15 DESTINATION MARKETING TRENDS TO WATCH IN 2015

TOPOSOPHY
DESTINATION MARKETING AGENCY

ATCOM BUSINESS UNIT
Here at Toposophy we believe that you can only take the best decisions when you can see the bigger picture - so we’re starting the New Year with in-depth analysis of the biggest trends emerging in global tourism and marketing.

Will the Apple Watch break new ground where other tech wearables have failed to do so?

Will this be the year when we see Airbnb take the leap and merge with a major online travel agent? Will we ever reach ‘peak selfie’?

Will DMOs take more initiatives in community and economic development?

Discover our top 15 travel trends for 2015...
Tourism resilient in spite of turbulent global economy

You wouldn’t think there was much to celebrate from a glance the newspaper headlines that have emerged in few days since we entered 2015. Terrorism in France, Eurozone instability, flat growth in the emerging markets and impending gloom for the Russian economy, compounded by falling oil prices and the ongoing conflict in Ukraine.

All of these will have consequences for the tourism sector and yet, not all the headlines spell doom and gloom. Firstly, UNWTO reports that 2014 saw another year of record growth in tourism, with 1.1 billion people crossing international borders. This time, the Americas led global growth at 8% and Europe, still the world’s most visited region, event posted a respectable 4% growth for the first ten months of the year. European cities are also on target to post 5.1% growth in international bednights too, with smaller cities in Central and Eastern Europe leading growth according to ECM.

Looking ahead, Euromonitor forecasts that 2015 will see the global economy grow at its fastest rate in three years. While falling oil prices may harm the oil-producing nations (notably Russia), it spells luck for major importers of oil such as India and Japan. The world’s hard-pressed airlines will be thankful for a reprieve, too. Real GDP growth in the US is expected to reach 3.3% this year, and a strong dollar is likely to bring hope to the many destinations around the world that have looked forward to the return of the US traveller.
Emerging markets: The pie gets bigger

China’s economic growth may slacken to 6.8% in 2015 (still the kind of growth many European economies can only dream of at the moment) but its outbound travellers are still showing a big appetite for discovering the world’s major (and minor) destinations. In fact, according to the European Travel Commission Chinese inbound travel to Europe grew by 15% for the fifth consecutive year in 2014. The strongest growth in arrivals was recorded by some of Europe’s lesser-known destinations for Chinese visitors: Serbia, Latvia, Estonia and the Czech Republic. While this growth starts from a low base, it demonstrates that Chinese travellers aren’t just heading for the handbags on the Champs Elysées. Outbound Chinese travel tastes are quickly becoming more complex and huge passenger volumes are rapidly changing tourism industry dynamics far beyond Asia. Only those who take the time to understand this complex market can expect to win in the race to attract the Chinese traveller.

There’s nothing like ending one year and beginning another to remind us that nothing lasts forever, and that certainly can be said for European destinations. Sharp declines in the value of the Russian rouble and a resulting drop in spending on travel by Russians have taught many destinations in Europe that not all growth from emerging markets is always strong or continuous. All types of destinations from German ski resorts to Spanish beaches have registered a fall in Russian tourists.

At the same time, tourism destinations are recommended to pay attention to the most inclusive among emerging market acronyms. For several years the BRICS have driven economic growth in the travel industry, but the NEXT11 countries are also regarded as increasingly important source markets whose geographic spread over three continents is indicative of their global dynamics.
The sharing economy: Is this the end of tourism as we know it?

2014 has been a dramatic year for sharing economy platforms operating in the travel sphere, with a few local governments taking action to clamp down on 'illegal' rentals, and many others working to integrate private rentals alongside the traditional accommodation industry. Platforms like Airbnb are no longer rebellious outsiders; in late 2014 one of Europe’s major airlines KLM signed an agreement with the company to convert an aircraft into a spacious loft and for passengers to book Airbnb properties direct through the airline’s website.

