Understanding tomorrows traveller

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Change is a law of life. Those who look only to the past or present are certain to miss the future. John F. Kennedy

Amadeus in a few words

We work together with our customers, partners and other players in the industry to improve business performance & shape the future of travel

595+ million total bookings processed in 2016

1.4 billion passengers boarded in 2016

1 of the world's top 15 software companies

5th consecutive year included in the DJSI

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30 years is just the beginning
Collaboration. Innovation. Better Journeys.

For 30 years, we have kept the travel sector moving.

Today, we help our customers all over the world improve the travel experience for billions of people a year.
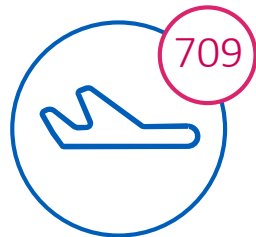
And we're just getting started.

We're committed to making the future of travel even better – to connecting the industry, harnessing new technologies and finding new ways to make travel more rewarding – for 30 years to come.
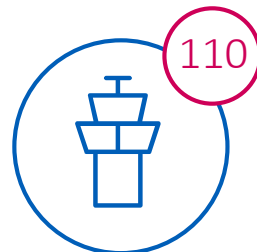
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30 YEARS

YOUNG

Our customers

709 airlines

110 airport operators
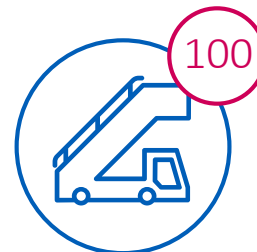
100 ground handlers
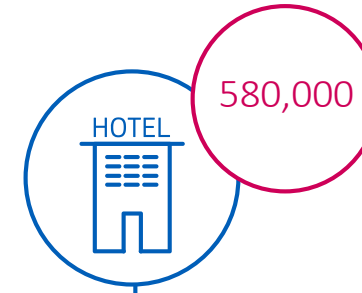
580,000 hospitality properties

travel agencies and corporations, online and worldwide
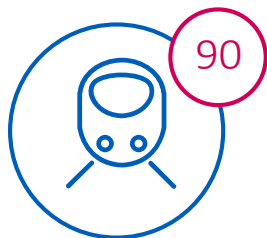
90 rail operators
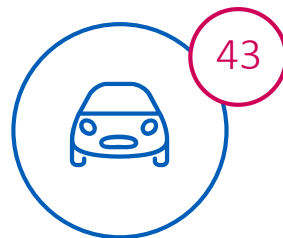
43 car rental companies
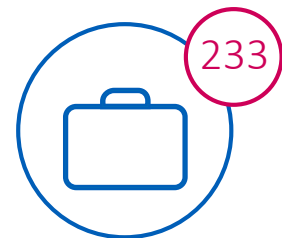
233 tour operators
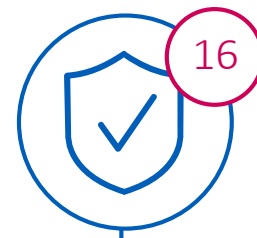
16 insurance provider groups
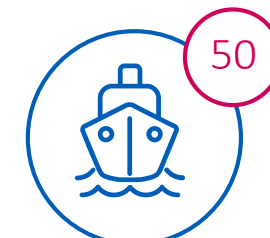
50 cruise and ferry lines

What drives the change?

