The data included in this document is accurate according to Passport, Euromonitor International’s market research database, at time of publication: November 1st, 2019
Megatrends Shaping the Future of Travel
2019 Edition

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The global travel industry continues to power on, expected to grow 3.3% year on year in constant terms and forecast to top almost USD3 trillion by 2024. Online will account for the lion’s share of travel sales at 52%, with mobile sales representing a quarter of all travel bookings in value terms as the travel industry continues its digital transformation.

Euromonitor International expects international arrivals to amount to 1.8 billion trips by 2024, but this pales in comparison to the sheer size of domestic tourism which is expected to reach 19 billion. This will be driven by rising incomes in emerging markets making travel more accessible to a wider range of audiences, causing an 8% annual growth compared to the 4.3% of international arrivals.

The average spend per arrival is expected to hold up to price pressures and will marginally increase to USD1,101 by 2024, up from USD1,088 in 2019, which points to a shift towards higher spending per trip as destinations transition to a sustainable tourism model.
Experiences paramount
Consumers increasingly value experiences such as travel, and the travel industry is capitalising from this change, as a staggering 43% of global consumers say that they prioritise experiences over things, while 78% value real world experiences in 2019.

Apart from value for money, consumers also want authentic, local and unique experiences. We have seen phenomenal success stories from access economy brands like Airbnb in addition to a growing interest in activity-based travel.

**Global Attitudes to Experiences, 2019**

<table>
<thead>
<tr>
<th>Statement</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>I value real world experiences</td>
<td>80</td>
</tr>
<tr>
<td>I use technology to improve my day-to-day life</td>
<td>70</td>
</tr>
<tr>
<td>It is important to experience cultures other than my own</td>
<td>65</td>
</tr>
<tr>
<td>I seek curated experiences that are tailored to my tastes</td>
<td>60</td>
</tr>
<tr>
<td>It is important to spend money on experiences</td>
<td>55</td>
</tr>
<tr>
<td>I shop in stores that create engaging experiences</td>
<td>45</td>
</tr>
<tr>
<td>I value online virtual experiences</td>
<td>20</td>
</tr>
</tbody>
</table>

*Source: Euromonitor International Lifestyles Survey*

Euromonitor International’s Megatrends
Travel is at the forefront of several drivers such as economic, political, social, demographic, environmental and technological changes.

Megatrends can help make sense of shifts in consumer behaviour and attitudes that impact all countries and industries. Through extensive research and input from over 1,000 expert analysts, Euromonitor International has selected eight megatrends and identified the impact they will have on industries and consumers.

A megatrend is a trend with longevity, representing a fundamental shift in behaviour that is defining consumer markets.
All travel trends discussed in this report are closely linked to these eight megatrends. In a rapidly changing global environment, megatrend analysis is critical for travel players seeking to remain relevant, as competition increases and new ideas disrupt the industry. We will be examining travel trends across these 4 regions:
2019 Trends Shaping the Future of Travel

EUROPE
The Greta effect
Accessible goes mainstream

ASIA
Asia for innovation
Super apps

AMERICAS
Social moves offline
Subscription models

MIDDLE EAST AND AFRICA
Travel start-ups
People power
Europe

Dark clouds gather
The Eurozone outlook has deteriorated significantly since the end of 2018. GDP growth forecasts have been downgraded to 0.9–1.5% in 2019 and 0.9–1.9% in 2020, compared to a 1.8% growth rate in 2018 from the worsening global trade environment.

The German economy has been badly affected by the worsening export environment, while France has experienced a slowdown from the impact of the Gilets Jaune protests. In Italy, rising borrowing costs since mid-2018, combined with ongoing fiscal policy uncertainty have badly damaged business confidence and investment, with the decline in output being worse than previously expected. Italian GDP is expected to stagnate or contract slightly in 2019. Against this worsening economic outlook, Eurozone private sector sentiment has declined to a two-year low.

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2018 %</th>
<th>2019 (F) %</th>
<th>2020 (F) %</th>
<th>2021 (F) %</th>
<th>2022–2026 AVERAGE (F) %</th>
<th>2019 FORECAST CHANGE Percentage points</th>
<th>2020 FORECAST CHANGE Percentage points</th>
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<tr>
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<td>1.4</td>
<td>1.3</td>
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<td>-0.5 ▼</td>
<td>-0.2 ▼</td>
</tr>
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<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>-0.3 ▼</td>
<td>-0.2 ▼</td>
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<td>1.3</td>
<td>1.3</td>
<td>1.1</td>
<td>-0.5 ▼</td>
<td>-0.2 ▼</td>
</tr>
<tr>
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<td>0.3</td>
<td>0.5</td>
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<td>-0.7 ▼</td>
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<td>1.7</td>
<td>1.3</td>
<td>-0.2 ▼</td>
<td>-0.1 ▼</td>
</tr>
</tbody>
</table>

Source: Euromonitor International, forecast change for 2019 and 2020 is compared to the baseline forecast

Potential for a Eurozone recession
There is concern that the Eurozone could tip into a severe recession causing GDP to decline by more than 1% in 2019 and over 3% in 2020. There is even the risk of an existential crisis, if further countries were to leave the union after the U.K., such as Greece or Italy. The probability of the former scenario is 6–11% over a one-year horizon, compared to 1–5% for the latter scenario.
In terms of travel and tourism, a Eurozone recession would be felt the most acutely in countries like Italy and France. Both could experience a potential downgrade in demand by over 5 million arrivals and this would knock 12% off the baseline forecast for arrivals to Greece.

**Mixed picture for travel**

As the economic situation deteriorates, the outlook for travel looks constrained, with growth in travel products in Western Europe forecast at 1.9% compound annual growth rate (CAGR) over the next five years. Low-cost carriers and short-term rentals continue to outperform the market as consumers seek value for money, whilst online travel sales act as a catalyst for growth, increasing at 3.4% CAGR. However, Western Europe is a highly mature market, and its performance is underwhelming compared to the fast growth enjoyed in other regions of the world like Asia Pacific. Inbound receipts to Western Europe are expected to reach USD552 billion by 2024 and already outweigh domestic expenditure, as the region continues to attract intra-regional and international visitors with its unique offer.

**55% of visitors said gastronomy was a relevant driver for their choice of trip to Europe in 2019**

Recent research from the European Travel Commission emphasises the importance of pursuing hobbies and interests as a driver of tourism to Europe, with gastronomy, adventure, urban experiences and ‘living like a local’ resonating the most with visitors.

### Impact of a Eurozone Recession on Key European Destinations in Arrivals (‘000) 2019–2024

<table>
<thead>
<tr>
<th>Destinations</th>
<th>2024, ‘000’s</th>
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<tbody>
<tr>
<td>Russia</td>
<td>200</td>
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<tr>
<td>Portugal</td>
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<td>United Kin...</td>
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<td>USA</td>
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<td>Austria</td>
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<td>Germany</td>
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<td>Turkey</td>
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<td>Greece</td>
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<td>France</td>
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<tr>
<td>Italy</td>
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</table>

*Source: Euromonitor International – Travel Forecast Model*

*Note: Eurozone Recession scenario run for Q4 2019*
Brexit uncertainty casts a shadow

The U.K.’s Prime Minister, Boris Johnson, is a hard Brexiteer and initially promised that the U.K. would exit the European Union by 31 October 2019, with his “do or die” approach. However, Parliament did not approve the Prime Minister’s deal and he was forced to ask for a further extension until 31 January 2020, with an election announced for December. The likelihood of a No-Deal, where the U.K. leaves the EU without an agreement, has a probability rate of 20% over a one-year horizon.