Still, the rise of the sharing economy is bound to create winners and losers and fierce opposition has forced authorities to make rapid changes to legislation. In Spain, Catalonia’s regional government fined Airbnb twice last year for posting ‘illegal’ rentals, pleasing hoteliers, causing outrage among hosts in the city and generating a storm of negative media coverage. Battles also took place in New York and Berlin between authorities looking to relieve pressure on spiralling residential housing costs, and hosts looking to supplement their income by renting to tourists. Working in partnership with Airbnb (which now processes over 1m bookings per month) Amsterdam made a compromise and one which, for the time being, seems to be working. Hotel brands too, have started to get a piece of the action, with Marriott developing its Liquidspace concept to rent out spare hotel meeting space and Hilton giving travellers an appartment rental option through its Homewood Suites.

Accommodation, transport, restaurants, tours and activities are all seeing their own versions of peer to peer commerce appear and grow rapidly. There are many drivers behind this phenomenon beyond simple cost-saving. DMOs which are often required to mediate and legislate amidst all this rapid change need to keep up with what’s happening and ensure they avoid a PR disaster when taking action. That’s why in 2015 Toposophy will be launching a series of reports & workshops that will help professionals at all levels understand what’s happening and how they can best adapt their destination to the sharing economy. Stay tuned for more!
Creative clusters, citizen-sensor networks, crowd-planned projects, architectural infographics, micro-parks, interactive info-points and many more new and existing developments are changing citizens’ everyday life and visitors’ experience as well.

Today there are 28 mega-cities worldwide, home to about 12% of the world’s urban dwellers. By 2030, the world is projected to have 41 mega-cities with 10 million inhabitants or more. Aside from attracting people to live, many authorities including ETOA are convinced that the future of tourism lies in cities too. However, ensuring that the visitor experience matches the marketing hype is a major challenge.

In November we discussed how technology (in particular ‘the internet of everything’) and the sharing economy can make real improvements to the visitor experience in simple, fun ways that visitors can easily engage with. As Toposophy CEO Manolis Psarros explained in his WTM presentation, this is not matter purely for techno-geeks; smart city management has to respond to a genuine need (such as improving visitor flows, traffic or simply travellers’ desire to meet the locals) and be so easy to use that visitors take to it naturally, wherever they’re from.

We all have complaints when it comes to how cities are run, but there are plenty of great sources of inspiration out there, such as these cities in the UK, or these innovative ideas from around the world.
It sounds obvious to those who already work in the travel industry but it’s a fact that’s becoming more and more apparent to major corporate brands outside of the traditional travel sphere. Credit card companies, equipment suppliers, telecoms and retailers all have a major interest in the global traveller as globalisation and the era of ‘internet everywhere’ blur the lines between work vs. home and global vs. local. Catching the eye of image-conscious Chinese travellers is the main reason why high-end Chinese fashion label Bosideng opened a store in a prestigious London shopping district in 2012 while Mastercard’s Global Destination Cities Index has become a well-known benchmark, helping to firmly associate the credit card company with the dynamics of global travel. Expect more big-name partnerships and acquisitions in 2015, especially as more corporates enter into agreements with Chinese partners to get a slice of the burgeoning outbound market there.
In 2015 DMOs will continue to be challenged from all sides. Consumers expect more data of every kind live, and in the palm of their hand. At the same time they expect to be informed, entertained and thoroughly engaged in the life of the place they’re visiting and if things aren’t right, you can expect bad reviews and bad press to follow in real-time. Meanwhile, governments expect tourism authorities to do more work with less money while third-party platforms assume much of the traditional role DMOs in acting as a portal for accommodation and attractions. Overcoming these challenges to become a successful DMO at the heart of a successful destination will mean taking on new roles, while letting go of some others; ie. growing up and spreading out.

A driver of economic development
A combination of natural growth in visitor numbers and resourcefulness in facing economic challenges has caused many more governmental authorities to wake up to the power of tourism as driver of local economic development. One of the key findings of last year’s Destination Marketing Association International’s Destination-NEXT report was that governments are demanding that DMOs play a bigger role in community and economic development. For many years, DMOs have complained that tourism isn’t given adequate recognition or high enough portfolio. Well now things are changing. It’s time for DMOs to be proactive in addressing this need to become more engaged in addressing economic issues such as youth unemployment, innovation, small business support and advisory services.