Technology

Macro-economic trends

Cultural shift

Technology adoption

 68 years

 38 years

 13 years

 4 years

 3 years

 19 days

Reaching
50 million
users

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Digital disruption is already happening

The world's largest taxi company owns no taxi (Uber)

The largest movie house owns no cinemas (Netflix)

Large software vendors don't write the apps (Google/Apple)

The largest accommodation provider owns no real estate (Airbnb)

Large phone companies own no teleco infrastructure (Skype, WeChat)

Most popular media owner creates no content (Facebook)

The fastest growing banks have no actual money (Society One)

Source: World Bank Group, Forum BE, 2016

Technology in 2030

Automation will be deeply embedded, as technology strives to create the human service experience

Brands will offer **immersive, try-before-you-buy experiences** using technologies i.e. Oculus Rift will be widespread

Embedded sensors to capture **biosignals represent a huge step forward** in what businesses can learn about their customers

Level of **personalisation** that can be offered, with real-time insight into whims, moods and impulses

Macroeconomic trends

- Faster growth of emerging markets and developing economies than advanced economies

- Economic and geopolitical uncertainty is at high level

- Around 2020 the middle class will become a majority of the global population for the first time ever

- Ageing societies: by 2030 the media age of the global population will rise from 29.6 to 33.2 years

Source: Global Economic Prospects, The World Bank, June 2017

What will we see by 2030?

1.8 BN people travelling internationally each year; biggest increase expected in Africa

China will surpass the US as the world's biggest economy, and India will be 3rd
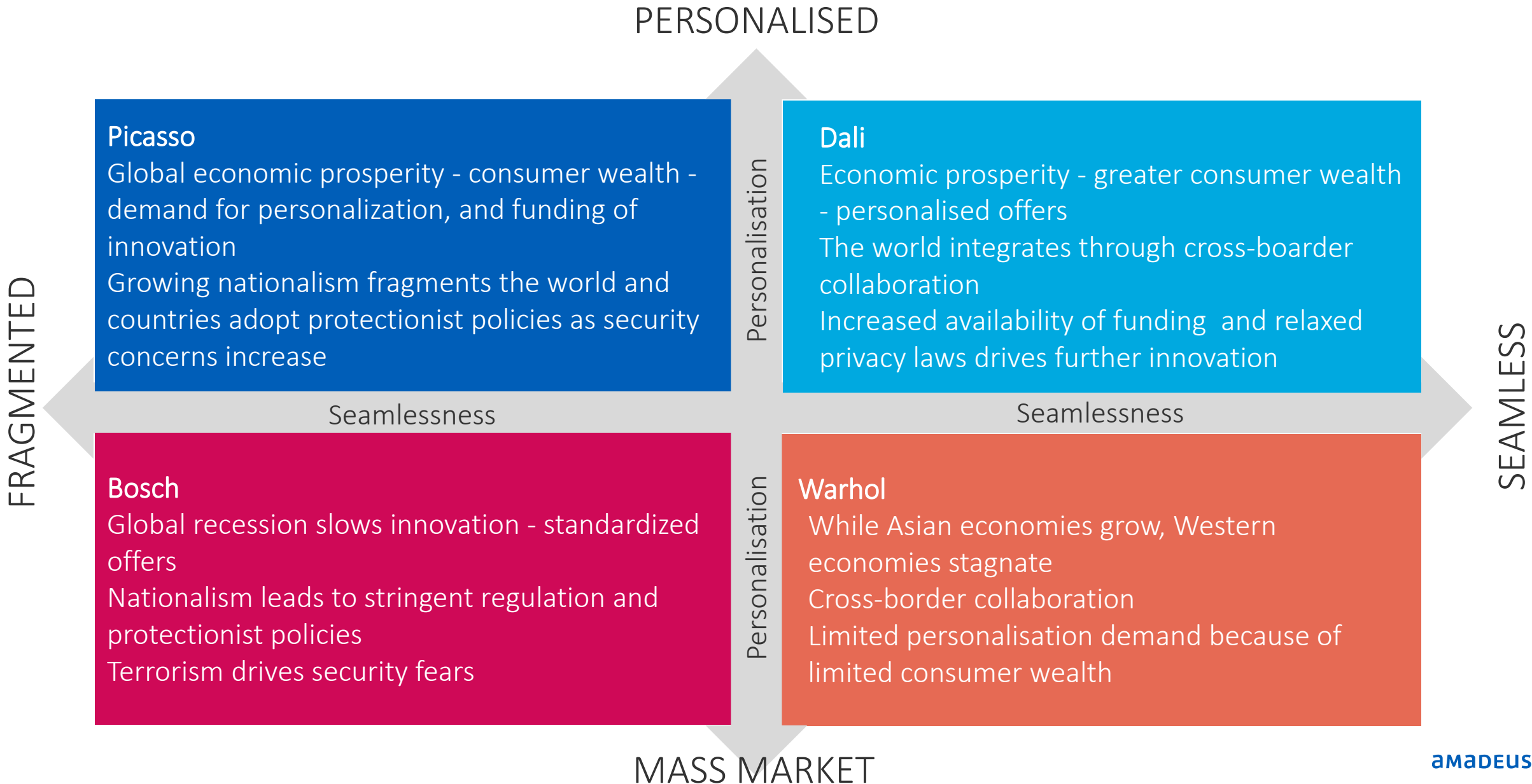