The impact of a No-Deal Scenario would take the biggest toll on outbound departures as the U.K. economy would veer towards 0% GDP growth, stifling disposable income and travel expenditure over the long term, with a long-term decline of 3% in GDP compared to the baseline.
The outlook for inbound arrivals under a No-Deal scenario would be more positive, benefiting from the depreciation of the pound, however, queues and delays would be expected at the border as well as concerns about shortages of food and medicine. Between 2019–2024, an additional 715,000 arrivals may transpire, which is a boost of 1.7%. On the other hand, outbound departures are likely to witness a write-down of 5%, knocking 4.7 million trips off future demand.

**UK Inbound Arrivals Brexit Scenarios 2017–2024**

![Graph showing UK Inbound Arrivals Brexit Scenarios 2017–2024](image)

*Source: Euromonitor International
Notes: Brexit scenarios run for Q1 2020. FTA signifies Free Trade Agreement

### The Greta Effect

**Related megatrends: Ethical Living, Experience More**

**Trend Summary**

The young Swedish activist, Greta Thunberg, has shone a light on the challenges of climate change, mobilising Gen Z around the world and influencing significant positive changes in attitudes and behaviour. Travel is in the spotlight as tourism accounts for up to 5% of global carbon emissions according to the UN World Tourism Organisation (UNWTO) and travel brands are talking about the impact of the ‘Greta effect’ on their business. Scandinavia is at the forefront of the movement with terms such as ‘flight shame’, and most importantly, finding solutions to help mitigate the negative impacts of travel on the environment through greater transparency on carbon emissions.

*We can’t save the world by playing by the rules, because the rules have to be changed. Everything needs to change — and it has to start today*

_Greta Thunberg_
Strikes and protests: A new normal

In 2018, the schoolgirl Greta Thunberg began her school climate strike which then spread globally, rallying support to tackle climate change and pressing governments to deliver the promises of the 2016 Paris Agreement. The pressure is on as the world has only 12 years to act in order to save the planet from global warming according to the Inter-Governmental Panel for Climate Change, before the damage is irreversible with calls for global warming to be limited to 1.5% rather than 2.0% of pre-industrial levels.

Greta has captured the imagination of many young people, emulating her example by taking a stand, influencing the 244 million people up to the age of 14 who are expected to travel in 2019. Her book “No One is Too Small to Make a Difference” gathers together her main ideas, which has been subject to criticism as well. For many destinations, the sense of climate emergency is already all too real and consumers are increasingly taking a stand with their daily actions and choices.

Flight shame takes off

In Scandinavia, the issue has become so pronounced that new words have appeared in the vernacular such as flygskam (translated as ‘flight shame’), arising from the guilt felt by Swedes when flying due to its environmental impact. In Norway, domestic business trips by air have come in for criticism in the press. Forbes even pronounced flygskam as the buzzword of the year, with its own hashtag. The consumer backlash to over-tourism and the need for sustainability has given rise to the flight shaming movement in the Nordics and the launch of the Southern Europe against Touristification (SET) network in the south.
In Europe, 58.6% of respondents that took part in Euromonitor International’s Lifestyles Survey stated that they were worried about climate change, with a greater sense of urgency felt in the emerging regions of Latin America and Asia Pacific, with 70.3% and 61.3% respectively as consumers become ever more climate conscious.

### ‘I Am Worried About Climate Change’ 2019

![Graph showing percentage of respondents worried about climate change across different regions](image)

Source: Euromonitor International Lifestyles Survey

**Airlines: Working to be part of the solution, not the problem**

Against a backdrop of the 17 Sustainable Development Goals, sustainability is becoming a more central pillar of business. Airlines bear the brunt of criticism about how carbon-intensive their operations are, and in response have set targets to cap net emissions by 2020, making international flights carbon neutral, and halving emissions by 2050 compared to 2005 levels through the UN’s Corsair scheme. 2019 saw the beginning of monitoring and measuring carbon emissions by ICAO airline members, with the pilot phase to launch in 2021 and the mandatory second phase starting up in 2027.

**Airlines in Western Europe are valued at USD171 billion in 2019**

In the meantime, there is a sharp focus on energy efficiencies, finding alternative fuels and electric aircrafts are being tested by the likes of easyJet and Airbus’ hybrid aircraft. Norway successfully tested a two-seater electric aircraft, the Alpha Electro G2, made by the Slovenian company, Pipistrel. Norway also aims to electrify all short haul flights by 2040 and is working with aircraft manufacturers to make this ambition a reality. While in May 2019, SAS announced that they would end duty free sales during flights as a way of saving fuel and reduce their CO₂ footprint.
Tour operators’ head on approach

Tour operators are taking a proactive approach, encouraging their consumers to have the most minimal impact on the environment now thanks to the use of carbon calculators. The calculator concept began in the Netherlands with Carmacal, developed by ANVR and SNP Natuur Reizen for tour operators, winning several awards including an WTTC Innovation Award in 2016.

The Carmacal tool displays the carbon emissions for trips, considering the different modes of transport, activities and lodging available to enable consumers to make the most sustainable choice. Developing tools that allow for transparency on carbon usage is an important step-forward in making carbon neutral the standard.

Often alternatives are not viable, like Greta travelling by zero emissions yacht to the U.S. rather than by plane. Operators like TUI are encouraging their consumers to look at alternatives such as rail and bus transportation, an initiative which is being pushed forward in Scandinavia, particularly for European travel.

Case Study: Klimatsmart Semester for low impact travel

In 2018 the website Klimatsmart Semester (Climate Smart Vacation) launched, which is a digital tool to help consumers reduce their climate impact. Users can calculate the carbon footprint of their trip based on the level of CO² emissions.

For example, two people travelling from Stockholm to Nice for four nights by plane and staying in a typical hotel produce 641kg of climate emissions per person. A thermometer gauge indicates the level of severity for the planet, with dark red illustrating the highest level of emissions.
To put things in context, these emissions are compared to the optimum emissions required to achieve global warming being limited to $2^{\circ}$C, and comparable to the emissions of a daily European diet. To ensure that you are convinced, the carbon impact is finally quantified in terms of the ice that would melt in the Arctic — $1.9m^2$ in this case — as a direct result of this trip.

The project is a collaboration of private and public partners under the banner of Climate Smart Vacation Network of West Sweden, including the University of Gothenburg and Chalmers Technical University. The digital tool is now available in English and free to install on any website, so there is no excuse to not provide transparent information to consumers and help them make informed choices. This may be a precursor for carbon impact measures being displayed across the travel industry, from TripAdvisor to Booking.com and Google.