Integrated destination marketing and management
Government scrutiny of DMO return on investment (particularly on marketing budgets) and consumer demands for better information and experiences are only going to increase in the years to come. Meeting these challenges on all fronts will require a more efficient, intelligent way of working; properly integrating destination marketing and management across platforms and with many new partners beyond the tourism sector.

As Toposophy CEO Manolis Psarros explains, DMOs need to move quickly into a role of attracting visitors in more intelligent ways (rather than splurging big bucks on marketing channels with questionable ROI), and become advisers and enablers with private sector partners, rather than seek to ‘manage’ every situation that occurs. This approach requires constant engagement with the end user (local residents as well as visitors).
Make 2015 the year for understanding the Millennial mind-set

Millennials are leading the development of the sharing economy, being the motor behind the growth of peer-to-peer sharing (more on that below).

More than any generation they seek to connect with their chosen destination on a much deeper level: explore the backstreets, meet the locals, try new foods and get involved in local projects. The way they spend means that spending doesn’t always trickle down through the traditional channels.

Having grown up in the era of ‘internet everywhere’ Millennials will be the earliest adopters of wearable technology and expect to be connected at every step of their journey.

As this article in HuffPost nicely explains ‘they have enough energy to experience a city in the evening, at midnight AND during those early dawn hours where it’s just them, the rising sun, and the guy who makes burritos at the food cart.’
Seeing is believing:
Through the eyes of your customer

This important lesson applies to the art of developing attractive tourism products, even in the rather sedate world of golf. Who could imagine that? Well, as Ralph Lauren’s blog explains, golf (traditionally associated with the comfy world of luxury travel) is in the midst of a crisis as young generations consider it too hard, too expensive and too slow for 21st-century lifestyles. This is naturally affecting golf tourism too. Fortunately the fashion label (which has an interest in the ongoing attraction of golf to future generations) has thought creatively and has been behind many efforts to think outside the box and bring golf to new players in new markets. On the other hand, taking an existing product and creating a new audience entirely is what’s behind this cool project to turn a Canadian park into an illuminated forest.

Understand how your customer sees your prime products is therefore essential if you don’t want to end up marketing an obsolete product to an uninterested audience. The stakes are even higher when there’s more reputation or financial gain involved, i.e. in the rapidly evolving world of luxury travel. Combining intelligent service design (as explained brilliantly here) with attractive tourism products will therefore become increasingly standard for DMOs that want their products to remain eye-catching to the restless consumer and a pleasure to enjoy.
'Bleisure' will become big business

Meeting planners, high-end hotels and convention bureaux take note! Combining business trips with personal leisure time is rapidly becoming popular with big implications for anyone who’s catering to business travellers with money to burn.

A range of factors are behind this trend: rising airfares and holiday costs are pushing business travellers to make the most of trip abroad; employees travelling off-peak to save costs and perhaps most importantly of all, social media and location based apps are making business travellers more aware of the people, attractions and possibilities around them. In 2015 airline and hotel loyalty schemes will start to seriously tap into this trend but it won’t be easy; many sources point Millennials at the heart of this trend, being the generation that habitually uses tech to get the most out of the world around them. In the coming year DMOs that are able to communicate with the ‘bleisure traveller’ could stand to win big.
'The early bird catches the worm' has been the mantra of travel distribution for many years now, driven by the rise of online booking that encouraged early bookers to take advantage of the lowest fares or cheapest hotel rooms. But what if traveller behaviour forces a change in this way of selling rooms, airline seats and much else? Recent research by lastminute.com has revealed that in the UK 19% of travellers use their mobile phone to book getaway breaks on the day of travel and over half (59%) are booking getaway breaks in the same week they depart. Reaching these travellers will mean that the game of catching these consumers’ imagination and encouraging them to book just got much much shorter. For destinations, engaging content, eye-catching offers and real-time conversations with customers will be essential to placing your product in the right place at the right time when travellers press that ‘book now’ button.
The luxury of silence

While it’s great to wave that selfie stick or get that near-impossible shot from the depths of the sea or the top of a mountain with a GoPro, it’s likely that sooner or later travellers (even ultra-connected Millennials) will look for a destination that can give them the space they’re looking for offline as well as online. Gadgets soak up our precious attention throughout the day, and when night comes, white light from mobile devices can even disrupt sleep patterns. It’s no surprise that consumers are seeking ways out, ways to disconnect, meditate and breathe (oh, and there’s even an app for that).