Travel & Tourism will be **11% of the world's economy**

What conditions would bring about a world without border controls, where security concerns are alleviated and travellers benefit from perfect real-time information?

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4 possible futures for the global travel industry

PERSONALISED

Personalisation

Personalisation

FRAGMENTED

SEAMLESS

Seamlessness

Seamlessness

MASS MARKET

Picasso

Global economic prosperity - consumer wealth - demand for personalization, and funding of innovation

Growing nationalism fragments the world and countries adopt protectionist policies as security concerns increase

Dali

Economic prosperity - greater consumer wealth - personalised offers

The world integrates through cross-boarder collaboration

Increased availability of funding and relaxed privacy laws drives further innovation

Bosch

Global recession slows innovation - standardized offers

Nationalism leads to stringent regulation and protectionist policies

Terrorism drives security fears

Warhol

While Asian economies grow, Western economies stagnate

Cross-border collaboration

Limited personalisation demand because of limited consumer wealth

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Cultural shift

_ Impacts what we expect out of travel, how we travel and how we consume it

_ By 2030 Social media will approach saturation point, at 80-90% worldwide

_ Ethical concerns will have a growing impact of travel choices

_ Digitalisation of human interactions and behaviours

Generations Y and Z – travel behaviour

77% had never set foot in a travel agency

57% planned and organised their trip primarily on travel websites,

49% found travel inspiration primarily through their social network
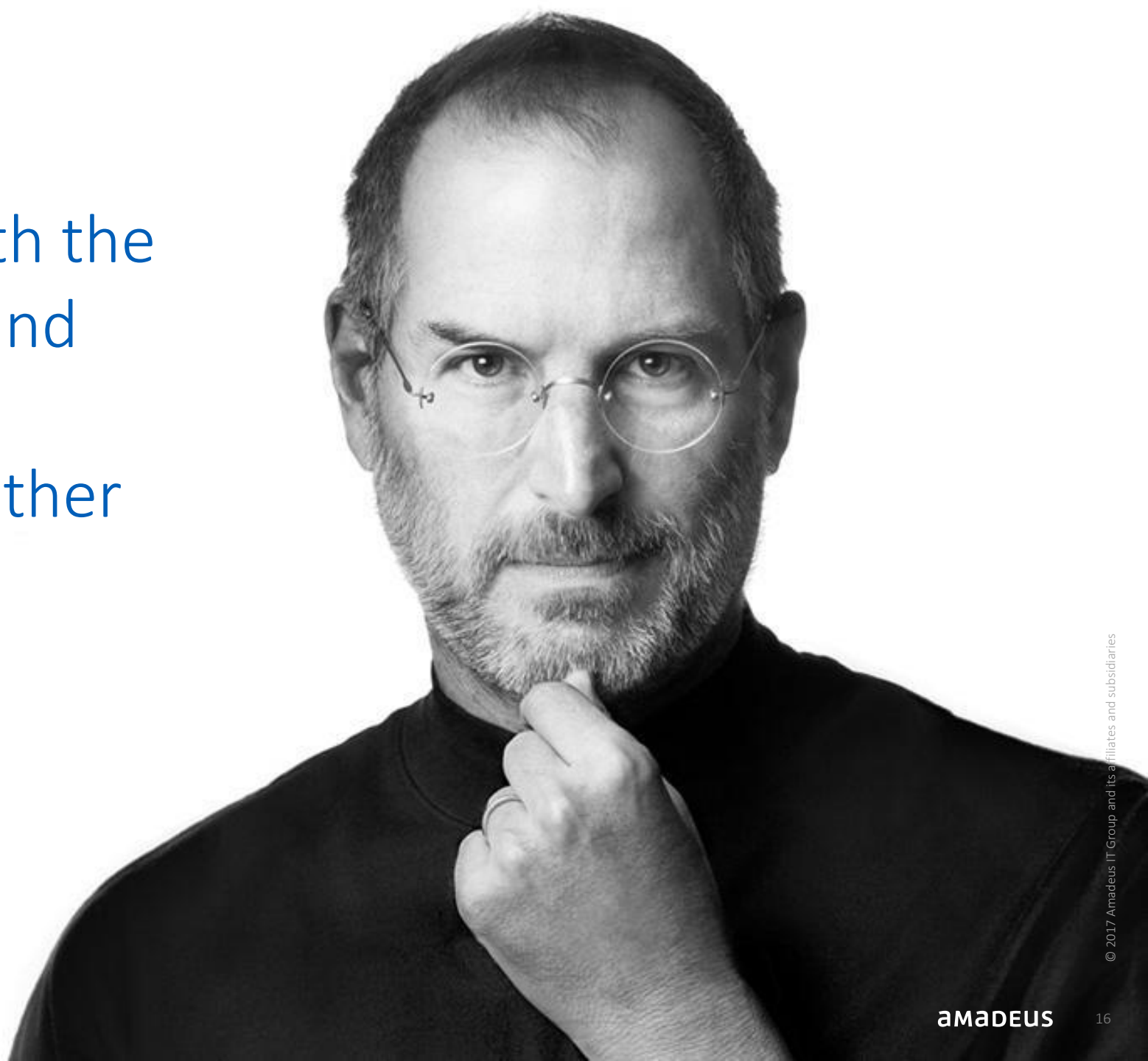
32% found travel inspiration mostly from TV reports

14% found travel inspiration mostly from websites

Source: based on the interviews with 500 travellers throughout Europe

"You've got to start with the customer experience and work back toward the technology – not the other way around."

(Steve Jobs)

The world is changing…

The more we understand traveller behaviour, the more we can personalise their experience, delight them, and reinforce our brand.

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How to offer personalised traveller experience

Understand

Identify customer segments and their specific needs

Differentiate

Offer different product to different customers' segment (bundling & unbundling).