**Case Study: Doconomy encourages good behaviour**

Fintech start-up, Doconomy, from Sweden has gone one step further to tackle climate change with its radical DO Black credit card, launched in 2019, that tracks and measures the carbon impact of consumers’ spending and sets a limit on what can be spent. The cap is not based on available funds but on the environmental impact with transactions measured in currency and kilos. In partnership with MasterCard, the company is working within the parameters set by the UN that the world needs to reduce carbon emissions by 2030 to avoid a climate crisis.

In Sweden, consumption accounts for 60% of emissions according to Doconomy, therefore changing spending behaviour is paramount. By connecting the consumer and producer, the company aims to create a sustainable ecosystem through its mobile banking app in a bid to encourage mutual shared responsibility as supposed to playing the blame game.

Co-branded credit cards with airlines and hotels and financial players are the norm in the travel industry, with little thought for sustainable consumption. With Doconomy, there is a huge opportunity for this technology to be integrated, so that points and redemptions are synced to carbon impact.

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The aim is to inform and inspire people to choose more climate smart vacations. To show that there are alternatives to the way we travel today with increasing emissions from aviation connected to leisure tourism.

Erik Lundberg, Head of Centre for Tourism, University of Gothenburg, Klimatsmart Semester
Currently in travel, rewards cause more hurt where loyalty members are given points to fly even more, it’s very short termism. We need to break the cycle and incentivise with responsibility for a new form of loyalty.

Mathias Wikström, Co-founder, Doconomy

Accessible goes mainstream
Related megatrends: Connected Consumers, Healthy Living

Trend Summary
Accessible travel is growing, driven by changing consumer demographics with a fifth of the world having access needs. The regulation, tools and consumer attitudes are now in place to lead to a paradigm shift to deliver seamless travel experiences for all. Europe leads the way with countries such as Germany and the U.K. out front in terms of inclusive tourism for all.
Defining accessibility
There are several definitions of accessible tourism, but the most important point is that it looks beyond the number of people with physical and intellectual disabilities, to encompass all those with mobility needs — including seniors and babies — across the human lifecycle.

In 2019, 18% of the world’s population was made up of 701.5 million people aged 65+ and 676 million children aged up to 4 years. By 2030, the proportion of 65+ and the very young will increase to 20%, one-fifth of the world, notwithstanding the one billion people living with a disability across all age groups.

Universal design — also known as inclusive design or design for all — is recognised as the means to delivering accessible goods and services, applied to the environment, technology and communications. It is very important that universal design is considered in both the offline and digital world.

Scandic Hotels, with 230 outlets, has rolled out its Hotel Room for All concept for its rooms, restaurants and services for over the past decade, setting the bar high for universal design. This is a long-term strategy under constant review based on universal design that puts people first to ensure access for all, and most importantly delivered by trained staff. The company has developed a 159-point checklist. Scandic states that “better accessibility is something that everyone, including able-bodied guests, can benefit from”. It has just announced a standard for allergy-friendly rooms.

Strong business case
The case for taking an inclusive approach to consumers is compelling, because why would you not want to include all consumers in your sights as potential customers? If not, you risk excluding one-fifth of your potential customer base from the outset.

According to Universal Access's Paudie Healy, for the private sector it increases market share, expands the shoulder season and means a wider pool of employees. Whereas for public bodies, it boosts inward revenue, sustainable and regional development and improves quality.
Seniors also take more holidays and those with access needs create a multiplier effect as they are usually travelling with more people such as carers, friends and family. Visitors with access requirements also stay at destinations for a longer period, around 10% more on average than other visitors according to VisitEngland.

**Benefits of Accessibility and Inclusion**

<table>
<thead>
<tr>
<th>Financial</th>
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<th>Inclusive</th>
<th>Social</th>
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</thead>
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<tr>
<td>Multiplier effect</td>
<td>Seasonality</td>
<td>Diverse workforce</td>
<td>Diverse workforce</td>
</tr>
<tr>
<td>Untapped potential</td>
<td>Dispersal</td>
<td>Designed for all</td>
<td>Inclusive for all</td>
</tr>
<tr>
<td></td>
<td>Higher spend</td>
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</table>

**Case Study: Be My Eyes — creating a global community**

Be My Eyes is an app that allows people who have low to no vision to connect with sighted volunteers or company staff via a live video call for help with daily tasks. Through the phone, the service helps with problem-solving through direct communication with an advisor. Help takes many different forms, such as advising on navigation and reading information.

To date, there are 2.7 million volunteers on standby to take a call, with a user base of 143,320 blind users, across 150 countries and 180 languages. This app has built an extensive online community and is truly global, with the premise of “small acts of kindness for global impact”.

The app was released in 2015 in Denmark and has won numerous awards including the 2018 Google Play Accessibility Experience. The company has partnered with Moovit, a mobility as a service app, and expanded across five Scandinavian countries in 2018. Its Specialised Help service started with Microsoft and now includes Google and is available 24/7.

*Source: Be My Eyes*
Case Study: Eurostar — virtual reality guide for travellers with autism

Eurostar launched a virtual guide to help travellers with autism spectrum disorder to give them certainty about each step of the journey. This helps them navigate, for example, the boarding gates, clearing security, boarding the train and during the journey onboard, preparing them for the sights and sounds they will experience. Eurostar also advises on the quietest times in the day to travel, after 14.00hrs Monday — Thursday, and before 14.00hrs on Sunday to help autistic people to manage the noise levels. Taking the stress out of the journey process will improve the travel experience and people’s wellbeing for all 11 million Eurostar travellers.
Asia

Slowing yet still a strong performer

Asia is not immune to the global economic slowdown, as downside risks increased over the first half of 2019, with global GDP forecast to grow at 3.1% for the full year. All this is acting as a drag on the real economy and ultimately translating into slower growth for travel and tourism although the rates remain high, with Asia Pacific growing at 6.4% CAGR over 2019–2024 to reach over 500 million arrivals by 2024.

The political protests in Hong Kong are contributing to the rising tensions in the region, with the pro-democracy protestors rallying against mainland China, leading to a decline in arrivals, falling hotel occupancy rates and bringing parts of the city to a standstill including the shutting down of the international airport. The first half of the year started very strong for Hong Kong, however because of the sharp falls in arrivals since July, we forecast a decline of -8.7% for the full year.

Asia Pacific Arrivals by Key Destination 2019 & 2024

Source: Euromonitor International
Rising political and trade tensions

The tensions between the U.S. and China have escalated and the risk of a U.S.-China trade war has increased in probability to 28%, the most likely scenario that the world may face. In terms of outbound tourism, under a U.S.-China trade war scenario, China would be most at risk with potential departures from China lowered from 165 million to 160 million over 2019–2024, which is a potential reduction of 3% from the forecast baseline. Whereas the U.S. would be slightly less impacted with 1 million less outbound trips expected to be taken.