In some ways, precious downtime has become a commodity that can be sold at a premium, so that’s why destinations that can offer spas, yoga retreats, fresh air, stunning views and all the associated products that promise recovery, meditation and rejuvenation stand to do well in the years to come.
To visitors, the digital world and the physical world are rapidly becoming one and the same thing and with travel at the forefront of industries being revolutionised by digital technology, travellers are set to be the first consumers to enjoy a truly 'digical' experience.

Microsoft explains the concept neatly in Future Vision 2020. Already, for increasing numbers of travellers, moments are there not just to be enjoyed but shared, and shared from every conceivable angle; smartphone accessories are now booming in a market where travelers seek to capture their experiences in the most dramatic, romantic or quirky way, then spread the news fast! Before you think that budget backpackers are primarily responsible for this trend, think again - even the Mandarin Oriental in Paris offering chauffeur driven selfie tour as a prize for visitors generating selfies.

Touch n’go

For mobile, the next big thing is already here, as Apple Pay on the iPhone 6 (and a similar system with many Android devices already on the market) have made contactless payment via mobile fully mainstream. Very soon, asking the waiter which credit card his restaurant accepts or even paying with traveller’s cheques (remember those?) is going to seem like a very long time ago. Travel verticals take note: travellers are also likely to expect rapid conversion to contactless payment systems using chip-cards or even the smartphone itself, whether they’re standing in your store or hotel, or paying with their mobile as they book online. Vueling customers who use Android can now do.

Making the visitor experience personal

Given that near-field communication (NFC) is now here to stay, in 2015 visitor attractions will be able to roll out an exciting new range of options to engage and entertain their customers. Airlines such as KLM are already using this technology in a practical way to guide users round the airport but the possibilities don’t just stop there. The visitor experience becomes a whole lot richer when you can engage customers in their own language, on their own phone through games, challenges, video and dedicated apps. As some hotels are already proving with keyless room entry, they will be able to make big use of NFC as they roll-out the digital concierge.
Forget waiting in line in the hotel lobby after your long flight, increasingly you will be offered the opportunity to head straight to your room as you stroll through the front door. Toposophy has NFC on its radar and our dedicated user-experience team can’t wait to share their own innovations over the coming months...

It’s essential to accessorize!
Whereas the smartphone has rapidly assumed its place at the heart of the travel experience, it is now surrounded by a host of other wearable, connected devices such as smart watches, bands, jewellery, garments, glasses, and earbuds that are set to become an integral part of consumers’ lives and thus their travel experiences. As Spendsetter notes, ‘going into 2015, brands and marketers are going to have to begin taking wearables into serious consideration when creating their marketing strategies. […] Knowing that consumers will be interacting in a completely new set of ways is going to further turn marketing into both an art and science: The smartphone may well lose ground in its role as compass, telephone, computer and barcode scanner to devices such as the watch, bracelet or glasses that allow users to check directions or pay for something without even having to reach into their pocket for their phone.

What do Apple have up their sleeve?
2015 will be a crucial year for the development of wearables as this is the year when consumers will finally be able to get their hands on an Apple Watch. This spring 2015 expect the world to stop for several days while people queue outside Apple stores to get what the media will surely describe as the most significant piece of wearable technology since the invention of the miner’s lamp.

The whole industry, including makers of apps and digital content has been waiting for this launch for some time as this it likely to herald a move towards wearable tech for the masses. Since March last year passengers flying with the Spanish airline Vueling have been able to carry their boarding pass on their smartwatch, thanks to the airline’s partnership with Sony. Expect to see many more airlines offering boarding passes, special offers and contactless payment via smart watches in the months to come. Hotels and other travel verticals surely won’t be far behind.