Target

Address the travellers with the right offering in a right moment through the right tool
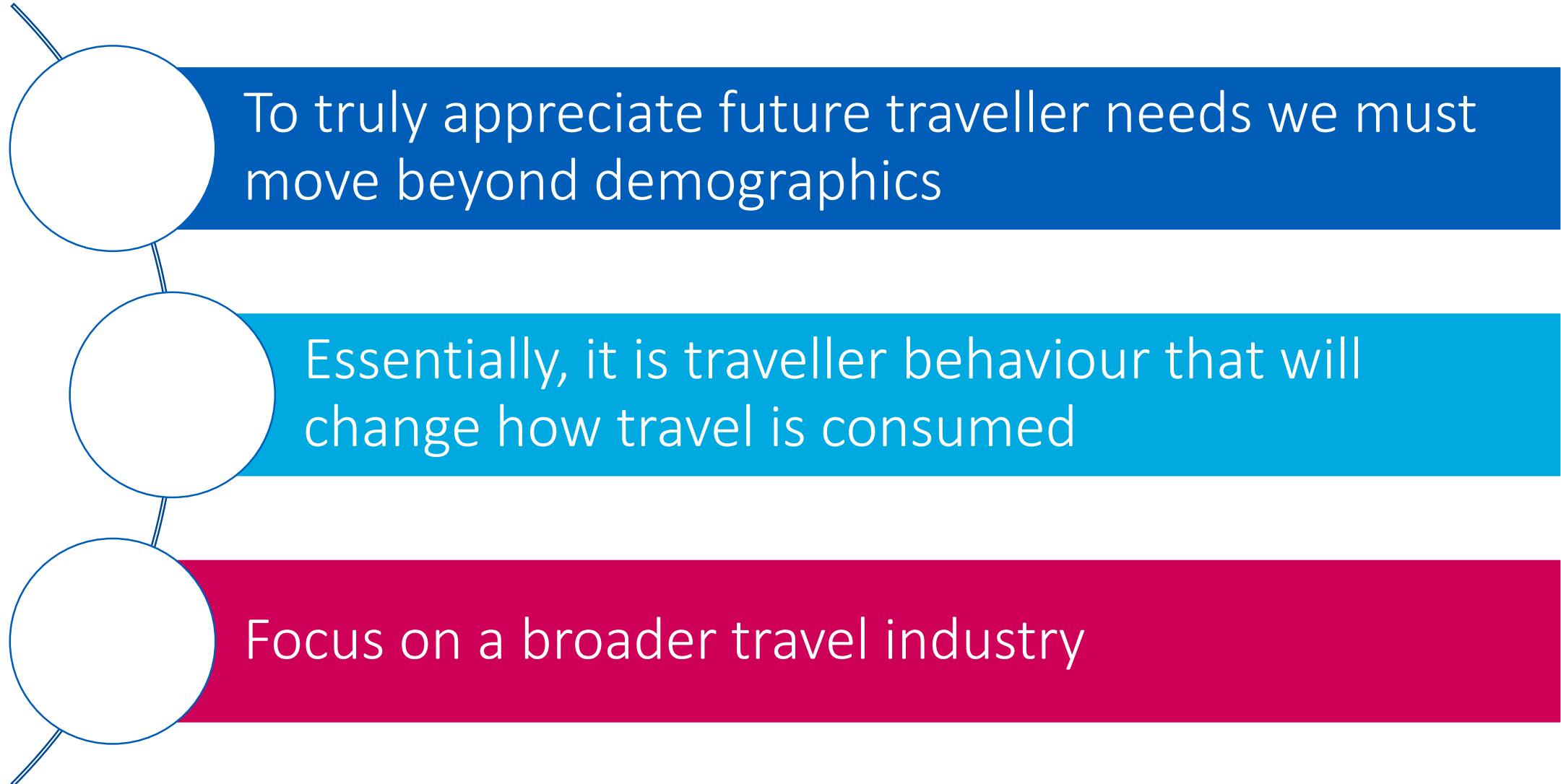
Personalised service is commonly expected

„64% of Asia Pacific travellers would be willing to trade personal data for more relevant offers and personalised experiences but it must be carefully balanced against rising privacy concerns."

"Journey of Me Insights: What Asia Pacific travellers want"

