



## Crystal ball gazing

by Francesco Frangilli

Public Relations Division, European Space Agency

**The World Tourism Organisation predicts 21st century tourism will be the antidote to high-tech living. Here, the WTO Secretary General discusses their new report *Tourism: 2020 Vision*.**

The year 2020 will see the penetration of technology into all aspects of life. It will become possible to live one's days without exposure to other people, according to WTO's latest look into the future. But this bleak prognosis has a silver lining for the tourism sector. People in the high-tech future will crave the human touch and tourism will be the principal means to achieve this.

Tourism companies that manage to provide 'high-touch' products will prosper. Upscale, luxury services that pamper and spoil their customers have a bright future in the upcoming century. But WTO's report also predicts good prospects for low-budget destinations and packages. Self-catering holiday facilities, for example, which offer plenty of opportunities for socialising among families and friends. Opportunities abound at both ends of the spectrum and there will be plenty of them.

### \$5 billion a day industry

WTO's study, *Tourism: 2020 Vision*, predicts 1.5 billion tourists will be visiting foreign countries annually by the year 2020, spending more than \$2 trillion – or \$5 billion every day! These forecasts represent nearly three times more international tourists than the 625 million recorded in 1998 and nearly five

times more tourism spending, which last year topped \$444 billion.

Tourist arrivals are predicted to grow by an average 4.3% a year over the next two decades, while receipts from international tourism will climb by 6.7% a year. To factor in domestic tourism, WTO multiplies arrivals by 10 and quadruples receipts, which brings us to the grand totals of 16 billion tourists spending \$8 trillion in 2020.

Tourism in the 21st century will not only be the world's biggest industry, it will be the largest by far that the world has ever seen. Along with its phenomenal growth and size, the tourism industry will also

have to take on more responsibility for its extensive impacts. Not only its economic effects but also the impact on the environment, on societies and on cultural sites, all of which will be increasingly scrutinised by governments, consumer groups and the travelling public.

We hope that *Tourism: 2020 Vision* will be more than a useful marketing tool; that it will act as a warning signal for destinations – helping them recognise the need to prepare for the pressures of growth. WTO is advising destinations to implement long-term, strategic planning and to strengthen the partnerships, both strategically and at the operational level, between the public and private sectors.

*Tourism: 2020 Vision* indicates that tourists of the 21st century will be travelling further afield on their holidays, often to China, and even to outer space! The percentage of long-haul travel is predicted to increase from 18% in 1995 to 24% by 2020.

Tourism companies looking to cash in on this booming sector are advised to look towards Asia. China will be the world number one destination by the year 2020 and it will also become the fourth most important generating market. Currently, it does not even figure among the world's top 20 generating countries. Other destinations predicted to make great strides in the tourism industry are Russia,

## Tourism 'megatrends' for the 21st century

- ❑ Globalisation <=> Localisation.
- ❑ Electronic technology will become all-powerful in influencing destination choice and distribution.
- ❑ Fast track travel – emphasis will be placed on facilitating and speeding up the travel process.
- ❑ Customers will 'call the shots' through technology such as CD-ROM atlases, Internet inspection of hotels and other facilities, brokers offering discounted rooms on websites, last minute e-mail low fares etc.
- ❑ Polarisation of tourist tastes: the comfort-based and the adventure-oriented.
- ❑ The tourists 'shrinking world' – more tourists going to places that are 'off the beaten track' and the advent of near space tourism.
- ❑ Destination as a 'fashion accessory'.
- ❑ Targeted product market development (especially theme-based) oriented to one or a combination of the three 'E's' – entertainment, excitement and education.
- ❑ More destination focus on image as a prerequisite for diversification and expansion of drawing power.
- ❑ Everyone chasing the Asian tourist.
- ❑ Growing impact of consumer-led campaigns for sustainable tourism and 'fair trade' in tourism.
- ❑ Conflict between increased consumer socio-environmental consciousness and the urge for travel consumption.

Hong Kong, Thailand, Singapore, Indonesia and South Africa.

Short pleasure voyages to outer space will become a reality by 2004 or 2005, according to a study carried out by WTO Statistics Chief, *Enzo Paci*, in consultation with 85 governments and 50 tourism 'visionaries'. It is expected that space trips will last up to four days and cost, on average, \$100,000. NASA, the US space agency, has recently surveyed the travel industry for interest in space tourism and some US companies are already taking reservations and deposits from private citizens hoping to become the first tourists in outer space.

