

TAILOR-MADE TOUCH OR DIGITAL EFFICIENCY?

*The strategies, technologies and trends impacting
leisure travel advisors in the recovery and beyond*



**ACCOR EUROPE & NORTH AFRICA
B2B LEISURE TRAVEL REPORT**



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Foreword



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SVP Sales
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From famine to feast, the speed of the travel recovery from the depths of the Covid-19 pandemic has been remarkable, and welcome. No less remarkable is the adaptability demonstrated by those in the industry, not least travel advisors, who have shown again their durability in the face of significant market challenges and change.

At times of change and uncertainty, support from and collaboration with trusted partners is of paramount importance. Over the pandemic and into the recovery, Accor has done everything it can to support its travel intermediary partners.

Of course, scale is key, and we know the market-leading size and variety of our portfolio across Europe from luxury to budget makes us an attractive partner for those seeking to optimize their inventory. But we aim to go far beyond relying on scale in our quest to be the best partner for travel advisors.

Accor has introduced more flexible commercial conditions and cancellation policies. We always offer our travel partners the best available rate, using dynamic rates to avoid historic industry issues with the wrong static rate being used online. Accor provides connectivity via our powerful digital distribution platform, but also continue to invest in the largest salesforce on the ground in Europe to give travel advisors the kind of on-the-ground support they need to solve their clients' problems. And we aim to provide added value with the expertise, products and services that cater to the ever-evolving tastes and desires of leisure travelers.

As this report will show, the market is evolving, as are we. But one thing remains. The travel advisor community remains an integral part of our distribution strategy, and a valued partner we will continue to support and work with to the best of our ability.



“For the first time since January 2020, Covid-19 is no longer a public health emergency.”



Co-Author Martin Sapori
Vice President Strategy & Transformation
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For the first time since January 2020, Covid-19 is no longer a public health emergency, the head of the World Health Organization said on 5 May.

As the world recovers from the impacts of Covid, the travel market is in many ways ahead of the curve, and particularly in leisure travel, which is already tracking against like-for-like 2022 travel, no longer bench-marking against 2019 levels. With domestic, European and US travelers in full flow again, the re-opening of the Asia-Pacific countries is beginning to give an additional boost to the European travel industry that will continue to grow throughout the rest of 2023 and into 2024.

The pace at which travel advisors have had to reorganize their operations to capture the sky-rocketing demand in recovery has been impressive. Travel suppliers have seen many existential crises in recent decades and every time they've been able to reinvent themselves and adapt their business model to survive and thrive. This time has been no different. Resilience, creativity, and passion is the story of travel sector recovery.

But challenges remain amidst the dizzying speed of market evolution. Challengers and disruptors are eager to steal market share. Major players have invested heavily in wholesale changes to their models. And the habits, desires and expectations of leisure travelers have moved on considerably.

This report aims to make sense of some of the major changes occurring in the leisure travel segment and what they mean for travel advisors and their operating models. We hope it proves useful.





1. Context: A New Era of Travel



As of May 2023 the World Health Organization no longer classifies Covid-19 as a public health emergency.

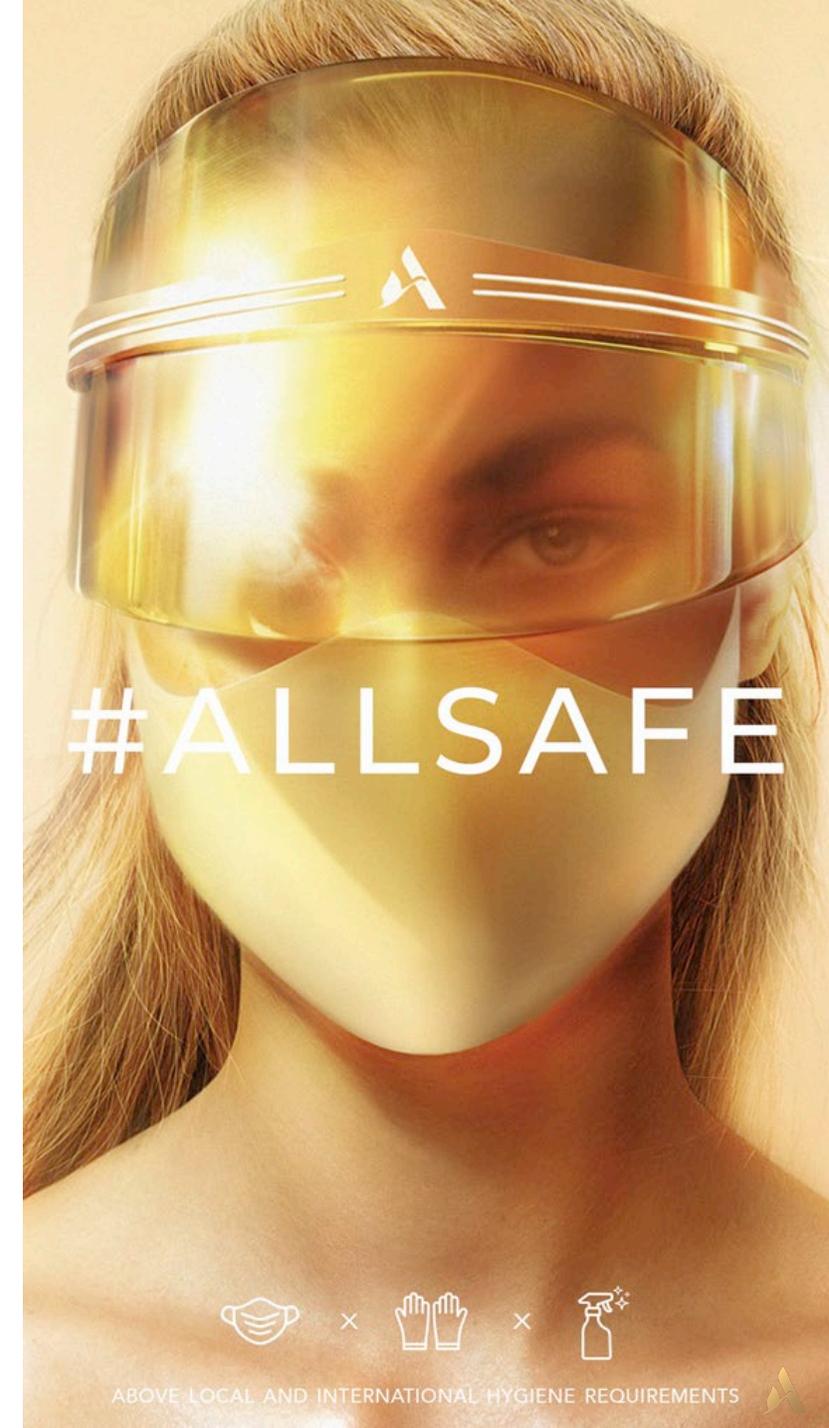
Today we are in the new world of travel.

However, as everybody knows, the European travel industry was dramatically impacted by the Covid-19 pandemic, with travel agents and tour operators among the most affected. With travel restrictions, flight cancellations, and hotel closures, the pandemic has disrupted the tourism industry globally, including in Europe.

According to a report¹ from the European Travel Commission (ETC), European tourism experienced a 68% fall in international tourist arrivals in 2020 compared to 2019. This fall naturally led to huge revenue losses for travel agents and tour operators in Europe, whose ability to operate was significantly challenged by the closure of borders, suspension of flights, and imposition of quarantine measures by governments.

Already this feels like a lifetime away, given the strength of travel recovery we have seen, initially and still primarily driven by leisure travel. ETC data² suggests that 2022 saw travel volumes to Europe that were 75% of 2019 numbers, and is forecasting - and Accor is seeing - a continued strong rebound in 2023 despite global pressures such as high inflation, fluctuating exchange rates, the war in Ukraine and the energy crisis.

¹/ 2022_Performance-of-European-tourism-before-during-and-beyond-the-Covid-19-pandemic.pdf (etc-corporate.org)
²/ Europe's tourism rebound predicted to continue into 2023 - ETC Corporate - ETC Corporate (etc-corporate.org)



ABOVE LOCAL AND INTERNATIONAL HYGIENE REQUIREMENTS

How travel advisors have adapted

Like no other event in living memory, the pandemic forced businesses to make dramatic changes to their models, and nowhere is this truer than with travel agents and tour operators, who have adapted in numerous ways.

