

Setting a Direction of Travel for the Tourism Industry



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December 2020

The coronavirus pandemic has understandably had a huge impact on the travel and tourism industry across the globe. That means there are short-term and longer-term ramifications for its structure, and the businesses that operate within.

Some of these businesses, along with the destinations themselves, will adapt and thrive. Others might not. So, what are the factors that will influence how things pan out?

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Overall, I'm reasonably positive that visitor numbers will, in the mid- to long-term, return to pre-Covid levels – perhaps even with an initial spike if we can put a broad and robust vaccination policy in place, as people will be eager to travel after months of restrictions.

But that doesn't mean holidaygoers and tourists will do the same thing as before, or visit the same places.

A full recovery might take a while to come if the global economy is depressed and impacts on consumer spending. At the same time some carriers might also not survive the crisis, so easy and inexpensive accessibility of some destinations might be in doubt.

As a destination developer and tourism planner I look at destinations from two different angles. Destination Management Organisations (DMOs), which look to attract tourism for their specific region, might not immediately feel the financial pressure of the current crisis, as their budget for the current year was already determined in 2019. But they need to think ahead, as their budget for 2021 will most likely be significantly smaller and at the same time they need to find a way of selling the destination, which can be a tricky task in times when travel restrictions are announced or lifted within a few days.

A focus on encouraging domestic tourism is on the agenda of almost all DMOs, but in many cases even a sharp increase in domestic travellers cannot balance the loss of inbound tourists.

Secondly, for businesses that thrive on tourism, such as hotels, restaurants, museums or souvenir sellers, and often also for their suppliers, then it's very much a case of survival: can you make it through to Spring and hope that things pick up? While consumer spend is a concern we must remember this is a health crisis and not an issue of demand.

We may even see some funds and competitors look to take advantage of the market slump to judiciously acquire.



Shaping travel's future

The longer-term requires very careful planning, alongside new thinking and bold investment. When I think about what will shape the development of tourism there are three key things to be grasped: technology, experiences, and sustainability.

On technology, we are seeing 'always-on' connectivity impact how we spend our lives. Destinations must take hold of this opportunity. There is a huge movement towards smart cities, which use connectivity to both collect data and use information to share back with its citizens. I expect a similar development towards smart destinations also in tourism with augmented reality tools, facial recognition to help pass security controls or voice assistance to guide you through attractions – and onto the next one.

We've already seen that the pandemic has sped up the introduction of new technologies in tourism in some instances. Cable car operators, for example, are trying to ease accessibility and removing touchpoints by enabling a mobile phone pass to enter rather than the traditional ski pass.

The term 'experiences' certainly requires some explanation. This is about how to have the best time experiencing something special, ideally connected to the local environment such as enjoying local food and or experiencing local habits. Big international companies like Airbnb, but also many destinations, are recognising this trend and offering 'unique' experiences such as evening dinners at museums or preparing local food with local people.

Operating digitally will enable more comprehensive and accurate collation of information on tourists, revolutionising the marketing that takes place – which, at the moment, is very broad-brush. Much more targeted and 'unique' offerings will be made to individuals or small groups that will prove more enticing than generic TV or billboard advertising.

Overall, tech and 'experiences' will help build better-value tourist offerings.

Sustainable travel will continue to increase in importance, whether that's in terms of the mode of transport and/or the type of destination that is visited. On the latter, economic, social and environmental issues will increasingly be front of mind when people choose somewhere to visit. Tourists will think about how their trip will benefit local businesses and its people, rather than creating a negative impact. As a consequence, development strategies for tourism destinations need to realign their focus.



Move forward and explore

The world is, figuratively, in an uncertain place. But people have an intrinsic desire to see it, to explore. With that demand currently on hiatus, destination providers along with the destinations themselves, must spend this time restructuring, investing and preparing for a different, more sustainable, world.

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PKF tourismexperts, specialised in tourism consulting, is a professional and reliable partner for public authorities, DMOs and project initiators when developing tourism destinations. Our experts represent vast knowledge in the field of tourism destination development on a local, regional and national level and for numerous types of destinations (e.g. sun & beach destinations, mountain resorts, spa resorts, cities).

Our core services include the preparation of tourism master plans/strategies for tourism destinations, best use studies/business plans for greenfield projects, feasibility studies for tourism infrastructure and marketing strategies for tourism destinations.

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