

# Lighthouse Report Three New Trends in Global Travel

Tourism Tasmania, in partnership with social research company Colmar Brunton, recently undertook research to identify trends around the globe that will impact on travel.

Together we analysed previously conducted research, consulted with travel and tourism experts and scoured international sources for these emerging global trends.

We're now able to share the outcomes of that research and consider its implications for Tasmanian tourism and industry operators.

## What's around the corner?

Identifying future trends is difficult at best, however we've managed to narrow it down to 11 key trends which we believe will impact on travel into the future.



**Rising Affluence:** Wealth will continue to grow in developing countries, particularly those with an emerging middle class like Brazil, Russia, India and China. This increased affluence will bring with it increased consumption and the want to travel.

With 40 per cent of China's population expected to be middle class by 2020, travel will likely be top-of-mind.

*So what?...* These travellers will be relatively new to indulgences and the Australian culture, so telling them what's on offer in Tasmania will be vital.

**Growth in Global Travel:** Across the globe people are on the move. International travel is expected to double to 837 million by 2020.

At the forefront of these movers and shakers is China, expected to contribute the greatest increase in travel volumes over the next 10 years.

*So What?...* With increasing travel rates we'll need to compete with other rival destinations, so we should be ready with compelling offers of international standard.

**Low Cost Carriers:** With the influx of low-cost airlines travel prices are more affordable and groups who previously could not afford to travel now have cost-competitive options.

This is particularly so within developing countries where international travel is no longer reserved for the wealthy, but a luxury of the everyday person.

Low-cost airlines will continue to provide travel opportunities with many adding longer-haul (international) journeys to their current short-haul (domestic) flights.

*So What?...* The decreased cost of travelling could bring both domestic and international travellers to Tasmanian shores. As a result we should prepare to meet the needs of these new and potentially cost-averse consumers.

**Rising cost of oil:** We've been aware of rising oil prices for some time, however future prices may continue to soar.

Demand is predicted to rise to 119 million barrels a day by 2025.

*So What?...* Consumers have so far been resilient to increasing air travel surcharges but future price increases may prove otherwise. Increased travel costs are already impacting on some national and international flight scheduling.

**Rising Environmental Awareness:** Across the board, businesses, governments and consumers are increasingly concerned for the environment and our impact on the planet.

Consumers are leading the way with the call for environmentally aware products and service provision. This trend is known as the 'green shift'.

As knowledge and awareness grows, so too will the call for action from these groups. Actions already taken include international agreements and national legislation.

*So What?...* Consumers everywhere are calling for responsible action. From a traveller's perspective this may be in food and beverages, accommodation, transportation and tours that are environmentally sound and sustainable.

**Ageing Population:** By 2020, the world population aged 65 and above will have trebled from its present number to 700 million people - one in four Japanese, one in five British and Australians, and one in six American and New Zealanders will be 65 years or older.

At the same time this ageing generation is healthier and wealthier than ever before and keen to take full advantage of their lives.

*So What?...* Understanding these consumers and what they want from travel and travel destinations will be vital.

**Changing Spending Patterns:** Fame and celebrity means that aspirations and expectations are rising and so is the demand for luxury goods and services. Many consumers increasingly expect premium service at affordable prices.

*So What?...* Delivering luxury at everyday affordability will be important in enticing consumers to engage with destinations, accommodation, food and beverage etc.

**Desire for Personalisation:** The rise of empowered and affluent consumers in the West, and the rise of individualism, has created a culture of huge consumer choice.

Customised solutions and demand for personalised products and services are increasingly challenging the 'one size fits all' mentality. Consumers in developed markets will increasingly expect tailor-made solutions rather than a mass market approach.

*So What?...* A one-for-all approach will not provide returns. Where possible, industry providers should consider consumers individually and tailor to their needs accordingly, without the hassle of breaking the norm.

**Sustainable Tourism:** Travelling responsibly means leaving the world a better place, even as we enjoy local cultures. More and more travellers want responsible tourism that supports the sustained development of local cultures and the protection of the environment.

*So What?...* Travel providers should offer travellers an authentic experience that also produces benefits for locals and their environment.

**Modal Lives:** The same person will occupy a number of roles in their everyday lives, and with these roles come different needs and demands. An individual may have a number of different travel needs at different times and may be exposed to different travel experiences that will impact on their expectations and aspirations.

*So What?...* We need to consider the many roles of travellers. Not all travel experiences are the same, nor do travellers want the same from each experience. Tapping into the specific needs for each of these occasions and delivering results will become increasingly important.

**Experience Economy:** As consumers continue to meet their material needs, they are increasingly valuing experiences over possessions, both for enjoyment and to define who they are. Experiences such as travel hold greater kudos than material goods and are becoming the new way to express status.

*So What?...* Travel is no longer just about a destination - it's about what people take from the experience - like the memories shared, the experience engaged in and the unique food and beverage enjoyed. It's more about telling other about the experience than the destination itself.

### What Next?

These trends are visible right now and will continue to evolve. Tourism Tasmania undertakes ongoing research in a range of tourism related areas and will provide more information as it comes to hand. Keep an eye out for future editions of our Lighthouse Reports, available on our website, or by request, and help Tasmania build its competitive offer.

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