From rapid initial shifts of focus to domestic travel and back again; to the provision of new flexible booking policies; and the development of new products that cater to the evolving desires of travelers, travel advisors have had to quickly evolve their models and services.

Nowhere is this more evident than with their investment in technology and accelerated digital transformation. Forced to shift their operations online when physical locations had to close due to lockdown restrictions, travel advisors had to invest quickly to ensure they would be ready to serve their clients when the recovery arrived. Adoption of digital technology usage in the industry accelerated at pace, as travel advisors were compelled to meet the heightened expectations of their clients, and remain competitive.



Some of the major players in the leisure travel market have placed all their chips on technology...

Ensuring that **Accor** guests have access to world-class technology throughout their journey is one of the Group's ultimate goals, as is making sure that teams are well-supported by the best possible solutions. Two of the trends that Accor focuses on are Artificial Intelligence and Tech in Sustainability. Accor is already on the way with many initiatives such as data quality, personalization, automation, green tech, a move to Cloud and more.

TUI Group, Europe's largest holiday package operator, has invested in technology to improve its services. Last year it was reported that the company was hiring large numbers of software developers as it automated key processes such as handling airport transfers and customer service. It is aiming to turn itself into a digital platform business, including offering travel products through third-parties and providing them with technology.

It is not alone. Online travel agency **Expedia Group** is focusing heavily on b2b, repositioning itself as a technology platform and providing its technology to other businesses from any sector who want to sell travel inventory, made possible by the development of API technology that could explode the breadth of the travel distribution ecosystem.

More and more airlines are moving into the hotel intermediary space - and in some cases even tour operator space - to increase ancillary revenues. Credit card providers. Supermarkets. There are numerous high-profile examples of businesses in disparate sectors entering the arena of travel sales, powered by platforms providing them with the technology and the inventory.

Bedbanks like **Hotelbeds** have also adapted. Hotelbeds has shifted significantly from static to dynamic pricing and has been trying to optimize the acquisition of room inventory so it can put a greater proportion of its efforts into sales. It is also working on other business-to-business tech products to supplement its main business as a wholesaler of hotel rooms.



It seems that many of the larger intermediaries in different pockets of the leisure travel ecosystem are becoming increasingly focused on technology. But what is the rest of the travel advisory market to make of this?

While metasearch has driven greater price transparency, from 2022 we started to see less and less price disparity between B2C and B2B2C channels thanks to the adoption of dynamic rates across all the main points of sale.

If this disparity continues to contract and price becomes trumped by service as a key differentiator, where should travel advisors place their bets?

To what extent will the pursuit of digital business models help travel advisors prosper, or are there other, potentially more fruitful focuses for their efforts?





2. What leisure travelers want



The How? Customer Experience In The New World of Travel

A seamless digital journey

When people were forced to adopt digital habits during lockdown to perform a wide range of daily habits from shopping to banking, it spawned a huge acceleration in digital transformation across most industries and significant changes in the level of digital experience expected by consumers in their daily dealings with businesses.

The slick digital experience of booking and paying for an Uber, buying something at Amazon or watching your favorite programme on Netflix is becoming an expectation rather than an exception, which has huge implications for the travel industry.

Consumers are increasingly looking for more personalized and convenient travel options, and they are using digital channels to research and book their travel. The latest data from the Longwoods³ International tracking study suggests a third of US travelers will use ChatGPT to plan their travels. Some consider AI and ChatGPT to be a threat to travel agents, others view these digital developments as an aid and motivator. By capitalizing on new AI tools to handle certain tasks, human travel agents can focus more on better understanding client's needs and providing better service. What's clear is travel advisors must adapt to these changing preferences to remain competitive, particularly when faced by ever-increasing digitally-sophisticated competitors and the need to more efficiently streamline the booking process and reduce the time and effort required to plan travel.



Significant investments have been made in areas including:

Online booking platforms: to streamline the booking process and offer clients a more convenient way to plan, book and pay for their travel.

Mobile apps: to provide clients with easy access to their services and to offer personalised recommendations based on their preferences. These apps allow clients to view their itinerary, receive travel alerts, and communicate with their advisor from their mobile device.

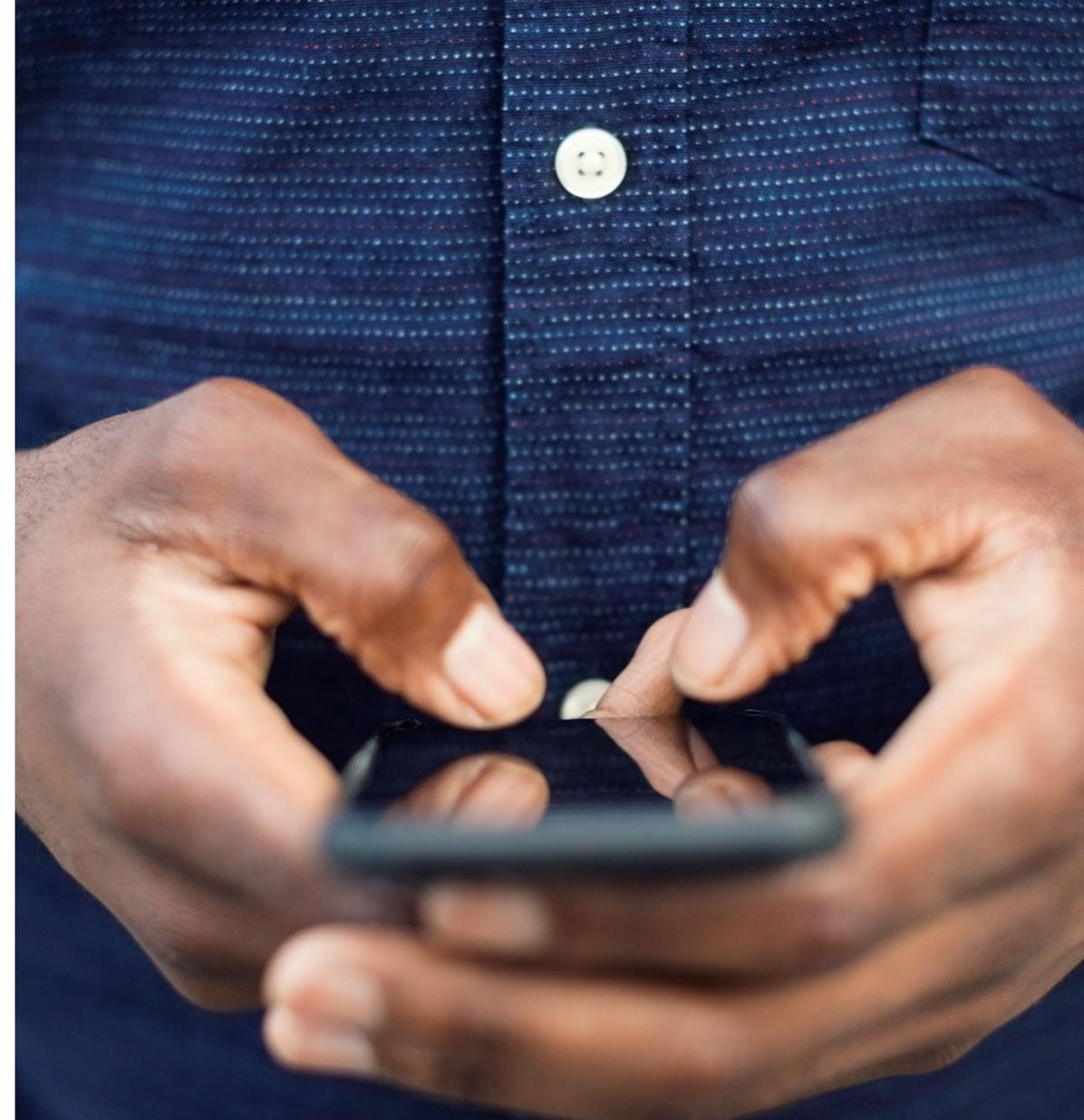
Social media: to connect with clients and showcase their services. Advisors are using social media to share travel tips, highlight destinations, and promote special offers and deals.

