

SECTION 10. TOURISM AND HOTEL AND RESTAURANT BUSINESS

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10.1 Main trends in the development of the global tourism

The world of tourism is continually evolving to meet the changing preferences and priorities of travelers. The industry is experiencing a shift towards sustainability, technology-driven experiences, and a focus on authenticity and well-being. As travelers seek more personalized and unique adventures, the tourism sector will need to adapt and innovate to provide exceptional and responsible experiences. With the ongoing impact of the COVID-19 pandemic, safety and health considerations remain paramount. As the world of tourism continues to transform, staying attuned to these trends and adapting to them will be essential for success in the global tourism industry.

According to the January 2023 issue of the UNWTO World Tourism Barometer, international tourism reached 63% of pre-pandemic levels in 2022 driven by strong pent-up demand and the lifting of travel restrictions in a majority of countries around the world. Over 900 million tourists travelled internationally last year, double those in 2021 though still 37% fewer than in 2019. Europe saw 585 million arrivals in 2022, almost 80% of pre-pandemic levels (-21% over 2019). The Middle East enjoyed the strongest relative increase with arrivals climbing to 83% of prepandemic numbers (-17% versus 2019). Africa and the Americas both recovered about 65% of its pre-pandemic visitors, while Asia and the Pacific reached only 23%, due to stronger pandemic-related restrictions. International arrivals could reach 80% to 95% of pre-pandemic levels in 2023 according to UNWTO's scenarios, with Europe and the Middle East expected to attain 2019 levels [177].

Tourism is an ever-evolving industry that responds to changes in technology, demographics, and the evolving needs and preferences of travelers. Here are some trends in the development of the global tourism:

1. Sustainable Tourism. There is a growing emphasis on sustainable and responsible tourism. Travelers are increasingly concerned about the environmental and

social impact of their trips. This has led to a rise in eco-friendly accommodations, conservation-focused tours, and efforts to reduce the carbon footprint of travel. Currently, most people on the planet strive to have the most positive impact on the environment in their everyday life. For example, 57.3% of tourists noted that during their trip they are willing to pay more for environmentally friendly products or sourcing local food and beverages, using alternative energy sources, offsetting carbon emissions and paying fair wages for workers. Also, with the support of tourists, governments and private businesses, the decarbonization movement will become increasingly popular in 2023 [178].

Sustainable tourism has emerged as a prominent and enduring trend within the global tourism industry. It places a strong emphasis on minimizing the negative impact of travel and maximizing the positive contributions to the environment, local communities, and cultural heritage. The key principles of sustainable tourism involve environmental conservation, community empowerment, cultural preservation, responsible travel behavior, biodiversity and nature tourism, and the promotion of sustainable accommodations. This shift towards responsible and ethical travel practices reflects the growing awareness of the need to balance economic benefits with environmental and social responsibility. It is a positive step towards ensuring that the world's natural and cultural treasures are preserved for future generations while enhancing the well-being of local communities and economies. Sustainable tourism is not just a passing trend but a fundamental transformation that is likely to shape the future of global tourism for years to come.

2. Digital Transformation. Technology is playing a significant role in the tourism industry. Mobile apps, online booking platforms, and virtual reality are being used to enhance the traveler's experience. Additionally, digital marketing and social media play a crucial role in destination promotion. From transportation access to digital payments to addressing health protocols, technology became a significant tool that helped with the recovery of the sector. According to the World Travel & Tourism Council (WTTC), health protocols can be achieved by technology solutions through digital health passes, which help in verifying information easily and securely; and

digital travel portals, which are online portals allowing quick access to the health entry requirements of the country [179].

The digital transformation of global tourism is a dynamic and ever-evolving process that has revolutionized the way people travel and experience the world. The integration of digital technologies, from online booking and mobile apps to big data analytics and artificial intelligence, has made travel planning and execution more convenient, personalized, and data-driven. Travelers now have access to a wealth of information at their fingertips, enabling them to make informed choices and enjoy more immersive and sustainable travel experiences.

The digital transformation has also been a critical response to the challenges posed by the COVID-19 pandemic, with health and safety measures, digital payments, and remote work solutions becoming integral to the new travel landscape.

As this transformation continues, it is essential for both travelers and the tourism industry to adapt to these digital trends, ensuring that travel remains a dynamic and rewarding experience, while also promoting sustainability, cultural preservation, and responsible tourism. The ongoing evolution of digital technology will continue to shape the future of global tourism, and travelers and industry stakeholders alike will need to embrace these changes to stay relevant in the ever-evolving landscape of travel and tourism.

3. Niche Tourism. Specialized forms of tourism are on the rise, including culinary tourism, wine tourism, dark tourism, and more. Travelers are seeking out specific interests and passions. COVID-19 has reshaped traveler preferences, opening up new avenues for innovation and product development within the tourism industry. With many individuals experiencing a series of lockdowns and remote work arrangements over the past few years, there is a growing desire to explore expansive, environmentally-conscious settings and to connect with others. Consequently, there exists a significant opportunity for specialized tourism businesses focusing on rural and adventure travel to expand their offerings. The concept of niche tourism can serve as a means to distinguish any company or destination from the highly competitive landscape of the modern travel industry. There are tangible examples throughout the

travel and tourism supply chain where the adoption of a niche approach can enhance brand recognition and bolster the competitive position. Pioneers in this field have honed in on specific target markets, providing an alternative to the conventional beach vacation that effectively caters to the unique needs of niche travellers [180].