New segmentation based on behaviour

To truly appreciate future traveller needs we must move beyond demographics

Essentially, it is traveller behaviour that will change how travel is consumed

Focus on a broader travel industry

Future Traveller Tribes 2030:
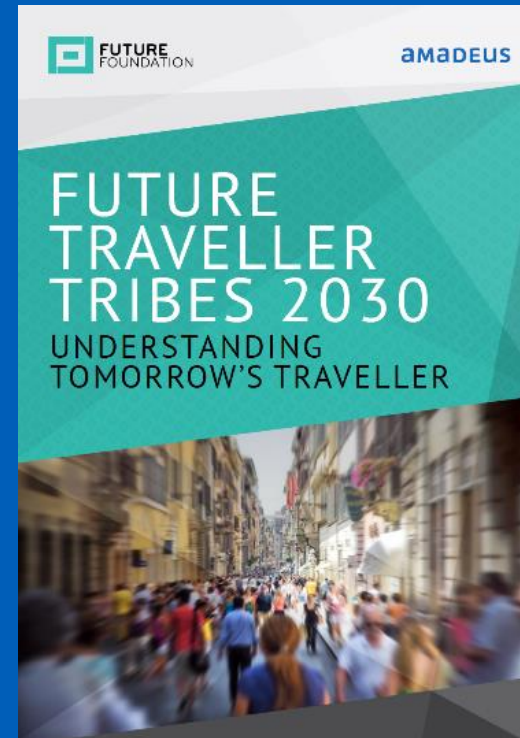
Future Traveller Tribes 2030

Obligation Meeters
- Travel choices restricted
- Main purposes are shaped by their **need to be in a certain place and time**

Simplicity Searchers
- **Value ease & transparency**
- Willing to outsource their decision making to avoid extensive research

Ethical Travellers
- **Allow their conscience to be their guide**
- Have awareness of the ways in which their tourism contributes to economies and markets

Reward Hunters
- Focus on self-indulgent travel
- Motivated by seeking of "reward" for hard work
- **Looking for luxury experiences**

Cultural Purist
- Travel as an opportunity to **immerse in an unfamiliar culture**
- Looking to break themselves entirely from their home lives

Social Capital Seekers
- Choices are shaped by their **desire to take maximal social reward**
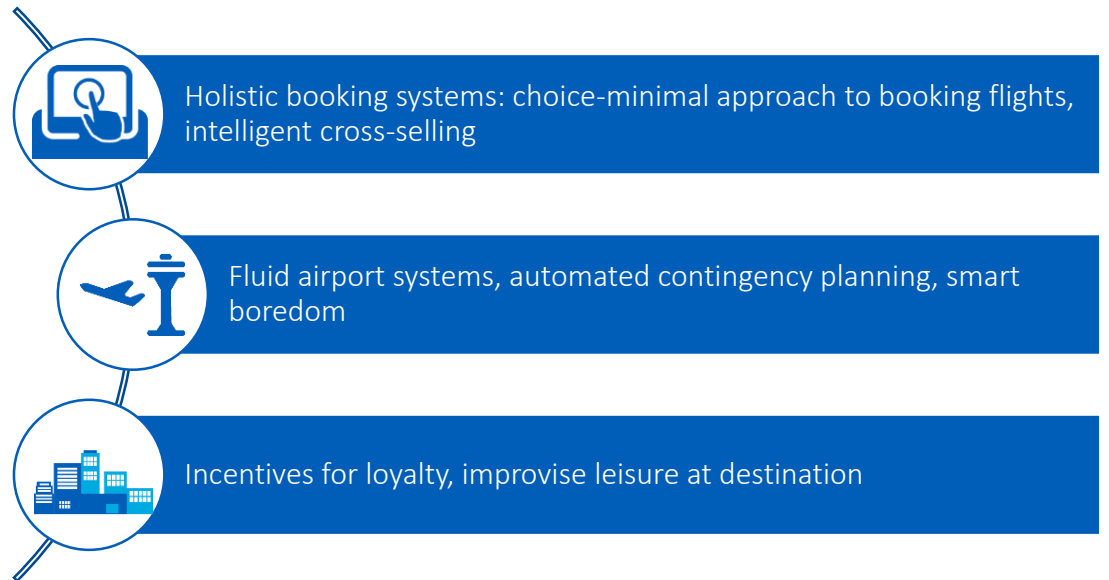- Exploit the potential of digital media to enrich and inform their experiences

Obligation Meeters

– Travel choices are restricted by the need to meet some bounded objective

– Their behaviours are shaped by their need to be in a certain place, at a certain time, without fail