Virtual reality: to give clients a more immersive and interactive experience when planning their travel. Virtual reality allows clients to explore destinations, hotels, and tours before they book, which can help them make more informed decisions.

Artificial intelligence: to provide more personalised and efficient services to clients. AI can analyse data on a client's travel preferences and history to make tailored recommendations and suggest travel options that meet their specific needs.

Increasingly, customers are looking for a simplified, intuitive and automated booking path, with all services from flights, trains, hotels, car rentals or activities clustered in one digital platform. With each passing year a greater proportion of travelers become digital natives or digitally-adept, so this evolution will only go in one direction for the foreseeable future.

Technology is an intrinsically important part of Accor's business, used to enhance the guest experience. Accor is using its best asset, people, to reinvent hospitality and is using technology to innovate and enable this. It is people-centric technology that serves the needs of guests and the needs of the Accor teams to deliver hospitality excellence.



TRAVEL ADVISOR TAKEAWAY 1

In an ever-more digital world, travel planners should stay abreast of the latest technological developments from messaging platforms to payments to ensure they are providing the digital experience their clients expect.

The How?

Flexibility

Flexibility has become increasingly important to travelers, primarily driven by uncertainty. The unpredictability of travel during Covid-19, with sudden border closures, quarantine requirements, and flight cancellations, has led to heightened expectations of being able to change plans at short notice without incurring significant fees or penalties. Post-pandemic research from Accor in 2022 revealed 30% of European travelers wanted more flexibility on changes to bookings as a standard industry shift post-Covid, second only to clearer health and sanitary standards.

In response to this demand for flexibility, travel planners have offered more flexible booking rates and policies that allow travelers to change or cancel their plans much more easily, including refundable deposits, free cancellations, or the ability to change travel dates without penalty. In turn, many hotel partners have increased their own flexibility, including Accor, which has prioritized flexibility in its cancellation policy and provided more flexible booking options to accommodate changing travel plans.

While initially driven by levels of travel disruption that have since dissipated, customer expectations for this greater flexibility have not. Expedia's Traveler Value Index 2023⁴ revealed a permanent shift to favoring flexible reservation policies, stating that more than half of travelers wouldn't book non-refundable lodging or transportation for an international trip.

Advisors are also creating more customized travel itineraries that are tailored to the specific needs or preferences of individual travelers, including personalized recommendations for activities, accommodation and dining. Technology-enabled communication is also assisting in this area, with mobile apps and chatbots often supporting clients in their ability to access their information, seek support and change their requirements more quickly and efficiently.

TRAVEL ADVISOR TAKEAWAY 2

Travel planners must adapt to the growing demand for flexibility by providing more personalized and customized travel experiences, as well as more transparent and flexible rates and booking policies. But the ongoing hunger for flexibility from travelers also demonstrates that they still have a level of uncertainty around travel. Travel planners have a vital role to play here in being able to reassure their clients, guide them through anything they are worried about, and prepare contingency plans, in addition to flexible terms.



Tailored trips: a guiding hand to take the stress out of travel

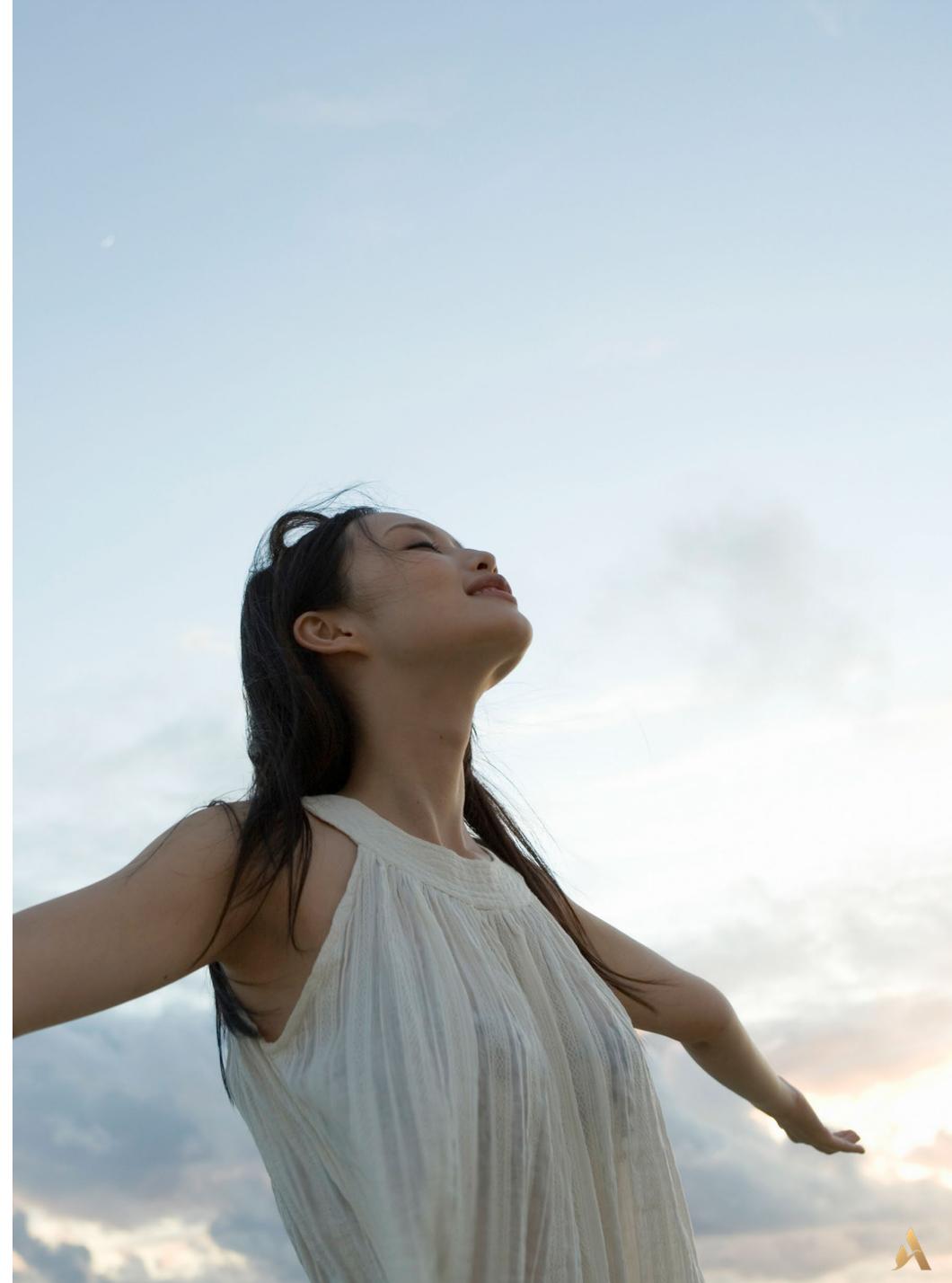
The need for flexibility is not the only Covid-influenced habit that has stuck. Much more broadly than this, when leisure travelers picked up their suitcases again, many felt the need to turn to travel agents or advisors to provide guidance.

Predominantly, of course, this was driven by ongoing uncertainty and the perceived need for professional guidance to take the stress out of travel in a period when its unpredictability and complications created more stress than ever before. Travel planners began doing everything they could to ease the load, from organizing transfers to pre-booking attraction tickets, tour guides or car hire.

But also, in many cases people wanted different kinds of trips. Trips that were longer, for larger and sometimes multi-generational family groups, with more personalized itineraries or unique experiences as people sought to tick off their bucket lists, re-evaluate their priorities or make up for lost time. Accor's Hospitality Ahead⁵ report in March this year highlighted the growing travel trend for people to focus on trips with their "tribe" – in a bid to reinforce human connections with their loved ones and those most important to their well-being, whether family or friends. Global google search for the term 'Bucket List Travel' peaked in Q1 2023. Travel advisors, with their specialist expertise, tools and resources, are uniquely positioned to help travelers plan their dream getaways. Their knowledge and network of contacts gives them access to information about destinations, attractions, and travel tips that are difficult to find through other channels.