4. Personalization. Travel companies are using data and AI to offer personalized recommendations and services. This includes tailored travel itineraries, special offers, and destination suggestions based on a traveler's preferences and past behavior.

To learn more about the power of personalization, let's look at some recent data [181]:

- A majority of tourists, totaling 57%, express the desire for brands to tailor their shopping experiences by taking into account their individual preferences, behaviors, and past choices.

- Sabre's data, originating from a global B2B travel marketplace, highlights that a significant 83% of customers anticipate receiving pertinent information and product recommendations that align with their personal preferences.

- There is a 36% inclination among customers to pay premium prices for travel experiences that align with their behavioral profiles.

- A remarkable 96% of marketers within the industry firmly believe that personalization enhances customer relationships. In parallel, an impressive 88% of marketers report substantial enhancements in their companies' performance, attributed to customer-centric initiatives.

- Surprisingly, only 31% of marketers hold the view that the Travel & Tourism sector effectively implements personalization mechanisms. This underscores the ample room for growth and enhancement in an industry known for its dynamism and robust health.

5. Health and Safety Concerns. The COVID-19 pandemic has placed a renewed focus on health and safety in travel. Travelers are more conscious of cleanliness, vaccination requirements, and travel insurance. Prior to the COVID-19 pandemic, the growth rate of the global Travel & Tourism sector outpaced the growth of the global economy for nine consecutive years. After a devastating 50.4% fall in the contribution

of the sector to the global economy, Travel & Tourism recovered by 21.7% in 2021. In comparison, the global economy bounced back by 6.7%. Travel & Tourism's pace of recovery was slowed down by the spread of the Omicron variant in the second half of 2021 which forced governments to reinstate restrictions on international travel [182]. Health and wellness have become a priority for many travelers. Spa retreats, yoga and meditation retreats, and destinations focused on physical and mental well-being are gaining popularity.

6. Domestic and Regional Travel. In response to the pandemic, many travelers have been exploring their own countries or regions. This trend has given a boost to local tourism and led to the discovery of hidden gems closer to home. Domestic and regional travel play crucial roles in the global tourism industry. They are essential components of tourism, contributing significantly to the overall economy of a country or a specific region. The global Travel & Tourism's recovery was supported more by the rise in the spending by domestic visitors than revenues from international visitors. Travel & Tourism domestic spending recovered strongly – by 31.4% globally – whereas spending by international visitors recovered by only 3.8% as travel restrictions for foreign visitors remained in place across many countries. As a result, domestic spending's share of total Travel & Tourism spending increased from 72% in 2019 to 85% in 2021. Travel & Tourism business spending and leisure spending grew at 30.9% and 25.1% respectively [182]. Domestic and regional travel are integral components of the global tourism landscape. They have unique economic, cultural, and environmental implications that vary depending on the specific countries or regions involved. These forms of travel continue to play vital roles in shaping the tourism industry and the economies of nations and neighboring regions.

7. Collaborative Consumption. The sharing economy has expanded to the travel industry with services like Airbnb and car-sharing platforms. Travelers are increasingly looking for unique, cost-effective accommodations and transportation options. The absence of platforms such as Airbnb, Couchsurfing, Homeaway, Housetrip, and 9Flats would leave most individuals feeling incomplete and disoriented, particularly among the younger generation. This underscores the significant impact of technology on how

people approach new experiences. These platforms serve as pivotal reference points for travelers, greatly influencing their freedom to choose how they wish to spend their vacations and engage in travel. Opting for more conventional websites or agencies is seen as an institutional necessity, but these traditional channels are becoming increasingly overshadowed [183].

Virtually all these platforms enjoy widespread recognition, and the key differences between them are associated with the age groups of their users. Furthermore, it appears that users are well aware of the level of offerings and added value provided by each platform. Companies and platforms have recognized that people have unmet needs, including cost savings, connecting with locals, and sharing knowledge, and that technology can revolutionize the conventional approach to travel planning. These factors, which significantly influence travellers' moods, are effectively addressed by online platforms like Airbnb, HomeAway, HouseTrip, Couchsurfing, and 9Flats [183].

These trends reflect the evolving preferences and priorities of today's travelers, and they are likely to continue shaping the future of the global tourism industry.

However, there are some risks associated with the recovery of the international tourism sector. The ongoing uncertainty surrounding the COVID-19 pandemic poses a significant risk to the recovery of international tourism. New variants of the virus or future pandemics could lead to travel restrictions, lockdowns, and reduced traveler confidence. Economic, health and geopolitical headwinds could weigh on the sustained recovery of international tourism and confidence levels in 2023. The challenging economic environment, including high inflation and interest rates, the spike in oil and food prices, as well as fears of a global recession could weigh on the recovery of tourism. The uncertainty derived from the Russian aggression against Ukraine is also an important downside risk [177]. Security threats and terrorism can deter tourists from visiting certain destinations, affecting the recovery of international tourism. Travelers may prioritize safety over leisure.