Looking far into the future
Smart watches may start to look pretty simple next to the possibilities that HMDs (head-mounted displays) could offer tourists as they plan and experience their vacations. Google Glass is already here, and it has clear potential to enhance the visitor experience, though in practice some have questioned how soon consumers will adapt to wearing the headset, and how comfortable those around them may feel about being filmed. Other more sophisticated headsets such as Oculus Rift are already being used by DMOs such as Destination British Columbia to give industry professionals probably the most realistic sensory blast of British Columbia that it’s possible to have without actually being there. It’s like a fam trip but without the gift bag and free champagne. If you want to see what technology has done to create other digital fam trips, check this out.

As the case of Destination British Columbia demonstrates, wearable tech can become a cost effective and powerful tool in destination marketing. Greater integration with the user experience in the destination is just around the corner and Toposophy will be there when it arrives. In fact, Toposophy’s sister entity Mindworks has produced some quirky innovations of its own.
Mobile: No longer a trend

Reports suggest that 2014 represented a tipping point with mobile bookings growing by more than 20% in the first six months of the year according to research by Criteo. According to the Paris-based agency, smartphones and tablets now account for 21% of all hotel bookings worldwide with Asia Pacific leading the trend. This is significant because according to Ovum, 28% of the world’s online population (over 1bn people) will use mobile as their only form getting online, the majority of whom are located in emerging markets. With such a high percentage of the world’s future travellers connecting via mobile you can see why anyone looking to sell anything in the travel sphere needs to have a strategy for mobile engagement and fast!

This year’s forecasted slashing of EU roaming charges will only accelerate this trend.

In fact, while we’re at it, with 9 out of 10 smartphone users report feeling ‘stressed’ anxious when their smartphone battery runs low, perhaps airports, hotels, restaurants and other travel spaces could seize 2015 as the year to invest in a few more plug-charging sockets to help keep their customers calm and contented?

The biggest lesson for the travel industry today is that mobile is no longer a trend. Travellers expect to do more or less everything via their mobile now, and if you make that difficult for example by not having an app or mobile-enabled site, a lack of shareable content or worst of all, no Wi-fi then expect to face the consequences!
This time, it’s personal

The personalisation of travel services means many different things to different people. Whether it’s targeted mobile offers made available through near-field technology (NFT) or customised cycling tours for a group of five friends in the French Alps, travellers have come to expect services and schedules to adapt to their needs.

Remember when Google started offering auto-complete in its search? At first it seemed creepy but now its frustrating if the name of that airport, station, recipe, or restaurant doesn’t appear in the search field when you’re in a hurry.

Now, receiving restaurant suggestions or interesting walking routes when visiting a new city will become the norm as travellers quickly adapt to the convenience it offers. Thanks to the widespread availability of location-based apps and opportunities for destinations to use social media in a savvy way to engage with their customers, giving personal service and pleasing visitors will get a major boost in 2015.
2014 brought us the ‘selfie stick’ (‘selfie’ joined the Oxford English Dictionary in August 2013), as well as the ‘dronie’ (a person who takes a photo of him or herself from a pilotless aircraft) and ‘braggies’ (photos taken to show off or make friends jealous). Some ask whether in our quest to digitally record every moment of the day whether we have reached ‘peak selfie’.

What are your hottest tips for new travel vocabulary in 2015?
Toposophy is a destination marketing agency that likes to do things differently. We provide tourism organizations, associations and companies (both public and private) with practical solutions to develop, manage and market places as tourism destinations, accompanying them on every step of the way. Working closely with our clients, we create strategies to plan their place’s future, understand the latest industry conditions, engage their partners, involve the local community and reveal their place uniqueness (‘topos’ = ‘place’ in Greek) in every form. Our elite team of destination experts and tourism professionals combines extensive experience as practitioners, managing operations and many years of consultancy background with a passion to transform places into thriving destinations.

We are strategic. We are creative. We are practical.

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