Capitalizing on this need, many travel planners have taken a more consultative approach to travel planning and are offering more customized itineraries and recommendations, covering activities and dining options as well as transport and accommodation. Many are using more personalized communication with clients to build relationships and 24/7 support tools. Accor, which has the largest sales team of all the hotel groups in Europe, is regularly using its on-the-ground knowledge to support clients and adapting its commercial conditions to aid flexibility around trip planning.

The key underlying point to this approach is customer experience. Customer expectations of what a greater user experience feels like when they are planning and booking travel have shifted dramatically.





Of course, the digital experience we have already covered in this report is an important part of this. But it is far from the be-all and end-all. Digital tools can be invaluable in contributing to better knowledge and understanding of your customers and streamlining certain services, but this information has to be applied in a human-centric manner to truly satisfy today's traveler. Digital communication tools can be crucial, but at the actual point of need travelers more often than not prefer to speak to a human directly, and those interactions can make or break a client relationship. A recent Salesforce study indicates that 83% of customers expect to solve complex problems by speaking to one person rather than to connect through digital tools.

Using the tools available to provide a faster turnaround; to give customers more options that are personalized to their preferences; or to provide a faster response to issues or queries; are elements of the kind of customer experience that will help create an emotional connection between the travel advisor and the customer. Exceeding customer expectations and helping them feel the way they should feel around a holiday – excited, well-rested, or recharged – is what will build the connection that brings loyal repeat business.

This balance between the human-touch and digital process is crucial. A study by Adobe shows that half of consumers (48%) place equal importance on digital and in-person experiences when it comes to earning their trust. At Accor, we are using our best asset, our people, to reinvent how we approach customer service and we are using the latest technology to enable this. Digitalization is not always about removing people, it's about easing the process and improving the experience for guests and teams. At Accor we call this 'Tech with Heart' - technology that has our guests at the heart of it. In its recent Hospitality Ahead report Alix Boulnois, Chief Digital Officer at Accor, remarked how "if the technology is sufficient, hotel staff spend barely any time doing admin work. Instead, they have time to focus on welcoming and interacting with the guest and getting to know them so they can provide even better service."

TRAVEL ADVISOR TAKEAWAY 3

One of the most important advantages travel advisors have in the travel recovery is the ability to provide a bespoke, personalized and smooth customer experience to take the stress out of travel, exceed the expectations of customers and build emotional, long-lasting connections. To do this they must focus not just on the digital experience, but how they can build an overall customer experience that blends technology with the human touch to make their clients feel great about their trip.



The What? The Products Leisure Travelers Are Looking For In 2023

The hot destinations

While initially the recovery was focused on secondary destinations, since the middle of 2022 we have seen a strong recovery from the largest European cities.

According to Euromonitor's Top 10 City Destinations Index 2022, an annual report that compares the attractiveness of 100 cities worldwide across six categories (tourism performance, sustainability, infrastructure, health & safety and economic performance), Europe won the tourism game in 2022, taking 8 out of the 10 top places, with the top destinations very similar to those seen by Accor across its European portfolio.

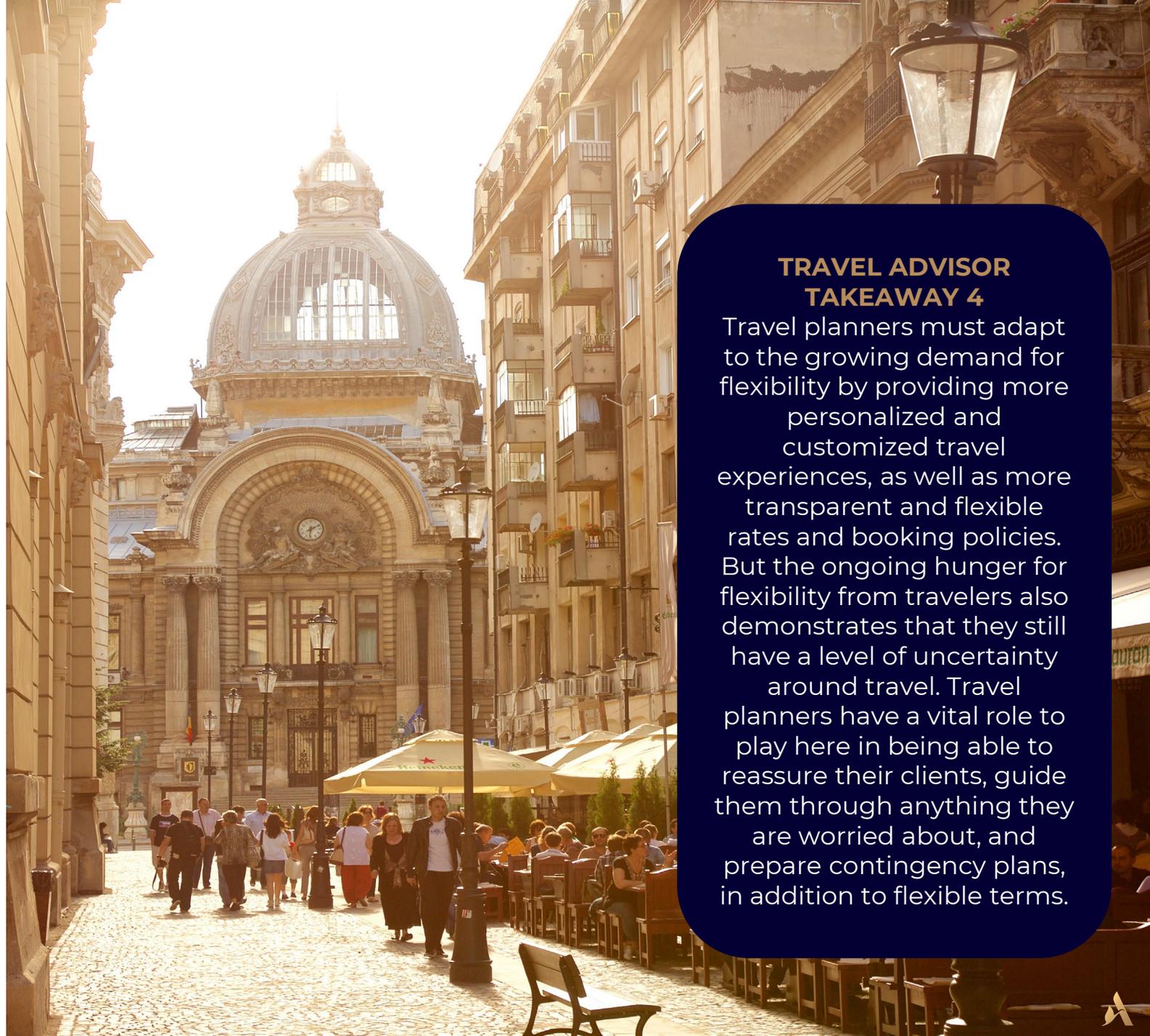
Top 10 City Index in 2022:

1. Paris
2. Dubai
3. Amsterdam
4. Madrid
5. Rome
6. London
7. Munich
8. Berlin
9. Barcelona
10. New York

Beyond these factors, market reports have identified some key trends driving leisure travelers to particular destinations that travel advisors should be aware of. These include:

“City Celebrants”: Travelers are craving social and cultural immersion in the world’s best cultural capitals, with most of the destinations seeing the largest increases in interest being culture-rich cities where art and culture festivities are getting back to full swing.

“Set-jettiers”: Two-thirds⁹ of global travelers have been inspired to travel to a destination after seeing it featured on a TV show, news source, or movie – the White Lotus effect. TV series and movies are powerful destination marketing tools and have become even more influential than social media according to reports, with nations including Croatia and New Zealand experiencing a spike in the number of set-jettiers since they featured in popular TV shows.