Impact of a U.S.-China Trade War on Asia Pacific Departures (‘000) 2019–2024

Source: Euromonitor International – Travel Forecast Model
Asia for innovation
Related megatrends: Shifting Market Frontiers, Premiumisation

Trend Summary
Asia is emerging as a major innovation hub and the travel industry is at the forefront of this trend where many brands and sectors are digitally transforming. Innovation is not all about invention and disruption, it’s about adapting to change. The start-up community includes investors like Soft Bank, which provide a good steer for where the next round of industry growth will come from such as Oyo digitalising budget hotels and Klook bringing activities online.

Searching for the next big thing
The 21st century has been coined the Asian century, with Asia Pacific benefiting from a convergence of trends propelled by demographic, economic and technological drivers, creating an Asian hub of innovation. The region is already home to half the world’s internet subscribers with a young and highly connected population. Trying out new products and services is very popular in Asia, with 60% stating that this was a priority for them in 2019.

The constant search for the next big thing puts pressure on brands to have a regular flow of new and innovative products and services coming to market. Brands are utilising an array of tools including experiences, digital technology and innovation to push the enjoyment of interacting with a brand to the fore. Asian consumers also look to brands to simplify their life, with 65% saying that it was an important attribute when purchasing goods and services.
Considering mobile travel sales as a proxy for innovation, travel bookings via mobile websites and apps account for 64% of all online travel sales, way higher than the global average of 46% by 2024. The Global Innovation Index indicates that Singapore, South Korea, Japan and China were the most innovative in the region in 2018.

**Innovation hub**

The Tokyo 2020 Olympic and Paralympics Games promises to be a platform for innovation, just as the Beijing 2008 Games were, with robots assisting at Haneda Airport and staff wearing exoskeleton suits to boost their physical strength to help with preparations.

China is also years ahead in its digital transformation journey, where Alibaba and Fliggy’s Flyzoo Hotel use facial recognition technology powered by AI and biometrics in hotels for room entry, using the lift and other services.

Interestingly, Amazon chose India for its re-entry into the travel industry, with Amazon Pay announcing its partnership with ClearTrip for booking domestic flights on the Amazon website or app, as it finds new ways to provide benefits to its customers.

**Asia Pacific Travel Sales 2019–2024**

Changes call for innovation and innovation leads to progress.

Li Keqiang, Premier, State Council of People’s Republic of China
OYO Hotels & Rooms bets on digital innovation

OYO Hotels and Homes is a chain of leased and franchised hotels, launched in India in 2013, regarded as an innovative, fast-moving brand that is spreading fast across Asia Pacific and the world. According to the company, it has 1 million rooms, in 800 cities across 80 countries, with 23,000 hotels and 125,000 vacation homes.

Founded by 25-year-old Ritesh Agarwal, OYO is owned by Oravel Stays Private Ltd and is funded by Soft Bank and China Lodging Group, with a valuation of USD10 billion. The company has invested heavily in technology and AI and has multiple app solutions for its asset owners, consumers and employees such as the property management app for bookings. The company has a strong emphasis on asset renovation and lifestyle design, where AI is used to evaluate guest feedback and identify their most-preferred designs. It also uses AI and machine learning to understand guest behaviour for personalised search and OYO has integrated with AI chatbots for customer service.

As seen with OYO’s aggressive expansion strategy, there is huge potential for budget hotels in Asia Pacific which are valued at USD32 billion, out of USD77 billion globally in 2019, growing by 1.9% CAGR by 2024. The company reported that globally, on average, over 75% of building owners associated with OYO Hotels have seen an increase of 20–30% in occupancy, a 2.5x jump in RevPAR and a significant jump in profit for every asset operating as an OYO branded property.

Budget hotel sales in Asia Pacific are valued at USD32 billion in 2019

Our pricing, inventory allocation, and revenue management is driven by data science algorithms and allows each hotel to drive max RevPAR based on its micro-location. It is a boon for customers and core to the success of our business model worldwide.

OYO Hotels & Homes Spokesperson

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Case Study: Klook takes a partnership approach

Klook, the Hong Kong unicorn and activities booking platform, has gone from strength to strength, and recently raised USD425 million in series D funding, led by Soft Bank Vision Fund.

Klook is focusing on scale with global expansion, moving into Europe as well as focusing on its home region and making a big push into Japan with the 2020 Olympic Games. It has also established major partnerships with the likes of Rail Europe and Shangri-La Hotels. The platform’s mobile-first approach is spurring on its growth, as it encourages its consumers to book whilst in destination and targets the final stage of the customer journey.

The global activities and experiences market is valued at USD296 billion in 2019, forecast to reach USD346 billion by 2024, with a CAGR of 3.2%. The space has garnered much attention in recent years and competition is rife including TripAdvisor, Expedia, Airbnb Experiences, Booking.com with FareHabor, OTAs (e.g. Traveloka), tour operators (e.g. TUI with Musement), hotels (e.g. Marriott Moments, IHG Guest Service) and activities specialists (e.g. GetYourGuide).

The challenge in this sector is the high level of fragmentation of suppliers and that transaction prices are lower than flights and accommodation. However, the sector offers potential for higher transaction volumes during the trip, as well as when back home, especially when combined with lifestyle services such as restaurants and spas.

Source: Euromonitor International
Super apps
Related megatrends: Connected Consumers, Shopping Reinvented

Trend Summary
Super apps are a major phenomenon in Asia Pacific, thanks to high smartphone penetration and consumers seeking the convenience of using a super app platform with apps within an app. The concept was originally pioneered by WeChat, which has over 1 billion monthly active users has given rise to a handful of super apps in the region — Meituan Dianping, Grab, Line and Gojek amongst others; all offering multiple services integrated seamlessly with payments. These apps have transformed from their original roots of social messaging and mobility to meet the needs of consumer lifestyles, where elements such as travel are an important component.

Lifestyle benefits
Asia Pacific is the world’s mobile hub and leads the way in terms of smartphone users as well as mobile commerce as seen with super apps, digital wallets and social commerce.

A super app is a multifunctional mobile app combining several features such as communication, lifestyle, travel, social, financial and retailing in a centralised platform. This app allows companies to leverage their
existing infrastructure to generate new revenue streams and increase consumer engagement. Consumers have embraced these all-in-one apps because they offer a seamless, integrated, contextualised and efficient experience.

These apps first emerged in Asia off the back of popular social platforms like WeChat. Tencent, the app’s owner, then layered additional services in its core messaging platform to drive usage and engagement, incorporating mobile payments, ticket booking and food delivery.

While many super apps like WeChat are rooted in messaging, others such as Gojek started in mobility. Established in 2011 as a motorbike-hailing mobile app in Indonesia, Gojek capitalised on its network of 200,000 drivers across 25 cities and began to offer services in other sectors, now offering over 18 different types of products and services including massages.

**Online intermediaries’ sales in Asia Pacific are valued at USD227 billion in 2019.**

**Case Study: Meituan Dianping for seamless experiences**

A Chinese super app, Meituan Dianping, was formed from the merger of the two original companies, Meituan and Dianping and moved into the online travel arena in 2015 from its focus of restaurant reviews and food delivery. Connecting users’ comprehensive travel needs across restaurants, hotels, activities and transportation, the company aims to build a one-stop lifestyle platform for Millennials and Gen Z, and includes features from apps like Groupon, Deliveroo, Trip Advisor and Yelp!
On the app, USD33 billion’s worth of transactions take place between consumers and local businesses, leveraging big data to track user behaviour. The app is integrated with WeChat for payments, both owned by Tencent to drive seamless payments. It reported great success in converting its dining consumers into hotel guests, showing synergies between food and travel apps, which has led to investment from Booking Holidays.

