice Search can, for example, be used to search for and book a holiday or to manage the details of their next trip in an easy way. Mobile assistants such as Siri, Alexa, Google Assistant and Bixby help tourism customers to use voice search. This requires well-structured web content of the tourism business or destination. Voice control can be used to turn on and off or change settings of devices compatible with voice control.

An independent study by Development Counsellors International concluded that 54% of respondents would consider asking a virtual assistant such as Siri or Alexa to enquire about potential destinations to visit. These outcomes were largely driven by Generation Y and Generation Z respondents (64% interested) and less by older Generation X respondents and baby boomers (44% interested).

Near Field Communication (NFC) allows devices to communicate with each other over a short distance (4 cm or less). NFC has a huge potential and offers a vast field of possible applications for the tourism industry. One evolving application is contactless payment, facilitated by various mobile phone apps and boosted by COVID-19 because travellers prefer to pay cashless for hygienic reasons. Apps such as Google Pay and Apple Pay allow customers to leave their credit or debit card home if they want to pay for meals, hotel stays, transport and other services. It reduces friction in the customer journey and speeds up many services such as check-ins and checkouts. Because of the ease of paying for something, it is likely that NFC speeds up spontaneous purchases.

The Internet of Things (IoT) refers to the digital connection of the mobile phone, fridges, entertainment systems, heating, air conditioning, street lights, digital devices, gadgets, etc. This means they can be controlled with an app on your mobile phone via the Internet. Application of IoT is usually referred to as 'smart', as in 'smart destinations', 'smart cities', 'smart hotel rooms' or 'smart restaurants'.

These technologies are increasingly being integrated into individual travel experiences and provide a platform for further personalisation of the travel experience. This does involve a risk. To be able to provide customers with optimised personalised experiences, they have to provide personal data in return. Data collection methods, chatbots and AI algorithms assist travellers so they spend less time researching product options and help them to create the optimal experience. But travellers show a growing concern about privacy issues, misuse of data, etc. Consumers might opt out if they do not see added values to their lives.

Future perspective

With the growth of the European market segments of Generation Y and Generation Z, it can be anticipated that the demand for manufactured personal experiences, virtual reality and online presence will continue to grow. A majority of travellers believe that virtual reality and artificial reality experiences will offer them serious opportunities to help them better plan the trip.

Interest in some of the applications, such as virtual reality, contactless payments, voice search and voice control, has grown because of the COVID-19 pandemic. It is likely that these technological advancements will evolve to a next level as new levels of acceptance arise. Spontechnaity is a new word that is defined as using technology during travelling. Technology will be used to regain spontaneity and self-confidence among travellers and to ensure safe and responsible travelling, especially in the light of the coronavirus pandemic.

Tips:

Read more about Generation Y and Generation Z and how this market grows in the second trend of this study. To further understand their values, needs and demands, consider involving your customers in personalising the travel experience. The CBI paper 'How to start developing your tourism product' may help with this.

Make your service offering digitally accessible. For example, you can film your facilities, attractions, etc. in 3D in an appealing way and make them available online (Virtual Reality). You may need to cooperate with educational institutes or companies with the proper equipment.

Develop and provide information layers to be applied by means of Augmented Reality to provide customers with specific information about the region, the national park, wildlife, your amenities, your menus, etc.

Cooperate with other parties in the ecosystem of tourism service providers to digitalise and integrate the modular components the travellers are interested in.

Reconsider your business model and try to digitalise where possible. If you want to collect and store personal data of your customers, do it with care. Anticipate the new customers' expectations.

to seek to enrich experiences via Augmented Reality or Virtual Reality (alone or in collaboration with other parties).

9. Safety, security and health

There are various safety and security circumstances that affect travellers when they choose a destination. Think of threats of terrorism, political upheaval, excessive weather conditions. Such circumstances may lead to last-minute switching behaviour or cancellations. The Covid-19 pandemic has become an additional factor with an enormous impact on European's travel behaviour and their attitude towards hygiene. Travel by Generation Z seems less effected, but the older generations especially show concerns about travelling and tend to stay home.