To mitigate these risks, the international tourism sector and governments must remain flexible and adaptable, continually monitor the global situation, and collaborate

on strategies to ensure a more resilient and sustainable recovery. Additionally, promoting responsible and sustainable tourism practices can help address some of these risks, particularly those related to environmental and social concerns. Encourage and promote domestic and regional tourism to stimulate local economies and reduce the reliance on international travelers during periods of uncertainty.

The OECD survey of recent tourism performance and outlook for recovery highlights the shift in focus as the tourism sector faces many challenges, beyond the pandemic, with countries in particular highlighting the impact of global inflation and price rises on tourism businesses and tourist spending. Economic insecurity, energy constraints and labour shortages are also barriers to the recovery. While travel restrictions are lifting, geopolitical uncertainty and the absence of key source markets due to COVID-19 and Russia's war in Ukraine is also expected to impede the tourism recovery in some countries. The restart of international tourism also brings unforeseen challenges which risk constraining the recovery, including for example, processing backlogs for visas and travel documentation [184].

Russia's war in Ukraine has dealt a blow to the economic recovery, as the impacts of the pandemic still linger, with significant consequences for tourism. Recent macroeconomic estimates show that global GDP growth is projected to remain subdued in the second half of 2022, before slowing further in 2023 to 2.2% [185]. The war has also triggered a cost-of-living crisis, affecting people worldwide. Inflationary pressures are now broadening beyond food and energy, with businesses throughout the economy passing through higher energy, transport and labour costs to consumers. This is sapping growth and will impact real incomes and curb spending, weighing down on the tourism sector's nascent recovery from the pandemic [185].

Sustainable tourism plays a pivotal role in shaping the future of the travel industry. It represents a conscious effort to harmonize economic development, environmental preservation, and social inclusion in tourism activities. By prioritizing environmental conservation, respecting local cultures, and empowering communities, sustainable tourism offers a path toward a more responsible and resilient industry [186]. As travelers, industry stakeholders, and policymakers embrace the principles of

sustainable tourism, they contribute to the long-term viability of destinations and the well-being of host communities. This approach not only minimizes negative impacts but also maximizes the positive contributions of tourism, creating a win-win scenario for all involved.

Trends in global tourism change for several reasons:

- As travelers become more conscious of their impact on the environment and local communities, their preferences change. Sustainable and responsible tourism is gaining popularity, influencing the types of experiences and destinations people seek.
- Technology continually reshapes the tourism landscape. From online booking platforms to virtual reality travel experiences, technology drives new ways of planning and experiencing travel.
- Events such as the COVID-19 pandemic can have a profound impact on tourism trends. Health and safety concerns, as well as travel restrictions, have led to shifts in where, when, and how people travel.
- Economic conditions, including exchange rates, inflation, and economic growth, can influence travel trends. Economic downturns may lead to decreased tourism, while growth can result in increased travel.
- Growing awareness of environmental issues like climate change has led to a focus on sustainable and eco-friendly tourism.
- Shifts in the demographics of travelers, including aging populations and the rise of digital nomads, impact the types of experiences and destinations in demand.
- Political stability and international relations can affect the perception of destinations as safe or desirable for travel.
- Tourism boards and businesses actively market destinations and experiences, creating trends by showcasing certain places or activities.
- Cultural and social movements, such as the rise of food tourism or the desire for authentic experiences, shape travel trends.
- Natural disasters, like hurricanes or earthquakes, and man-made crises, such as terrorist attacks, can quickly change travel patterns and influence traveler decisions.

In a world facing environmental challenges, cultural diversity, and socio-economic disparities, sustainable tourism stands as a beacon of hope, demonstrating that responsible travel practices can coexist with fulfilling and enriching travel experiences. It is not just a trend but a fundamental shift in the way we approach and enjoy the world, promoting a brighter, more sustainable future for global tourism.

In summary, the development of international tourism is a dynamic and multifaceted process that continually evolves in response to changing global conditions and traveler preferences. It is a sector that has experienced both tremendous growth and significant challenges in recent years. Factors such as technological advancements, changing travel behaviors, and geopolitical shifts have all played a role in shaping the international tourism landscape.

The ongoing importance of international tourism is evident, as it contributes to economic growth, cultural exchange, and the fostering of global understanding. However, it also faces risks and uncertainties, including those related to the COVID-19 pandemic, environmental sustainability, and cultural preservation.

As the industry moves forward, stakeholders in international tourism must continue to adapt, innovate, and prioritize sustainability and responsibility. Collaboration between governments, local communities, and the private sector is essential to ensure the sector's resilience and its ability to provide enriching and memorable travel experiences while minimizing negative impacts.

The future of international tourism lies in finding a delicate balance between growth and sustainability, between exploration and conservation, and between economic benefits and cultural respect. By recognizing and addressing the challenges and opportunities of international tourism, we can work towards a more vibrant, resilient, and responsible global travel sector that benefits travelers, destinations, and the planet as a whole.