20

Holistic booking systems: choice-minimal approach to booking flights, intelligent cross-selling

Fluid airport systems, automated contingency planning, smart boredom

Incentives for loyalty, improvise leisure at destination

Simplicity Searchers

_ They value transparency and seamless travel in their planning and holidaymaking

_ They are willing to outsource their decision-making to trusted parties

Planning largely at initial stage, preview and reassurance, comfort have a value

Info-light navigation, culturally-sensitive service, automation and connected aids

Proactive entertainment, health and mobility needs, "bucket-list" tourism

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Reward Hunters

– Travel as an opportunity for mental, physical and indeed spiritual enrichment

– Essentially self-centred activities and luxury experiences

Concierge search

VIP living, seamless technology

First class experiences, spa, wellness-oriented holiday

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Social Capital Seekers

_ To be well-travelled is an enviable personal quality

_ Their choices are shaped by their desire to take maximal social reward from their travel

Peer-validated decision making, trendy destinations, crowdsourced bucket-list, strong brand presence and responsiveness expected in social media

Feed-friendly experiences: short-lived, witty, quirky, colourful and exceptional moments (with good ROC); everywhere connectivity, geonetworking

Co-creation: personalization, feedback must bring visible change; tangible and shareable journey outputs

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Cultural Purist

_ Travel as an opportunity to immerse into an unfamiliar culture

_ Break entirely from home life and engage with a different way of living

Inspiration from non-travel-related sources, specialist recommendations, niche tourisms, hidden gems, price sensitivity, flexible options

Appreciate local character in customer service and charismatic transport

Curated discovery: apps that deliver suggestions and improvisations in situ (delivering the unexpected at scale); sharing economy

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Ethical Traveller

_ Their conscience is their guide when organising and undertaking their travel

_ Aware of the ways in which their tourism contributes
to economies and environment

Provide tangible proof of eco-concessionary choices, carbon offsetting, minimize environmental impact

Packing light and the ethical dimension of economy class

Sharing economy, call of the wild, micro-voluntourism

Building a more rewarding journey

Mapping Traveller tribes motivations and preferences

	Simplicity Searchers	Reward Hunters	Social Capital Seekers	Cultural Purist	Ethical Travellers	Obligation Meeters
Opportunity to influence	Inspire Shopping Booking	Inspire Shopping Booking	Any time	Close to time of use	Inspire Shopping Booking	Shopping Booking
Degree of personalisation	Very high	High	Very high	Very low	High	Very high
Purchasing experience	Bundle	Bundle	Both	À la carte	Bundle	Bundle
Level of contact	Very low	Low	Very High	Low	Medium	Medium
Touchpoint devices	Inspiration-centric	Any	Any	Inspiration-centric	Information-centric	Information-centric
Types of experience	Convenience	Luxury & wellness	Luxury & productivity	Local	Ecological	Productivity

Why build a more rewarding customer journey?

Very different traveller needs
Traveller segments are becoming ever more complex – 'bleisure'

Established methods need to evolve
Mobile First, Age no longer defines travel, value and transparency

Customer satisfaction and loyalty
More effectively meeting customer needs will drive brand development

Higher margins
Personalization offers ability to increase conversions and profits