Zhenguo.com is the home-sharing platform within Meituan Hotel and Travel business, launched in early 2017 and with 500,000 units competes with Airbnb and Tujia where over 80% of its consumers are post-1990s. Fast Company even crowned Meituan Dianping the most innovative company in the world in 2019.

With its Food and Platform strategy offering around 30 services, travel will continue to be a growth opportunity for Meituan Dianping and further integration with other platforms are expected. Meituan and OYO Hotels and Rooms recently signed a partnership in June 2019 for OYO Jiudian brand to distribute on Meituan.

**We intend to improve the traffic for low frequency accommodation business by cross-selling of all categories in Meituan Dianping**

Qing Guo, Vice President, Meituan, General Manager, Hotel Booking Business

**Case Study: Line offers end to end services**

Japan’s most popular app, Line, with 80 million monthly active users is “transforming from a messaging app into a lifestyle infrastructure” according to its Chief Wow Officer, Jungho Shin, where online merges with offline. Line is a gateway for multiple services thanks to the launch of mini apps, so that users no longer need to leave the app. It includes Line Travel jp, a meta search brand and is powered by Venture Republic.

Line Travel jp launched in June 2018 and is focusing on online to offline through its new search business, Odekake NOW where you can book nearby restaurants, activities and other experiences based on your location in a bid to provide an end-to-end experience. Line Travel jp reported gross merchandise volume increasing by 456% over the first quarter of 2019, while its parent company’s overall e-commerce sales were JPY2,396 million, up 48.2% in 2018.

The Line app is underpinned by Line Pay, its mobile QR payment service, for seamless payments where the company aims to boost the touchpoints with users and drive personalisation.
Line has partnered with RNT Hotels Co Ltd that operate Richmond Hotels and Bridge Motion Tomorrow Co Ltd to roll out devices with its digital assistant Clova to help with information and hotel guest room services like turning on the TV and lights. Artificial intelligence (AI) chatbot and voice recognition technology are key to the company’s future development. Its AI even suggests alternative options according to weather changes, for example options on what to do when it’s raining.

Case Study: Grab opts for travel integration
Singapore-based Grab, which started in 2012 as a taxi-hailing platform, now offers a wide range of everyday services with its mission to provide seamless and personalised services. 2018 saw it launch its payment platform (GrabPay), a foodservice delivery platform (GrabFood) and the acquisition of Uber’s business in Southeast Asia.

Travel is a major part of its offer, so Grab partnered with the Singapore Tourism Board (STB) to promote its on-demand transport services to tourists. Although transportation is still Grab’s core business, the three-year partnership with STB also aims to promote a cashless experience for visitors through GrabPay and better understand visitors’ travel and payment behaviour. Understanding travel patterns through data science is a critical way of delivering on Singapore’s smart city nation objectives.

GrabPay is available at Hawker Centres, restaurants, shopping malls and tourist attractions. The platform’s booking API can also be integrated into travel businesses platforms through STB’s Tourism Information and Services Hub. Orchard Road, Marina Bay and medical facilities were the most frequently travelled to places by Grab passengers.

Together [with Grab], we will create a travel experience that is both seamless and personalised to the needs of our visitors.

Mr Quek Choon Yang, Chief Technology Officer, Singapore Tourism Board
Trade at all costs

There is one mantra that comes to our minds when thinking of President Trump — trade — from the potential of an all-out trade war with China, to other trading partners such as the European Union.

Under a Trump Adverse Policies scenario, inbound arrivals to the U.S. could potentially see up to 9 million trips wiped off the baseline forecast from 2019–2024, knocking 9.6% off the future tourism demand. Arrivals from Mexico to the U.S. would bear the brunt and would be severely impacted with a decline to see forecasts in 2024 reduced by a quarter to 16.9 million Mexican arrivals, amounting to USD5 billion less receipts.

Arrivals from Mexico are expected to grow by 2.8% in 2019 to 42.6 million, amounting to USD21.5 billion. Earlier this year, the Mexico Tourism Board took the unusual, yet bold, step of closing most of its offices world-wide and cutting back on its international marketing budget for promoting the destination. Many are concerned that this will have a knock-on impact on potential tourism demand. Other destinations will be looking on to see if this is the beginning of the end for the tourism board as we know it.

Digital transformation in motion

North America is well ahead of Latin America in terms of digital development, with 62% of all travel sales expected to be made online by 2024, compared to 31% respectively. Both markets are highly competitive particularly in the online travel agencies space. Despegar is by far the dominant player in Latin America and has doubled its market share between 2014–2019 to 9.1%, compared to Booking Holdings 4.6% and Expedia’s 2.1% shares.
At the same time, Latin America is beset by economic, political and social challenges, notwithstanding the deep crisis in Venezuela with refugees fleeing across the border to Colombia, a recession in Argentina, Chile’s economic slowdown and Brazil’s stagnation with a new right-wing President in power whilst fires continue to spread in the Amazon, heaping international pressure on Bolsonaro.

Mexico, meanwhile, is struggling from the trade situation with the U.S., where it has avoided tariffs being imposed by taking a strong stance about illegal immigration. However, the threat of President Trump building the southern border wall between the two countries looms large and the border has been closed to asylum seekers.

All these external factors are acting as a drag on Latin America’s travel and tourism potential. There were 85 million outbound departures from Latin America in 2019, with growth slowing down to 0.8% over 2018–2019. However, this contrasts with the growth opportunity from online travel sales, online travel sales to residents reaching USD 40.5 billion, with strong growth of 15% in 2019 where 64.1% of the population in Latin America use the internet.

Living in the real world

Social media has become seamlessly integrated into daily life across the world, with Facebook globally hitting over 2.4 billion users in 2019 and more than half of the population residing in the U.S. contributing to that number.
Despite the boundaries increasingly blurring between the online and offline worlds, especially for younger generations, there is still a strong preference by U.S. consumers to experience things in the real world, with 74% of consumers saying it was a priority for them in 2019, with Baby Boomers being the most experiential and Gen Z being less so by 15%.

Naturally, technology is a major enabler for U.S. consumers and 65% stated that they use technology to improve their day to day lives, which is fundamental to each stage of the customer journey. U.S. consumers also rate the value of engaging with different cultures, further driving interest in travel and tourism.

**U.S. Attitudes to Experiences 2019**

- I value real world experiences
- I use technology to improve my day-to-day life
- It is important to experience cultures other than my own
- It is important to spend money on experiences
- I seek curated experiences tailored to my tastes
- I value online virtual experiences

*Source: Euromonitor International Lifestyles Survey 2019*
Social moves offline
Related megatrends: Experience More, Shopping Reinvented

Importance of influence
Consumers are heavily influenced by social media when planning their trips in the pre-trip stage. Gen Z in particular are now starting to earn money and travel and seek inspiration from Instagram and YouTube. Leveraging influencers is an opportunity for highly targeted communication with travellers as they create discrete communities based on common interests.