The COVID-19 pandemic has influenced the way people travel to and within destinations. Travelling to and staying within crowded places and accommodations brings more risks with it, and individual holidays and individual accommodation are perceived as more safe. Therefore, travellers have become more reluctant to travel to tourism hotspots and to travel in groups with strangers. They need more persuading to perceive a destination or your business as safe. Increasingly, they may turn to travel experts if they want to plan a holiday trip.

The pandemic has also increased the need for appropriate hygiene standards. European tourists have become more demanding and see such standards as paramount and non-negotiable. They require precautionary measures such as seat spacing, clear regulations about wearing face masks and social distancing and clear communication about how hygiene is handled in order to convince them that they will be safe within the destination, the location or your business. Guests also require care and empathy as a key element of the service in the 'new normal'.

The increase in health and hygiene awareness among travellers and businesses has increased the demand for contactless systems. Contactless systems help to reduce the number of social interactions, not only between travellers and staff but also between staff members. The systems also reduce the fear of transmissions of the virus via surfaces touched by many strangers.

An example of such a contactless system is an app for mobile phones with which hotel guests can open the door of their room, control temperature and air-conditioning and adjust the lights. Another example is a conventional menu card in hotel rooms that is replaced by a dynamically generated digital menu. Guests can see the digital menu in an app or in the browser of the mobile phone after scanning a QR code (see Figure 7). There are even examples of hotels that use robots to serve food and drinks to guests under quarantine, such as Nina Hotel Island South (formerly L'Hotel Island South in Hong Kong).

Figure 7: QR code to activate a menu in a restaurant without contact

Source: Photo by Dr Albert Postma

Contactless payment systems are also on the rise at hotels. By applying these to payments by consumers, you can show your guests that you take health and sanitation seriously. Contactless payment systems can also be used for business-to-business payments, for example by means of the platform provided by TripActions.

If your business is located in a tourism hot spot or a destination that is perceived by travellers as unclean, unsafe or life threatening for other reasons, be aware that your business may become less attractive and will attract less visitors. On the other hand, if your business is located within a destination that is perceived as clean, safe, unspoilt or uncrowded, try to make use of this opportunity. In that case, you may attract new or more visitors. For your benefit, indices are available that visualise the risk or risk perception (such as Travel Risk Map, Travelers Risk Index, Traveler's Risk Tolerance Index).

If health safety has become a number 1 priority for guests, cleanliness, sanitation and hygiene should get priority in your business. RedDoorz is a budget hotel chain that helps its hotels to get a HygienePass certificate in collaboration with local public health organisations. Oyo is an Indian multinational hospitality chain with various types of accommodation that provides services to its accommodations, such as certification, audit checks, specific equipment, minimal touch procedures for checking in and out, etc. If you run an accommodation such as a budget hotel that already makes use of smart design and sophisticated technology, offering contactless travel may be a key feature to acquire a competitive advantage.

Future perspective

It is likely that travel conditions related to COVID-19 will impede holidays for the foreseeable future. Experts expect that, once the pandemic has ended and related practical travel obstacles have been resolved, many travellers will no longer choose their holidays based on destinations or attractions but more in line with their personal needs. This will make travellers more demanding concerning services, facilities and experiences, not only in relation to hygiene, but also concerning wellness, health and overall well-being.

While it is uncertain how long the covid-19 virus and its new types will be among us and impact upon global travel and tourism, global vaccination and increased adoption of digital solutions for safe travel are probably the only things that could lead to a recovery of international tourism over the months and maybe years to come.

Tips:

- Try to understand safety, security and health factors that concern travellers and show empathy.
- Be transparent about your hygiene and safety policies and what you do to maintain hygiene to keep your customers safe in your communication with the market. In this way you can gain their trust.
- Take precautionary measures such as intensified cleaning, socially distanced seating, providing hand gel, providing accessories such as face masks, glasses and gloves, possibly branded with a logo of the destination or your business, and offering contactless payment
- Be familiar with the hygiene and safety policies and measures that other suppliers in the modular customer value chain apply, so that you are able to inform your customers if they ask questions.

This study has been carried out on behalf of CBI by Molgo and ETFI.

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