TRAVEL ADVISOR TAKEAWAY 4

Travel planners must adapt to the growing demand for flexibility by providing more personalized and customized travel experiences, as well as more transparent and flexible rates and booking policies. But the ongoing hunger for flexibility from travelers also demonstrates that they still have a level of uncertainty around travel. Travel planners have a vital role to play here in being able to reassure their clients, guide them through anything they are worried about, and prepare contingency plans, in addition to flexible terms.



The What?

Slow Travel, Fast Growth

Many travelers are slowing down. In contrast to the fast-paced travel trends we witnessed pre-pandemic, we are seeing leisure travelers visit slower-paced destinations for longer, less-frequent periods, often travelling on slower forms of transport and spending their time away engaged in leisurely pastimes and activities.

Back in 2021 the first signs of the tourism recovery were concentrated on biophilia: sea, mountains, country- and lake-side hotels and resorts were the first to come back to pre-pandemic performance.

As a direct effect of lockdowns and the huge change in work methodologies all over the western countries, people started to reflect on their own lives in a fast-moving world. Slowing down and dedicating more time to family and friends became a higher priority, and in combination with a greater ability to work flexibly, has spawned a resurgence in interest for slower-paced travel.

Out went fast-paced, packed itineraries and in came fewer, but more meaningful experiences. Slow Tourism is seeing leisure travelers taking time out to enjoy the moment, discovering their destinations in more detail, taking in countryside and local cultures and even the journey itself.



Wellness

The super acceleration of wellness adoption was already a globalized movement prior to the pandemic, and it has now accelerated into the mainstream. Travelers want to unplug from the daily grind, unwind and find destinations and experiences that help them relax and feel healthier.

According to the 2023 Global Travel Trends Report by American Express¹⁰, 73% of respondents are planning vacations to better their mental, physical, and emotional health in 2023. Sentiment is even stronger among younger generations, with 60% of Gen-Z and Millennial respondents saying they go out of their way to book hotels that offer spa and wellness services – compared to 43% of respondents overall.

Accor's Health to Wealth report¹¹ revealed almost four out of five guests - 77% globally, irrespective of demographic, age group or country - are making a daily step every day to improve their health and well-being. That's not just within luxury or ultra-luxury, but also in the economy and midscale hotel segment. The Group has launched spa.accor.com, a dedicated platform to discover and book spas, treatments and well-being experiences.

Wellness in the travel sector covers essential needs like mental health, sleep, and nutrition; and encompasses experiences from meditation and yoga to spa therapies, fitness programmes, nutritional support and outdoor activities.

Hospitality companies like Accor are helping to democratize wellness so it is approachable across all brands and not just a focus within the ultra-luxury segment.

Wellness pays. The trend is here to stay and the business of wellness is booming. The global Wellness Economy is a \$4.5 Trillion market. Wellness travelers spend 55% more per leisure guest at a resort compared to those not there for wellness. A trawl through Accor guest feedback revealed that the guests with the highest referral rates and highest level of posts in relation to their experience were those who had wellness experiences. And the 8.5 million conversations per month about wellness in social media, and increasing awareness of stress and health-related concerns, lead to increasing levels of interest.

^{10/} [AmericanExpress2023GlobalTravelTrends.pdf10/](#)

^{11/} [Accor Reveals Its Thought-Leading Health to Wealth White Paper](#)



Linger Longer

In part influenced by remote work and flexible schedules, part by sustainability and the impact of travel, travelers are increasingly taking longer stays. While the volume of short stays remains stable, Accor data shows notable increases in longer stays from five to nine nights vs 2019 bookings.

The trend is being encouraged by some destination marketing organizations. The Icelandic authorities, for example, have said they want to promote sustainable travel by encouraging people to stay longer and travel slower. Accor's leading Midscale hotel brand, Mercure, has launched Discover Local¹² guides in Europe to encourage slower and more immersive domestic and international travel.

The trend is also in part due to the gradual disappearance of boundaries between business and leisure travel. Bleisure travel is booming, with significant consequences for the travel industry as travelers seek different types of trip combining the traditional business trip with local activities or entertainment, sometimes with family or partners present for some or all of the stay.

One of the consequences of this trend is the disappearance of seasonality in the hospitality sector. For tour operators, it is becoming increasingly difficult to make clear predictions on these business flows, and dynamic products and rates are therefore becoming increasingly important.

TRAVEL ADVISOR TAKEAWAY 5

The growth of slow travel, longer more experiential trips and the impact on travel of the flourishing wellness economy can't be ignored. Travel advisors need access to enriched commercial offers with strong wellness offerings across all segments, and new experiences to occupy guests seeking longer stays, whether purely for leisure purposes or blended with business.



Sustainable trips

It's no surprise, but the fight against the impacts of climate change is the megatrend of our generation, and the pursuit of sustainability is having a significant impact on leisure travel. Google search data related to "sustainable travel" has increased 290% over the last five years, and specifically "Sustainable Hotel" search is up +28% versus the same period last year.

Of course, there is increasing awareness among travelers about the environmental and social impacts of tourism. As concerns rise, and as the travel industry continues to implement eco-friendly practices, adopt sustainable technologies and embed environmental considerations into their offerings, consumers are actively seeking out providers that demonstrate a commitment to sustainability. They look for eco-friendly certifications, externally-verified claims, sustainable buildings and menus, environmentally-friendly experiences and support for local communities.

Slow and sustainable modes of transportation are also on the rise, from train travel to yachts, bikes and even electric vehicle road trips. Accor's Orient Express La Dolce Vita train will launch in 2025 with restored and reimagined original carriages and 140 years after the launch of its first luxury trains, the Orient Express legend continues with the unveiling of the world's largest sailing ship, Orient Express Silenseas, setting sail in 2026.

Accor research even suggests that one in five travelers are willing to pay for a holiday if the operator providing the holiday has provable green or carbon neutral credentials. Robust third-party EcoLabels are crucial to give help customers make more complete information about their travel choices, something Accor is prioritizing. Accor has signed global partnerships with Green Key and Green Globe, both partners having their standards recognized by GSTC, and has set an ambitious target to have all Accor hotels eco-certified by 2026.

Climate action lies at the core of Accor's vision and business model. It was the first major international hotel group to set long-term science-based targets to reduce carbon emissions in line with the 1.5°C ambition of the Paris Agreement and has pledged to ban single-use plastic for guests, among other commitments and achievements.

As sustainability becomes a key driver in the choices of travelers, accommodation and transport providers and intermediaries will continue to introduce labels and filters to help guests navigate to sustainable options, as well as investing in reducing the carbon footprint of their operations.

For travel advisors, finding ways to provide eco-conscious travelers with the sustainable trips they are seeking will over time become an economic imperative as well as an ethical one.

TRAVEL ADVISOR TAKEAWAY 6

Travel advisors have an opportunity to connect with travelers who have an increasing desire to take trips that are as sustainable as possible, but need some guidance on how to find sustainable providers that still give them the experience they want. To do this, they need to ensure they have partners with sustainable and responsible travel practices and products; that they stay updated on the latest eco-friendly options available across accommodation, activities and transportation; and provide a customer journey that clearly signposts sustainable options or itineraries. CO2 travel budgets are already part of corporate travel and will become a far more significant consideration for leisure travel in the future.





The full package

Travel advisors are increasingly expected to offer broader packages to their customers that include a wider range of experiences, activities, and services to take the stress out of travel, as well as the booking of transport and accommodation.

This is partially driven by consumers progressively seeking personalized and unique travel experiences that go beyond traditional sightseeing. They want to engage in activities that reflect their interests, whether it is adventure tourism, wellness retreats, culinary experiences or cultural activities.

It is also driven by heightened expectations of customer experience that involve minimal effort and maximum convenience and time efficiency. Many travelers prefer to have all their travel arrangements managed in a seamless manner.

Travel advisors who can arm themselves with this level of knowledge and expertise to help customers make informed decisions, and broaden their services to provide a one-stop solution to simplify the travel planning process for their customers, will provide a much more rewarding experience and command greater customer loyalty.