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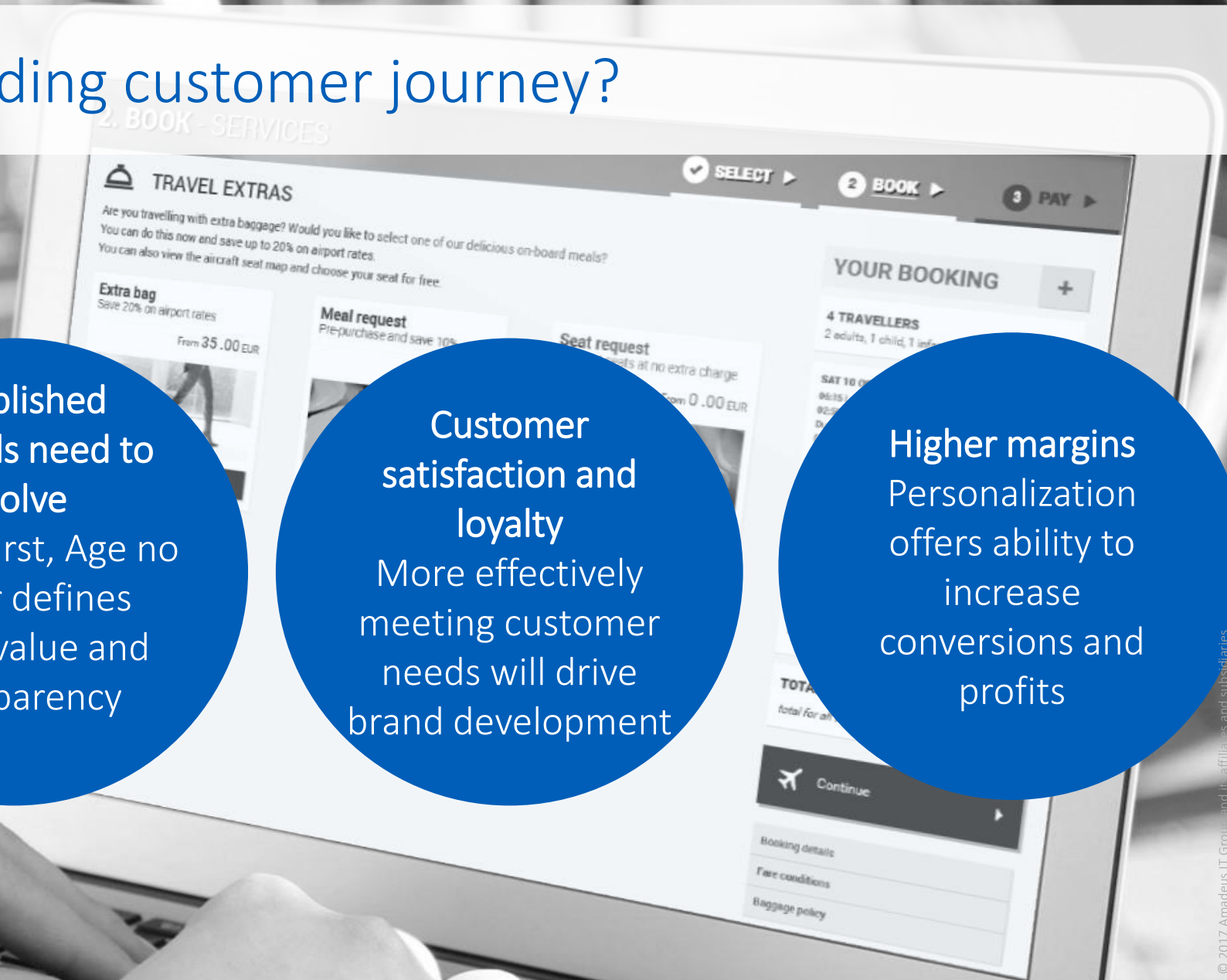
How will that change the purchasing experience in 2030?

Progress in big data analytics will allow travel retailers to personalise offers in real-time to the individual needs

The purchasing element will gradually become frictionless and ultimately automated

Ultimately, sales channels will be divided into two groups: 'inspiration' versus 'information'

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Key recommendations for the travel industry players

Move from a demographic segmentation of travellers to a **behavioural understanding** of how and why people travel

Be prepared to package offers that tap into **how traveller behaviour** is likely to evolve

Consider the **balance between technology and human service,** depending on the traveller

Whether destination or provider, **ensure the travel experience is connected and easily shareable** at every step of the journey

Thank you!

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