But while some travellers may be suiting up for extra-terrestrial voyages, the vast majority of the world's population will never leave their own countries, not even by the year 2020. The study concludes that only 7% of the global population will be travelling internationally by the year 2020, up from 3.5% in 1996 – but still just the tip of the iceberg.

### European trends

*Tourism: 2020 Vision*, which will be published next year in a series of detailed regional volumes, predicts that Europe will remain by far the leading inbound tourism region as well as the main generator of international tourists. International arrivals in Europe will reach 717 million by 2020 – more than twice as many as last year.

Overall tourism to Europe is predicted to grow more slowly than the world average; at a rate of 3.1% annually, though some countries will fare better than others. Central and Eastern European countries will become the new motor for Europe, feeding and being fed by other European and long-haul generating markets. Tourism to Central and Eastern Europe will grow by 4.8% a year and the former Soviet bloc countries will surpass 200 million arrivals by 2016 – a doubling in just 15 years.

The Eastern Mediterranean countries of Cyprus, Turkey and Israel are also expected to show good growth of 4.6% a year. Tourism to the United Kingdom is forecast to grow by 4% annually, just under the world average. Reflecting world patterns and increasing air travel, Europeans will be taking trips more frequently and further from home. Total outbound travel from

**International tourist arrivals (in millions) and receipts (in US dollars)**

	1989	1992	1995	1998
<b>World</b>				
arrivals	426.5	503.4	565.5	625.2
receipts	221.3 bn	315.1 bn	405.1 bn	444.7 bn
<b>Africa</b>				
arrivals	13.8	18.0	20.4	24.9
receipts	4.5 bn	6.2 bn	7.4 bn	9.6 bn
<b>Americas</b>				
arrivals	87.0	103.6	110.5	120.2
receipts	60.2 bn	85.5 bn	102.7 bn	121.2 bn
<b>East Asia/Pacific</b>				
arrivals	47.8	64.2	81.4	86.9
receipts	34.2 bn	47.4 bn	74.5 bn	73.7 bn
<b>Europe</b>				
arrivals	266.3	303.0	335.6	372.5
receipts	115.9 bn	168.2 bn	209.5 bn	226.1 bn

European countries is predicted to reach 771 million trips a year by 2010, again more than twice as many as last year.

Long-haul travel to countries outside Europe will grow by 6.1% a year in the coming decades to reach 15% of all trips taken by Europeans (or more than 115 million departures). Long-haul currently accounts for 12% of European outbound travel or about 42 million trips a year.

Since the typical European tourist who spends his holiday at the beach will more frequently be choosing Asian or Caribbean resorts, European beach destinations are advised to orient their product development and marketing increasingly to new tourist sources, especially Japan, the newly industrialised countries of Asia or the Americas. Mature European destinations will continually have to strive to seek product and market differentiation to avoid a tired or stale image in major generating markets.

While growth of the tourism industry will be unstoppable in the 21st century, increased benefits cannot be taken for granted. Competition among destinations will also become increasingly fierce.

The study *Tourism: 2020 Vision*, outlines a series of 12 'mega-trends' that will shape the sector, and offers advice on how better to compete. No destination or tourism operator can afford to sit back and wait for more tourists to arrive. They have to be won – and there will be winners and losers. To be a winner, there are a number of imperatives:

- Development focused on quality and sustainability;

- Value for money;
- Full utilisation of information technology to identify and communicate effectively with market segments and niches.

Product development and marketing will need to match each other more closely, based on the main travel motivators of the 21st century. *Tourism: 2020 Vision* calls these motivating factors the three 'E's – entertainment, excitement and education.

The study also highlights the importance of image in a tourist's selection of a holiday destination in the future. While an image of safety and security is already an important deciding factor for tourists, holiday-makers of the 21st century will be looking for places with a trendy image.

As *2020 Vision* points out, the next century will mark the emergence of tourism destinations as a 'fashion accessory'. The choice of location for a holiday will help define the identity of the traveller and, in an increasingly homogenous world, set him apart from the hordes of other tourists. Boutique destinations and space agencies beware! You are on the threshold of meeting the 21st century tourist.