For instance, African American travellers have been of growing interest to destinations as they are a largely untapped market and Bermuda, for example, aims to double the number of African American visitors by 2025. This type of initiative can be facilitated by targeting African American travellers through online communities such as Black Girls Travel Too, Black & Abroad or Nomadness Travel Tribe.

However, social media is also increasingly overshadowed by challenges such as data privacy and the importance of digital wellbeing. There has also been a push back on sharing experiences on social media, which has led to overcrowding and even the destruction of Instagram friendly locations. There is a growing backlash against irresponsible behaviour such as geotagging of sensitive locations and influencers taking pictures in risky situations.

Shortening the booking window
While social media in travel still largely serves as a source of inspiration and discovery, other industries show the potential of these channels for direct purchases. In Latin America, for instance, almost one-third of consumers have purchased something via social media in 2019.

Social commerce is beginning to emerge for the travel industry, albeit slower off the mark than other sectors like internet retailing as the boundaries between communication, purchase and experience are increasingly blurring. This drive towards an omnichannel presence is directing influencers from social media into the tour operator space, leveraging their communities to launch tours that are curated and more personalised.

Instagram launched s-commerce functionality in 2018 and has continued to roll out tools such as in-app checkout, all helping to shorten the booking window and enable more instant purchases directly with the consumer. Booking travel on Instagram is slowly emerging, with the launch of easyJet’s Look & Book functionality through its mobile app, or the Instagram-only app called Six Travel, where you can book hotels directly on Instagram from influencers’ stories or via a link in their bio. However, we are in the very early stages and the call to action buttons have yet to be rolled out for instant travel booking.
Case study: “Go back to Africa”

Picking up on the racist put down and frequently used phrase “go back to Africa”, Atlanta based travel and lifestyle company Black & Abroad launched a campaign in 2019 to change not only the negative meaning of the statement itself, but to promote African-American tourism to Africa.

The campaign is targeting African-American travellers which has traditionally been underrepresented among inbound visitors to the continent not only by empowering African-American in the U.S., but also increasing travellers’ spend in Africa and thereby supporting local development.

“We hope for this campaign to create a pipeline where black travellers can come to the continent and spend their money”, says Eric Martin, Co-Founder of Black & Abroad. Aside from taking away the power in the offensiveness of the statement and turning it into positive action, the campaign has also been an attempt to capture the attention of African tourism boards regarding the potential of African-American travel across Africa.

Case study: Traveling Jackie

Traveling Jackie is the founder of and inspiration behind an online travel community which started off as a blog, expanded via social media and has now also entered the offline space by offering guided trips across the world.
After studying abroad and traveling the world herself for ten years, Jackie launched The Budget-Minded Traveller blog in 2013, which was soon followed by her successful podcast and a second blog ‘Traveling Jackie’. Jackie is looking to inspire and equip her community to travel more. By sharing her personal experiences across all the different aspects of travelling, she has built a highly engaged community of likeminded people.

She is now also leveraging the Adventure Travel Trade Association (ATTA) to offer guided trips which she hosts, allowing her to create a closer connection with her followers.

Source: Traveling Jackie

For success in leading trips, don’t overestimate the numbers in your community. Be you, offer something unique, create those personal touches, connect with people through tools like Instagram, keep showing up and building trust, and they will show up, too.

Jackie Nourse, Traveling Jackie

Case study: Black Girls Travel Too

Based on the realisation that women of colour are underrepresented in the travel market, Black Girls Travel Too (BGTT) started off on social media with the idea to inspire and enable Afro-American women to travel the world.

Founder Dianelle Rivers-Mitchell grew up in Alabama and a trip to Washington lead her to start an Instagram account in 2015, to share the power of travel with other women, leveraging her Army logistics experience. BGTT, now with over 123,000 followers on Instagram, has moved beyond inspiration to become a boutique tour operator.
BGTT curates immersive experiences for like-minded women, that allow them to deep dive into different cultures by engaging with locals and embracing the destination, while travelling in an environment they feel safe in. Instagram is used to shift beliefs about what is possible for women of colour, while Facebook is used to create a more intimate community where women can share travel stories, recommendations and people to travel with. BGTT works hand in hand with the Barbados Tourism Board for their tours like the Crop Over Festival. New destinations on offer include India, Australia, Thailand and South Africa.

The idea of offering local and sustainable travel experiences is core to the company, which also inspires women at meet-ups across the U.S. and started offering ‘voluntourism’ through a newly founded philanthropic branch called Serving in Paradise Foundation, to help overlooked and underserved communities.

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**National tourism boards are concerned about influencers as they can’t tell from the number of likes how many convert into a flight or hotel booking. It’s therefore important to work with travel influencers such as those that own a tour company.**

Dianelle Rivers-Mitchell, Founder, Black Girls Travel Too

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**Subscription models**

**Related megatrends: Connected Consumers, Shopping Reinvented**

With leisure travel by nature being low frequency, it is difficult for travel brands to maintain a high level of engagement with customers as relations are often limited to rewards programmes. While other industries have managed to build long term relationships through subscription models, this type of business model is only slowly beginning to be explored in travel. New subscription models for hotels and flights are being tested by those eager to succeed where many have failed before.

**Emulating Netflix**

Following the Netflix-model, we see similar subscription services successfully being replicated across consumer industries from apparel and footwear, beauty products and books to meal kits and flowers.

Consumers, especially Millennials and Gen Z, see subscription services as a tool to reduce time and effort spent shopping, tapping into the access over ownership trend. Globally, 50% of users rated subscription services for their convenience and choice with 33.6% using them to enjoy a variety of new products and services.
AI and machine learning technology helps to provide personalisation, as seen with Netflix’s infamous algorithms for personalised recommendations that brands across the consumer spectrum aspire to emulate, where the company has 60 million paid subscriptions in the U.S.

Uber is one of the latest examples, showing the power of subscription in building customer loyalty. Leveraging the sum of its features, Uber is now piloting a subscription service in two U.S. cities, San Francisco and Chicago, which includes ride discounts, the use of JUMP bikes, scooters and Uber Eats deliveries as part of a monthly subscription. TechCrunch reported that the service costs USD24.99 per month.

### Subscription Service Use 2019

![Subscription Service Use 2019 Chart](chart.png)

Source: Euromonitor International Lifestyles Survey 2019

**Case study: Inspirato**

Inspirato started off as a luxury travel private members club in 2011 which curated personalised holidays in high-end vacation homes with bespoke experiences.

In 2019 the company launched the Inspirato Pass, a subscription model like the “all-you-can-consume” model in other industries. At a monthly fee of USD2,500, Inspirato offers travel with no nightly rates, taxes or fees for 60,000 trips, staying in an Inspirato residence, hotel or resort in 200 destinations worldwide. The service provides a travel advisor for the planning stage, onsite concierge and cancellations up to 3 days before with no penalty, while flights and other expenses are excluded.
Whereas travel clubs and privilege passes are not new to the travel industry, they tend to be subject to various limitations such as time and costs, which do not necessarily increase convenience for travellers. Inspirato’s flat rate model overcomes this barrier, thereby making it more attractive to consumers and likely to increase member loyalty.