This is particularly true when it comes to streamlining the logistical elements of a trip. Coordinating transportation, accommodation, and activities can be complex and time-consuming for travelers, so travel advisors who take on the responsibility of managing logistics, ensuring smooth transitions between destinations, optimizing travel routes, and recommending the most suitable accommodation based on their clients' preferences and budgets, are much more likely to make a positive emotional impact on their clients and generate repeat business.

TRAVEL ADVISOR TAKEAWAY 7

By offering comprehensive packages that encompass a wider range of experiences, activities, and services to remove the stress from travel, travel advisors can provide a holistic and hassle-free travel experience for their customers. This approach will add value, enhance customer satisfaction, and set them apart in an increasingly competitive industry. To do this effectively they must have an effective network with high quality on-the-ground support and expertise as well as advanced digital capabilities.



The Future: What's around the corner?

In a fast-paced market that will continue to evolve rapidly as new challengers and business models enter the leisure travel intermediary ecosystem, travel advisors need to keep one eye on the next trends round the corner that will impact their industry...

Artificial Intelligence

Artificial intelligence is developing at lightning pace. Travelers using ChatGPT or its plugins are already experiencing a remarkable level of advice on trip planning, albeit not entirely reliable yet. It won't be long before all a traveler needs to do is ask their smartphone what they want from their holiday, and it spits out the perfect itinerary including hotels, transport, activities and dinner reservations, all within your budget, in a matter of seconds.

This is the technology that could become the travel advisor's biggest threat, or best friend, if used well to help create itineraries at speed, for example.



The Future: What's around the corner?

AR, VR and the Metaverse

Augmented Reality (AR) and Virtual Reality (VR) are already providing some practical use cases in travel. AR-powered city guides, for example, are a great way to show a client around a destination and give them a real feel for it without having to leave their home. Why not have a proper glimpse and walk round the hotel or resort through the lens of a VR or AR device?

Further down the line, the metaverse may well see travelers engaging in full travel experiences from the comfort of their own homes, but it still has a lot of evolution to do. McKinsey¹³ suggests “the travel industry is ripe for virtual disruption, and the metaverse presents a \$20 billion opportunity”. Threat or opportunity, the metaverse is the next significant evolution of the travel industry in the digital space. It has the opportunity to revolutionize the way we see the world, but is the risk that it will virtual travel will replace actual travel?

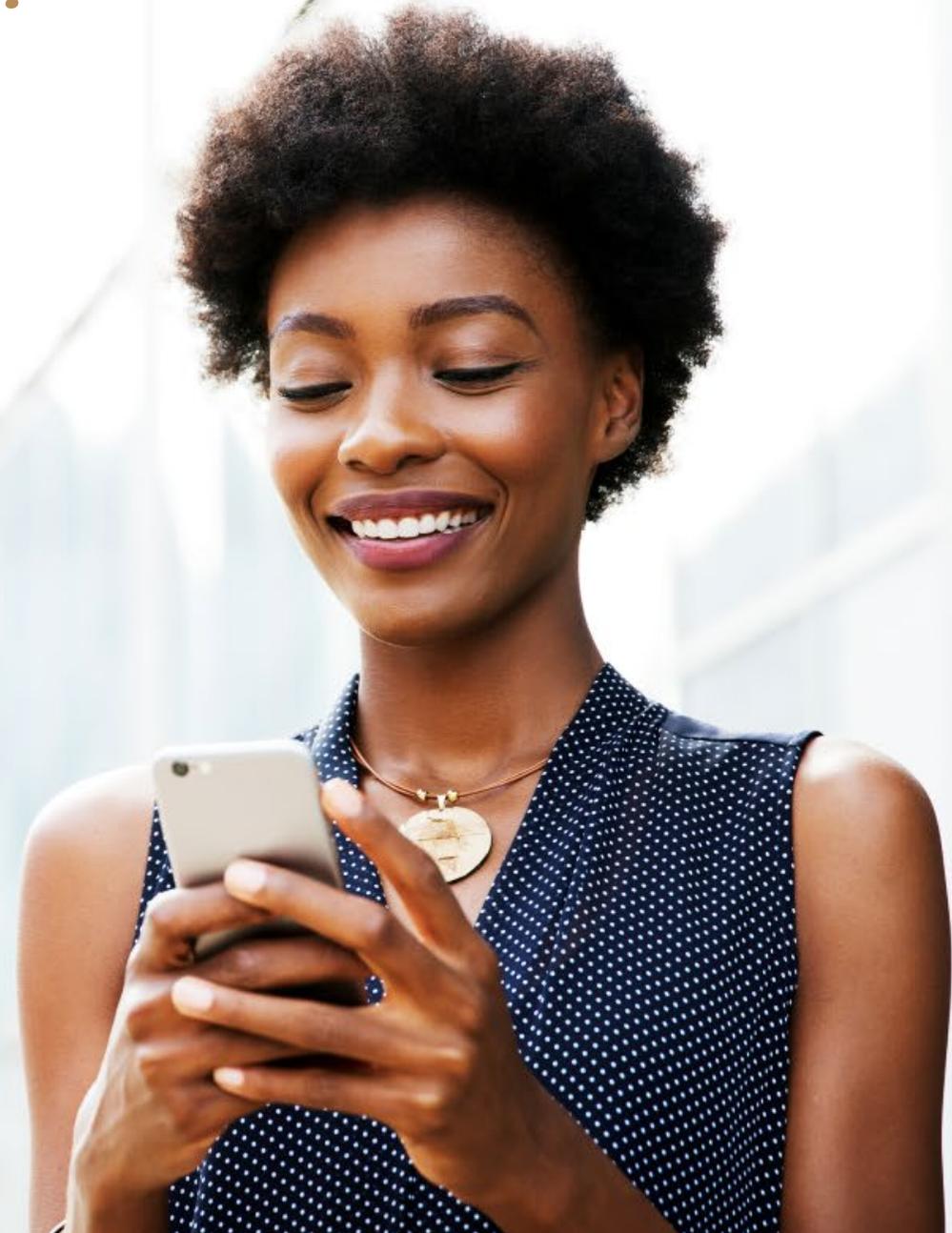


The Future: What's around the corner?

Crypto Trips

Instalment payment innovations such as Klarna are already impacting leisure travel, particularly in the last 12-months as cost of living has been a significantly greater consideration. The next step is Crypto. Paying for a trip now might just involve pounds, euros and dollars, but the first travel operators have started accepting digital currencies including Bitcoin and Ethereum. As increasing numbers of people want to use their cryptocurrencies on real-world assets, some early adopters have begun to allow it. Experiential travel and yachting company Pelorus began accepting crypto payments last Autumn, shortly after Soneva Resorts in Thailand and the Maldives began allowing guests to pay in crypto.

Expect more to follow, meaning travel advisors will have to get their head – and their payment platforms - around it too.





