After years of delaying vacations due to the economic downturn, travelers of all ages and economic brackets are ready to hit the road once again. Yet they are no longer content spending their travel dollars to sunbathe on a generic beach, or visit the same old tourist attractions. They want to see the world, break out of their comfort zone, and rub shoulders with locals in faraway lands.

Recent reports from across the travel industry show a shifting attitude about where today’s consumers want to travel, how they research their vacations, and who they are willing to work with to make sure they have the best experiences. Travel companies should pay attention because these trends offer both opportunities and challenges as they position their businesses for the future.

An Appetite for Exotic Travel Experiences

One of the biggest travel trends for 2014 is the desire to go abroad, says Terry Dale, president and CEO of the United States Tour Operators Association (USOTA). “There is a growing appetite, among US consumers especially, for international travel and exotic travel experiences,” he says.

Even individuals who have never traveled abroad are considering overseas trips as they plan their next adventures. In 2013 there was a four percent rise in international trips, with countries in Asia and Europe among the most popular destinations, according to the 2013/2014 World Travel Trends Report from ITB, a global travel
“THERE IS A GROWING APPETITE, AMONG US CONSUMERS ESPECIALLY, FOR INTERNATIONAL TRAVEL AND EXOTIC TRAVEL EXPERIENCES.”

Terry Dale, president of USOTA

trade show producer. And 2014 is predicted to see an equally robust 4-5 percent growth forecast for international travel as the world economy continues to improve.¹

Along with seeing more travelers heading overseas, the ITB research shows spending among travelers averaging $1,659 per foreign trip, and that for the first time in several years the average length of an international trip – just below eight nights - did not decrease. “The tourism industry around the world will undoubtedly benefit from the global economic recovery… and from the unanimously positive forecasts for every major economic zone,” Dr. Gernot Nerb, an economic expert at the Munich-based Institute for Economic Research, told participants of ITB’s World Travel Monitor Forum, held in Pisa in October 2013. “We are on an upward path for the next two years.”²

When choosing destinations, Europe tends to be the first choice for novice global travelers, though South American and Asian countries are gaining popularity, Dale says. Whether it is a trip to Brazil for the summer Olympics or a desire to roam the streets of Bangkok, travelers are getting more adventurous. But they need help planning and implementing these once-in-a-lifetime experiences, he says.

This is where travel companies can provide their knowledge, experience, and global reach. Travelers are excited to visit foreign countries, but they don’t have the experience to plan these trips, and they are nervous about their health, safety, and ability to operate in a country where they may not understand the language or currency. Dale urges travel companies to fill in those gaps for travelers by developing more extensive networks of hotels, local guides and other resources in a broad range of countries – “not just in Europe,” he
says. Ideally travel companies will offer customers authentic travel experiences across the globe, and are able to provide customers with access to trusted professionals on the ground who can ensure their trip goes well.

You also want to anticipate the needs – and concerns – of varying traveler profiles, and be ready to address those issues through the travel planning process. For example, according to AIG Travel’s 2014 Travel Guard® Update, families planning international trips are most interested in finding destinations that are affordable and offer local activities for adults and children, and they are most concerned about medical emergencies (32%), security/safety (29%), and trip interruptions/delays (24%).³

Offering these travelers a range of choices, and addressing their fears up-front will go a long way in securing customer confidence that you can provide them with a safe but exciting experience they will never forget.
As part of the effort to get out of their traveling comfort zone, today’s travelers want to do more than just see new destinations. They want to immerse themselves in them.

In an American Express survey of more than 2,000 adults in the U.S. conducted in 2013, more than 72 percent of respondents said they would rather spend money on experiences than things. In a related survey of American Express Travel Counselors, conducted in 2014, 34 percent said cultural immersion is what their customers would be seeking above all else from their 2014 summer vacations.

“Consumers want to have life-fulfilling experiences when they travel, and they are seeking travel experiences that closely align to their own personal values,” Laura Fink, VP of marketing at American Express Travel.

In a related poll conducted by American Express, one third of the company’s travel counselors said customers planning summer travel were “specifically looking to immerse themselves in the destinations they visit and to travel like a local.”

The interest in these authentic cultural experiences is being driven in part by social media. Advances in technology, such as social networks, have made exposure to other travelers experiencing amazing places and accomplishing their travel goals part of daily life for people. This inspires them to buy their own travel experiences.
These travelers want to feel like they are part of the community. That can mean dining at restaurants or going to clubs frequented by locals, rubbing shoulders with artists and musicians, or interacting with the community in other ways that make them feel like they’ve experienced the true essence of that destination.

To meet the needs of these immersion travelers, travel companies need to think beyond mainstream travel packages and provide customers with unexpected experiences they can brag about on Facebook and other social networks to their friends and followers.

They can do this by creating trip packages that are inspiring, personalized, and offer a “path toward self-discovery,” according to Skift.com’s June 2014 report, The Rise of Experiential Travel. Travelers strive to be inspired by their trips abroad, according to the authors, as they aspire to become “more dynamic and informed citizens.”