The subscription model helps to bridge vacancies during the low-season as the properties available to subscribers are based on an algorithm that calculates which properties generate the highest loss if they are not booked.

The conceptualisation of Inspirato Pass was a natural next step evolution for luxury travel

Brett Handler, Inspirato CEO

Case study: Wanderift

The idea of a subscription model for flights has been tested by a number of different players already, including JetBlue with the ‘All-You-Can-Jet-Pass’ in 2009 and Lufthansa with the ‘Flightpass’ in 2017, yet while these pilots were usually discontinued after a short time, the fact that the idea is being revisited over and over again is proving its validity.

Founded in 2017, Dallas based app Wanderift offers a new flight subscription service. For USD396 subscribers get three one-way flights to various U.S. destinations per month. Wanderift has added rollover tokens to the flight subscription model, so if flights are not used in one month, they can be rolled over to the next month or even shared with other Wanderift subscribers, where one token amounts to one flight.

Wanderift currently works with 10 U.S. airlines including American Airlines, United and Delta, offering just 20 destinations mainly in the U.S., where unsold seats can be filled, and travellers can plan with fixed prices. However, there is slightly limited flexibility regarding the timing of bookings that need to be made 8 days in advance. Wanderift claims to have a 94% success rate in offering the specific flight requested by subscribers. Its main competitor is SkyHi that offers flights to Europe and North America, for a monthly fee of USD199 that covers five one-way flights per month. SkyHi offers 800 routes, saying that it takes pricing out of the flying equation, boosting last minute travel.

Luxury hotels sales amounted to USD16.4 billion, with a forecast CAGR of 2.8% over 2019-2024.

JetBlue was the fifth largest airline in the U.S., with a 3.9% market share in 2019
Middle East and Africa

Middle East diversification
Despite the challenges of war in Syria and Yemen, the Middle East and Africa continues to enjoy sound growth in travel and tourism, with departures from the region estimated to grow by 5.6% CAGR from 2019–2024, to a 145 million forecast by 2024.

Egypt is well on the road to recovery, with arrivals expected to exceed the peaks before the downing of the Russian airline and travel bans. The Ministry of Tourism is partnering with the likes of TripAdvisor as well as with regional stakeholders such as Saudi Arabia for the development of the Red Sea project. The country is focusing on its new markets of India, China and South Korea, as well as encouraging core markets like the U.K. to return by promoting Egypt’s safety and improving hotel quality standards. The country has witnessed increased investment in luxury hotels and international chains and was buoyed by hosting the Africa Cup of Nations earlier this year.

Tourism remains one of the leading focus areas of Vision 2030 as Saudi Arabia tries to reduce its dependency on oil-based revenues. The country is opening up to non-Muslim leisure tourists thanks to the Red Sea Project with a focus on sustainable luxury development and its new tourist visa scheme. The country also hosted the G20 Leaders’ Summit recently, however, controversy surrounds the kingdom due to the 2018 murder of journalist, Jamal Khashoggi in Istanbul.
The UAE economy will pick up steam in 2019 driven by an increase in government spending, especially large investments in infrastructure as part of the preparations for Expo 2020. Growth in tourism has accelerated thanks to new flows of Chinese and Russians — despite the ban on Qatari arrivals after cutting diplomatic ties. Next year looks promising due to Expo 2020 with 25 million international and domestic visitors expected, although concerns about oversupply remain high. Preparations include the airport expansion, use of biometrics and pioneering innovative technology like artificial intelligence, smart devices and driverless cars, which is all part of the government’s Fourth Industrial Revolution strategy.

Destinations like the UAE will also benefit from the Qatar 2022 FIFA World Cup that will attract football fans from the world over to the region.

**Middle East and Africa Travel Category Sales 2019 & 2024**

The Middle East and Africa grew from a low base in terms of digital commerce value sales compared to other regions, having only recently embraced digitalisation. While a clear division exists between the Gulf and African countries, the improvements in connectivity and digital infrastructure, as well as successful partnership between international e-commerce players and local ones have helped narrow the gap.

The UAE is the most digitally developed country in the Arab world, thanks to its tech-savvy population, dominated by expats who have high purchasing power. The UAE and Saudi Arabia are both, investing heavily in developing their digital commerce platforms, along with launching mobile apps where consumers are highly comfortable with downloading and using apps. In terms of online travel penetration,
28% of all travel sales are expected to be conducted online in 2019. Local players like Tajawal, Rehlat and Al Mosafer are leading the fight against international online travel agencies, whilst Seera is investing in digital platforms as part of its ongoing digital transformation.

### Middle East and Africa Internet and Mobile Telephone Subscribers 2019–2024

![Graph showing Middle East and Africa Internet and Mobile Telephone Subscribers 2019–2024](image)

Source: Euromonitor International from International Telecommunications Union / OECD / national statistics

**West Africa implementing long-term tourism strategies**

Ghana has implemented a 15-year strategy aiming to raise the number of arrivals from one to eight million annually by 2027, through marketing Ghana as a tourist destination by improving data-gathering systems, expanding tourism infrastructure and internal flights, improving highways, electricity and water supplies and opening up to visitors from new markets. Ghana has designated 2019 as the ‘Year of Return’ tourist campaign to commemorate 400 years since the first enslaved Africans arrived in Jamestown, Virginia, United States. The government has been running a massive marketing campaign targeting African Americans and the diaspora and various events have been arranged to promote the cause.

In Senegal, tourism is one of the strategic sectors in the Emerging Senegal Plan (ESP), launched in 2013 to position the country as an emerging economy by 2035.

In The Gambia, the government offers investors free land if developers build hotels in designated areas and gives investors a 10-year tax break if they invest above a USD250,000 threshold. Eco-tourism has been identified as an underexplored, highly viable niche market including birdwatching.
While in Central Africa, the Democratic Republic of Congo was afflicted by an outbreak of Ebola that so far has claimed the lives of 1,998 people, with 893 survivors as of August 2019, according to the World Health Organisation.

People Power in Africa

Related megatrends: Shifting Market Frontiers, Experience More

Trend Summary

Tourism in Africa is rapidly changing, moving away from its historical focus on wealthy international travellers and high-end lodging, towards a people-driven cultural exchange that is showing off the continent’s beauty and diversity.

This movement is strongly driven by entrepreneurs, start-ups and influencers that leverage the growing connectivity across Africa and internationally to communicate their ideas and set up businesses that not only disrupt the travel industry but also seek to change the narrative and common misperceptions around the continent.

Growth in tourism across the continent is increasingly driven by visitors from other African countries. The rapid rise in intra-regional tourism underlines the confidence and desire among Africans to explore and enjoy their own continent. In South Africa, the launch of e-visas, capturing biometric data, is expected to further facilitate travel. The launch of the African Tourism Board is another means by which the continent can speak with one voice and drive sustainable tourism and achieve a one Africa approach to travel and tourism.