3. Travel Advisor Takeaways



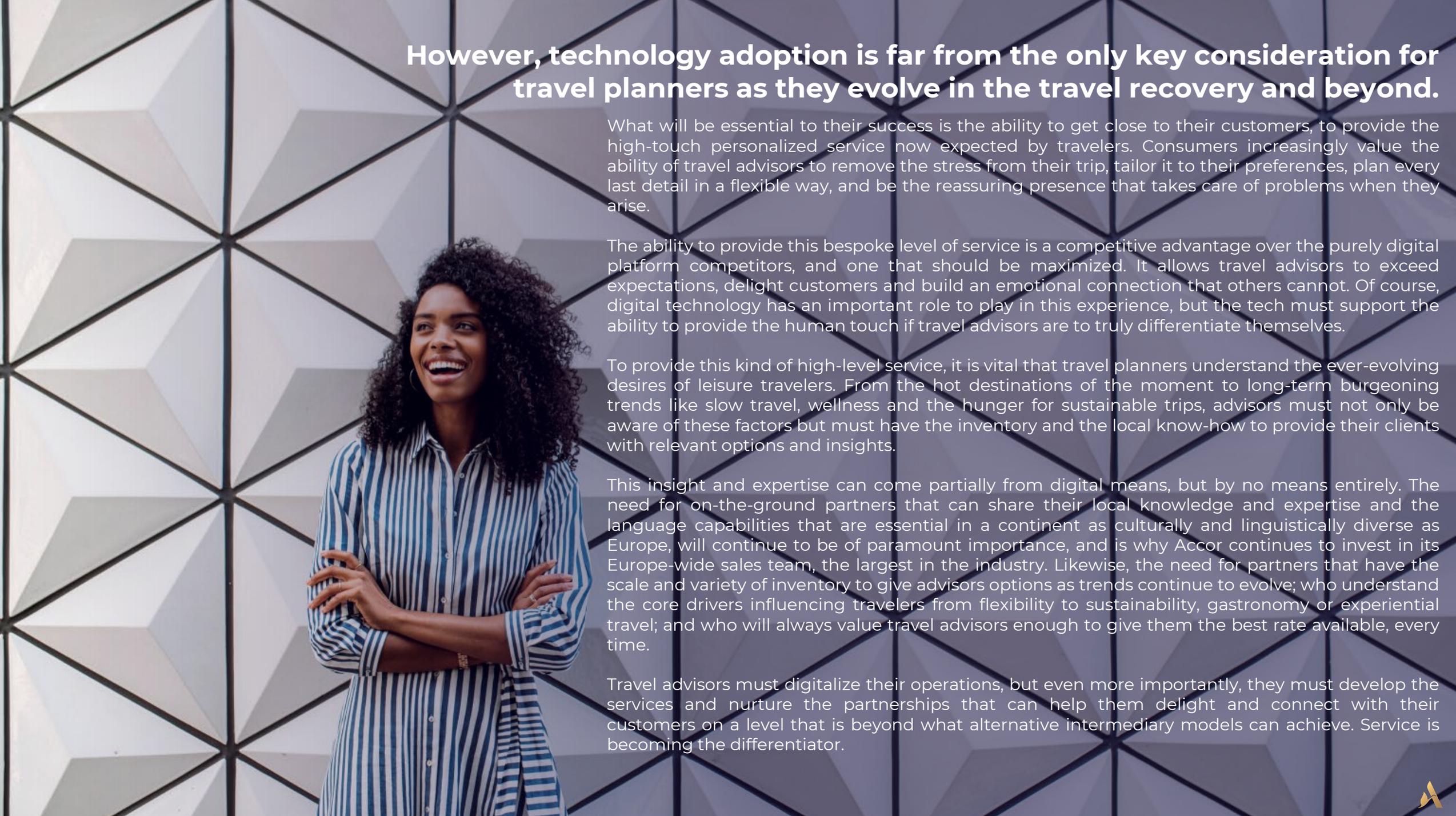
The pandemic accelerated the transformation of the shape of the leisure travel intermediary market that was already evolving quickly.

With adoption of digital technology the most obvious of changes, many of the key players in the industry are shifting their models in a bid to become platform businesses or b2b technology providers.

There is no doubt that in an ever-more digital world, travel planners need to continue to digitally transform their operations and stay abreast of the latest technological developments from messaging platforms to payments and AI to ensure they are providing the digital experience their clients expect.

Indeed, used properly, technology can be a travel advisor's best friend as it helps them to optimize their capacity with a wide variety of inventory and access powerful digital distribution channels. It can also help them to better understand their customers, market themselves and provide more sophisticated and efficient services, including digital payments. Technology is also vital for the provision of accurate dynamic rates that give the right rate for the right hotel at the right time, a trend that gives greater clarity for travelers, and that travel advisors need to follow.





However, technology adoption is far from the only key consideration for travel planners as they evolve in the travel recovery and beyond.

What will be essential to their success is the ability to get close to their customers, to provide the high-touch personalized service now expected by travelers. Consumers increasingly value the ability of travel advisors to remove the stress from their trip, tailor it to their preferences, plan every last detail in a flexible way, and be the reassuring presence that takes care of problems when they arise.

The ability to provide this bespoke level of service is a competitive advantage over the purely digital platform competitors, and one that should be maximized. It allows travel advisors to exceed expectations, delight customers and build an emotional connection that others cannot. Of course, digital technology has an important role to play in this experience, but the tech must support the ability to provide the human touch if travel advisors are to truly differentiate themselves.

To provide this kind of high-level service, it is vital that travel planners understand the ever-evolving desires of leisure travelers. From the hot destinations of the moment to long-term burgeoning trends like slow travel, wellness and the hunger for sustainable trips, advisors must not only be aware of these factors but must have the inventory and the local know-how to provide their clients with relevant options and insights.

This insight and expertise can come partially from digital means, but by no means entirely. The need for on-the-ground partners that can share their local knowledge and expertise and the language capabilities that are essential in a continent as culturally and linguistically diverse as Europe, will continue to be of paramount importance, and is why Accor continues to invest in its Europe-wide sales team, the largest in the industry. Likewise, the need for partners that have the scale and variety of inventory to give advisors options as trends continue to evolve; who understand the core drivers influencing travelers from flexibility to sustainability, gastronomy or experiential travel; and who will always value travel advisors enough to give them the best rate available, every time.

Travel advisors must digitalize their operations, but even more importantly, they must develop the services and nurture the partnerships that can help them delight and connect with their customers on a level that is beyond what alternative intermediary models can achieve. Service is becoming the differentiator.





4. Travel Inspiration



Travel Inspiration

An Accor consumer study in April 2023 indicated travelers intend to take an average of three trips during the rest of the year, with 32% of respondents intending to spend more on travel in 2023 than they did in 2022. The study also revealed the increasing importance of travel, with 28% celebrating the positive effect leisure travel has on their work-life-balance.

Travel is back, the world is open and there are incredible places to see and enjoy in 2023 and beyond.

1/ Timeless Allure – Rome, Italy

All Rome topped a recent Accor poll of destinations British travelers most want to visit in 2023. The city's timeless allure attracts millions of visitors each year, making it one of the top tourist destinations globally. Marvel at iconic landmarks like the Colosseum, the Roman Forum, and the Vatican City, where the treasures of the Sistine Chapel inspire. Indulge in world-famous Italian cuisine - pizza, pasta and gelato in charming trattorias. From the grandeur of the Pantheon to the beauty of the Trevi Fountain, Rome's architectural wonders and timeless beauty leave an indelible mark on more than 10 million tourists a year.

Where to Stay: Sofitel Roma Villa Borghese, Mercure Rome Colosseum Centre, The Hoxton Rome, Mama Shelter Roma, Mercure Rome Corso Trieste, ibis Styles Roma Aurelia