In crafting these packages, look beyond the major hotel chains and restaurants to research more unique opportunities, Johansson says. “Many hotels and resorts are now offering more ‘local experiences’, with unique dining opportunities and destination tours,” he says. Working with these companies travel agencies can give customers the unique travel experiences they seek.

“CONSUMERS WANT TO HAVE LIFE-FULFILLING EXPERIENCES WHEN THEY TRAVEL, AND THEY ARE SEEKING TRAVEL EXPERIENCES THAT CLOSELY ALIGN TO THEIR OWN PERSONAL VALUES.”

Laura Fink, vice president of marketing at American Express Travel
3 Millennials Matter

The millennial generation has officially grown up. While the youngest subset of this demographic are still in their teens, the oldest are in their 30s. They have jobs, spouses and kids, and their travel interests and expectations are having an ever-larger impact on the industry.

“The willingness of millennials to purchase packaged travel is greater than we expected,” says Dale, whose organization recently conducted a study, with Cornell University into the behavioral characteristics of millennials. Travel companies should seize opportunities to build relationships with this demographic group, notes the USOTA report.9

The study found that millennials have many similar characteristics to the 35-44 and 45+ age groups in terms of travel goals. Like most demographic groups, roughly half of millennials like “controlled spontaneity” in their travel. They want to stay at respectable hotels, engage with strangers, and enjoy spontaneous activities without an overabundance of risk.10

However, millennials have traveled more internationally than other age groups, suggesting that the destinations they choose for these controlled spontaneous events may be further abroad than previous generations.

The USTOA data also shows they are likely to use tour operators to plan these experiences, and to recommend tour operators who accommodate their needs to friends and family.11 That is good news for travel companies, Dale says. “These are the customers of the future.”
Similarly, the Skift report found that younger travelers are more open to local tour firms rather than big national travel brands, in part because they believe these local firms will provide them with more authentic, deeper travel experiences. More than 80 percent of 18-34 year olds surveyed said they use local firms when booking travel with friends and family, versus less than 60 percent of those 55 and older.  

However, this group won’t engage with travel companies the same way that their parents did. These are smart, tech-savvy consumers who expect great customer service through multiple channels, customized products, adventurous trip options, and round the clock access to information. “They are much more mobile savvy, and they are all about travel apps and technology,” Dale says.

While they will use tour operators to book trips, they will do a lot of their own research first. They rely on friends and family for travel recommendations, and they will scour the internet for unusual travel ideas to feed their plans. “You’ve got to get into the social media space to capture the millennial audience,” Johansson says.

Once they’ve made a travel decision, they will expect all of their travel vendors, including online travel agencies, tour operators, hotels, airlines, and excursion leaders, to offer detailed information about their offerings via mobile enabled websites, and they will want to complete transactions online in real-time.

To appeal to this demographic group, travel companies need to build user-friendly mobile enabled websites, implement easy-to-use transaction tools, and provide the latest information around the clock, Dale says. “This is a place where we as an industry really need to raise our game and respond to customer demands.”

“THEY ARE MUCH MORE MOBILE SAVVY, AND THEY ARE ALL ABOUT TRAVEL APPS AND TECHNOLOGY.”

Terry Dale, president of USOTA
Google’s 2013 travel study, released in November, found that leisure, business and affluent travelers rely on digital inputs more than ever to make decisions. According to the study, 68 percent of travelers began researching travel destinations online before deciding where or how to travel – up from 65 percent in 2012; and 42 percent say they are more likely to use their smartphone or tablet for travel or vacation-related information while on a trip versus 33 percent in 2012.

However, their use of mobile devices hasn’t yet fully translated to mobile transactions. The IBT report shows that worldwide bookings by smartphone account for only about two percent in developed markets (USA, Europe, Japan), and four percent of outbound trips in China.

And when they do book travel via mobile devices it’s usually because they are in a hurry. “When booking international trips with smartphones and tablets the search is done quickly and spontaneously,” Rolf Freitag, president of IPK International, was quoted in the report as saying. He notes that 70 percent of hotel bookings made via smartphone are decided on within 24 hours.

“Future oriented research shows that the potential for high-speed travel decision making is bigger once supply becomes more fragmented and diverse. The travel industry should be prepared for this.”

IBT predicts that as more mobile-friendly travel apps and transaction tools become available, mobile booking will become more prevalent.
To take advantage of these technology trends, companies need to invest time and resources in both front-end marketing efforts and back-end technology. That includes building a mobile enabled website, and developing a social media presence through which they can encourage customer reviews, and offer value-added content in the form of blogs, videos and social media posts.

“If you want to serve the consumer of the future, you need to be accessible via desktop, laptop, tablet, mobile, and the phone,” Johansson says. “Having an effective technology platform will allow consumers to access you when they want and how they want.”

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9 Do Millennials Matter? A Behavioral Look at Tour Travel. pg. 2. USTOA and Cornell University.

10 Ibid, pg. 4 & pg. 16.

11 Ibid, pg. 3.