Arrivals to Sub-Saharan Africa will reach 45.9 million in 2019

Africa Intra-regional Arrivals by Country 2019 & 2024

Source: Euromonitor International

Note: Arrivals from within Africa
Case study: TVP Adventures — discovering Africa
Funmi Oyatogun, a female entrepreneur based in Nigeria, who trained as a geographer and environmentalist founded TVP Adventures — a one-stop-shop for all-inclusive experiences with a mission to ‘uncover Africa for Africans’. This was built out of the need to remove the disconnects and disjointed booking processes when travelling in Africa, and technology is the most efficient way to achieve this.

Through TVP Adventures, Funmi plans and creates bespoke trips and then promotes them on social media where she has a large following as a travel writer and presenter. TVP Adventures has organised dozens of local and regional trips and led thousands of people on trips across Africa with a focus on Nigeria, and international trips planned for later this year. Trips offer a mix of adventure, nature, beach and culture in destinations like Uganda and combi-trips like Ethiopia and the Seychelles. The company also permits payments in instalments, which is a more convenient way to pay for a wider range of travellers.

Funmi attributes her success to Twitter which “has been great in helping to build a travel community who have then converted to clients”. She has also been recognised by news outlets such as the BBC for the travel content she produces.

There has never been a time in history more saturated with African storytellers, exploring their corners of the continent and sharing these stories with the world.
Funmi Oyatogun, CEO and Founder, TVP Adventures

© Euromonitor International
Case Study: Naija Nomads — Encouraging Nigerians to travel

Mofe Runsewe, a young and inspiring Nigerian, created an online travel company after an eye-opening trip to Morocco in 2011. On her return home, she became very conscious that there were no online resources that Nigerians could relate to and saw this as an opportunity. Mofe set up her own travel platform in 2015 and since then Naija Nomads has evolved from a blog to a full company that provide all kinds of travel needs from itinerary content to experiences. The company currently has 16,500 Instagram followers.

The company ensures that they respect cultures and customs in the destinations by tailoring trips to what suits the local destinations. Another way that they are impactful is by supporting local businesses and communities when traveling by undertaking local experiences such as basket weaving.

We curate group experiences at Naija Nomads, focused on destinations that are Nigerian passport friendly.

Mofe Runsewe, Founder, Naija Nomads

Nigerians will take 1.9 million outbound trips, spending USD3.2 billion in 2019

Travel start-ups in the Middle East

Related megatrends: Connected Consumers, Shifting Market Frontiers

Tech hubs take travel to the next level

In the Middle East, most travel searches and booking activity still happens offline although online travel activity is growing exponentially and there are substantial opportunities for technical innovation — in back-end systems, payment platforms, mobile booking interfaces and personalised travel. The UAE, like many other Middle Eastern countries aims to diversify its economy and reduce their dependence on oil revenues, while boosting tourism and widening the contribution of start-ups using regulatory reform, financial incentives and investment in tech hub infrastructures.

Abu Dhabi has launched several initiatives to incentivise and support entrepreneurs. For instance, a consortium of four Abu Dhabi organisations including the Department of Culture and Tourism and Etihad Aviation Group partnered with venture capital firm Wamda Capital, to launch an accelerator programme for travel and tourism-focused start-ups. The initiative — called Fikra Labs (“fikra” meaning idea in Arabic) — is also supported by the Emirate's financial free zone. The travel incubators will be based at Hub 71 on Al Maryah Island alongside start-ups in other sectors such as transportation, autonomous driving, life sciences and cyber security.
Dubai’s Department of Tourism & Commerce Marketing (DTCM) recently initiated the third edition of the Futurism Program, an accelerator program for tech start-ups globally with the aim of creating distinct tourism experiences.

DTCM want to encourage start-ups to develop products and solutions in hyper personalisation, digitising operations and conscious travel. They will also welcome start-ups who focus on engaging travellers worldwide to make Dubai their destination of choice.

Commenting on how the program aligns with Dubai’s long-term goal to become a global hub for tech start-ups, Yousuf Lootah, Executive Director — Tourism Development & Investments, Dubai Tourism said, “The programme certainly marks an exciting time for our thriving start-up ecosystem, and sets out to endorse transformative experiences that can help drive the city’s tourism industry into the digital age”.

**New Businesses Registered in the Middle East 2013–2018**

![New Businesses Registered in the Middle East 2013–2018](image)

*Source: Euromonitor International from World Bank*

**Case study: Plug and Play**

Plug and Play’s Travel & Hospitality Innovation platform was founded in 2016 at their Silicon Valley headquarters, focused on discovering, supporting and scaling disruptive technologies which are reshaping the future of travel. The Plug and Play team, Abu Dhabi Global Market (ADGM) Etihad Airways and the Department of Culture and Tourism Abu Dhabi will be working together to curate a selection of highly rated start-ups sourced via their global network.
With an aim to boost the region’s travel and hospitality sector, the program started in the third quarter of the year, with the first batch of start-ups taking up office at ADGM. Miral, Abu Dhabi’s property developer behind Yas Island will also participate in the programme, wherein start-ups will be able to benefit from regular workshops, private events and networking sessions. Partners would also be able to leverage Plug and Play’s global ecosystem from over 25 travel and hospitality companies around the world.

Case study: HolidayMe

The start-up travel agency HolidayMe began in its home market of Dubai, entered Saudi Arabia and other Middle Eastern countries and is now expanding its footprint to South-east Asia through its merger with Muslim travel site, Tripfez. It claims to be the first company to offer Arabic vacation packages and regional tours, activities and airport transfers for booking. The company has raised USD23 million to date.

CEO Geet Bhalla, who started HolidayMe in 2014, says the merger would allow it to enter new Muslim markets beyond the Middle East such as Malaysia and Singapore. “It is time to take our brand beyond the Middle East to tap into the massive Muslim travel market. 10 million people a year travel on Umrah packages and that number is projected to grow to 30 million by 2030. HolidayMe is immensely interested in this promising market and we are working on an initiative that will see us take a lead in the sector”.

Mobile travel sales are worth USD2.2 billion in the UAE, Egypt and Saudi Arabia in 2019
Conclusion

The global travel industry continues to power on. However, there is a change in the air as climate activism is leading to greater awareness of climate change and the need for sustainable development. New business models and digital tools are emerging to encourage consumers to choose more sustainable alternatives. Furthermore, the tide is turning on inclusion where travel brands and destinations are slowly waking up to the need to be accessible for all visitors, regardless of age and ability, leveraging new technology to deliver truly personalised experiences.

Social media continues to be a big influence on consumers when planning their trips, seeking inspiration from Instagram and YouTube. Now social commerce is emerging, where you can book hotels directly on Instagram from influencers’ stories and influencers are also making the move from social to tour operator and taking their followers with them, using storytelling and content to promote specific regions. Investment in technology is key to help travel operators stay ahead of the competition with more companies looking into new business models like subscription or working with Super Apps as a way to meet consumer needs for greater convenience and a seamless user experience.

Methodological Notes

Values are provided at fixed 2019 exchange rates at constant 2019 prices.

Scenarios from Euromonitor International’s Travel Forecast Model have been run for the first quarter of 2020.
About the Author

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