2/ Culture Capital - Budapest, Hungary

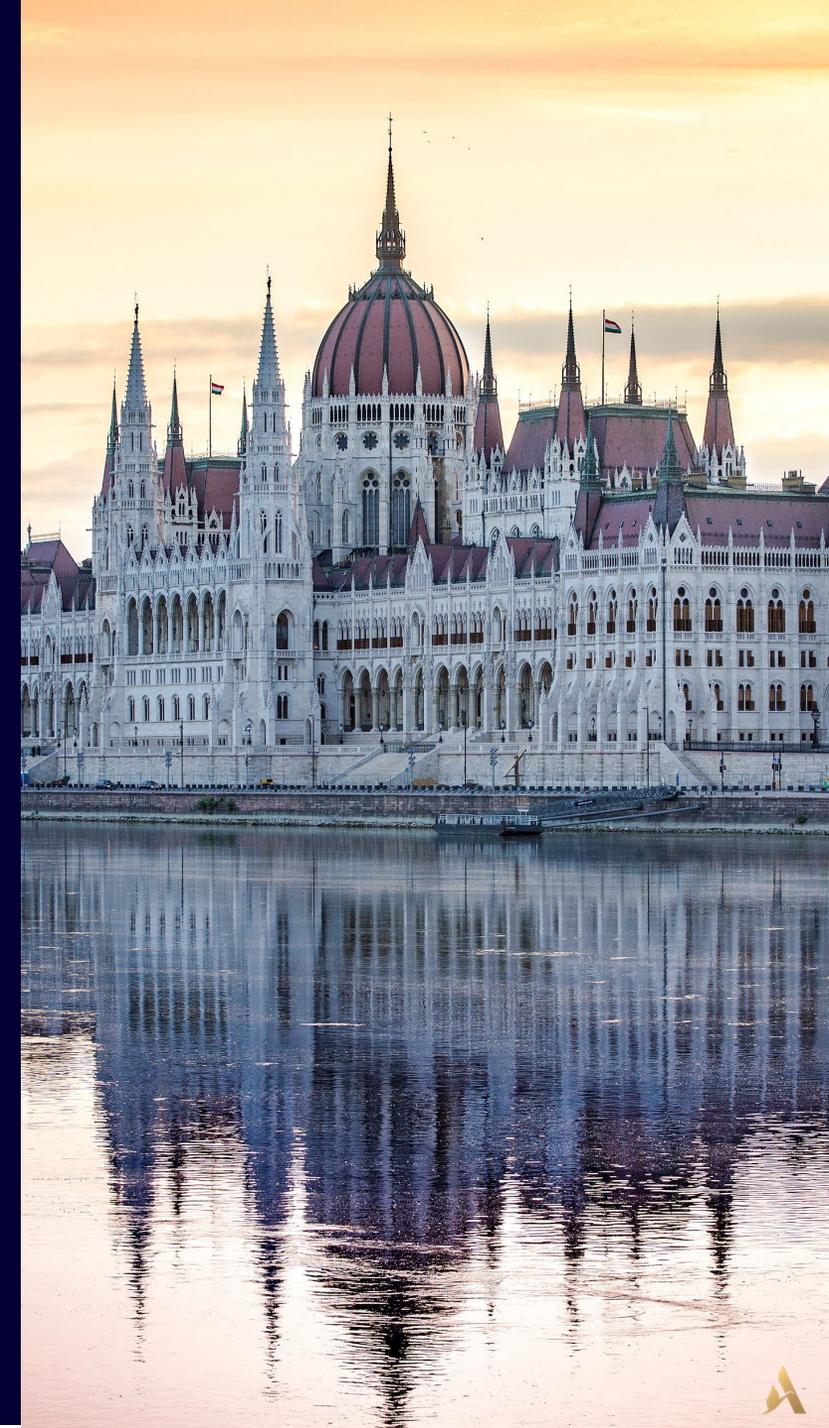
One of Europe's 2023 Capitals of Culture, Budapest is the capital and largest city of Hungary, and is known for its rich history, cultural attractions, and natural beauty. Located on the banks of the Danube River, Budapest is home to a number of iconic landmarks, including the Buda Castle, the Széchenyi Chain Bridge, and the Szechenyi Thermal Bath.

Where to stay: Mercure Budapest City Center Hotel, ibis Budapest Castle Hill, ibis Budapest Liberty (opening summer)

3/ Set-Jetting - Bucharest, Romania

A century ago Romania's capital was called the "Paris of the East" thanks to its French-style Art Deco and Art Nouveau architecture and vibrant cultural life. Whilst much of that architecture has not survived the 20th century, the vibrant culture has. The Palace of Parliament, also known as 'The People's House', is a staggering piece of architecture and one of the largest buildings in the world, with ornate interiors which also feature in Sharon Stone and Andy Garcia's new film, 'What About Love' (2023). The hit Netflix series, Wednesday, was also filmed all over Romania. The city's café culture, art scene, museums, are quirky neighborhoods are all just part of the city's incredible charm.

Where to stay: ibis Bucharest Politehnica Hotel



Travel Inspiration

4/ City Celebrant - Copenhagen, Denmark

A recent survey by American Express found that the Danish Capital is top of most people's bucket lists for 2023. Copenhagen is considered one of the most environmentally friendly and visionary cities in the world. In fact by 2025, the city plans to be CO2-neutral. Design and innovation is at the city's core and in 2023 will be UNESCO-UIA World Capital of Architecture. Copenhagen is also home to the "hygge" culture and one of the world's culinary hotspots with one of the highest number of restaurants and bars in relation to its inhabitants worldwide.

Where to stay: ibis Styles Copenhagen

5/ The Call of Nature - Lake Balaton, Hungary

Lake Balaton is the largest lake in Central Europe known for its stunning natural beauty. The lake is surrounded by rolling hills and forests, popular with hikers, and the lake itself draws water-sport enthusiasts from all over Hungary. The southern shore of the emerald waters is becoming a major holiday destination while the hills of the north shore are home to the Balaton wine-growing region, representing 10,000 hectares of vineyards.

Where to stay: Mövenpick Balaland Resort Lake Balaton

6/ Sport Tourism - Marseille, France

Marseille is the second-largest city in France and is located on a stunning stretch of the Mediterranean coast in the southeast of the country. It is known for its rich port history, cultural attractions, and natural beauty. The Calanques National Park is a wonder of natural architecture, formed of limestone cliffs, rocky coves and turquoise waters. The city itself, often considered one of France's grittiest, is home to museums, art galleries, boutiques, restaurants serving classic bouillabaisse, a thriving nightlife and a world-renowned street art scene. The Vieux Port (Old Port) is a must-visit and the tranquil center of a thriving city. In October 2023, the Rugby World Cup will take place across nine French cities, including Marseille.

Where to stay: Grand Hotel Beauvau Marseille Vieux-Port-MGallery, greet Hotel Marseille Centre Saint Charles

7/ Mediterranean Sun – Malta

This picturesque Mediterranean archipelago offers a wealth of attractions that are sure to enchant travelers of all kinds, with its stunning coastline, historic sites, and vibrant culture. Explore the island's rich history by visiting ancient temples, medieval cities, and the magnificent fortified capital of Valletta, a UNESCO World Heritage site. Immerse yourself in the crystal-clear waters of the Blue Lagoon or relax on the pristine sandy beaches along Malta's 200km coastline. Beyond its natural and cultural beauty, Malta boasts a thriving nightlife and culinary scene. Whether you're seeking relaxation, adventure or cultural immersion, Malta has it all.

Where to stay: ibis Styles St Pauls Bay Malta or Mercure St. Julian's Malta



Travel Inspiration

8/ Nature's Finest - Lake Constance, Germany/Austria/Switzerland

Lake Constance is the largest lake in Germany and also marks the border of three countries; Germany, Austria and Switzerland. Around the lake you will find beautiful towns, some of which are thousands of years old, orchards and local recreation areas. Don't miss the "flower island" Mainau with its castle which is still inhabited by a German noble family, and the monkey hill Saleem which is the home of 200 Barbary Apes. 2023 is the 40th anniversary of the Lake Constance Cycle Route "Bodensee-Radweg".

Where to stay: ibis Styles Friedrichshafen (Germany), Grand Hotel Bregenz – MGallery (Austria), ibis Styles St. Margrethen (Switzerland)

9/ The New Hot List - Tbilisi, Georgia

The Georgian capital is a picturesque city set within a rocky gorge, with a love of good food and wine, traditional dancing and a city waterfall, all over-seen by the majestic 20m tall Kartlis Deda (Mother Georgia) statue that stands above the city on a wonderful viewing platform. Tbilisi has a rich cultural heritage, historic districts and wonderful cuisine and is surrounded by incredible day-trips, from mountain hikes to medieval caves and monasteries. Tbilisi is an exciting emerging destination for EMEA travelers - go before the crowds.

Where to stay: Pullman Tbilisi Axis Towers, Mercure Tbilisi Old Town, ibis Styles Tbilisi Centre, Novotel Tbilisi Center (opening summer 2023), Swissôtel Tbilisi (opening winter 2023)

10 / 2024 – Paris, France

Topping the City Index in 2022, Paris is a city rich in culture - immerse yourself in the city's rich history as you stroll along the Seine, marvel at the majestic Eiffel Tower, and explore iconic landmarks including the Louvre, Montmartre and Sacré-Coeur. The ultimate Culture Capital, Paris is thriving with arts, culture and creativity, from Paris Fashion Week to Paris Photo. Home of the Olympic Games in 2024, Paris is not likely to be toppled from the top spot on the City Index any time soon.

Where to stay: Pullman Paris Montparnasse Hotel, Hotel Mercure Paris Alesia, Novotel Paris Les Halles, Tribe Paris Batignolles, ibis Styles Paris Gare De Lyon Bastille

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