

World Tourism Trends

From our point of view, there is a set of trends that mark a new reality that will developed over time and will be determinant in the competitiveness between tourist destinations.

a) *From National and Macroeconomic to Local-Regional and Microeconomic*

As a result of the incorporation of Spain to the European Union in 1986 began a process of alignment and harmonization of key macroeconomic variables of national economy; process that was strengthened by the adoption of the Euro as common currency, and coordination of policies from Brussels and the European Central Bank. In turn, in recent decades, a process of strengthening of autonomous government eventually meant a huge transfer of competences, tasks and policy areas to Public Administration. This environment caused local and regional governments to assume a key role in managing such important areas as education, employment, promotion of trade and industry, creation of intra-regional infrastructure, and promotion of their own territories as tourist attractions. In this framework, microeconomic policies take a leading role as dynamic forces of development and engines of necessary and essential local and regional initiatives.

b) *From Productivity to Innovation*

In past decades the main reference for Companies Administration and Management, great economists of international standing as Paul Krugman, performed a sharp and decisive defense of the concept of productivity.

Productivity, defined as the ability of an economic system to effectively and efficiently produce goods and services was the keystone of comparative advantage of nations. And so was the "north" to guide the policies and resource allocation.

Although this concept is certain and true, in recent years innovation, research and development have taken the lead as an inspiring source of economic growth.

It is now time to rethink the production system from a productivity point as well as the organizational spot and to develop a system that encourages innovation on resources.

Before entering the subject of tourism, which concentrates a large number of services (Hotels, restaurants, personal services, transportation, recreation, etc.) we'll introduce the concept of Soft Technology and Hard Technology.

Soft Technology is defined as the set of knowledge, techniques, methods and organizational, production and marketing procedures that enable the generation of goods and services. In other words, the generation of *value* in a sector of activity.

In contrast, Hard Technology is defined as the set of equipment, buildings, machinery, and technical aspects inherent in them.

This distinction is relevant as a prism to analyze the challenges in the field of tourism industry, in the field of equipment innovation and the technical aspects, where there is scope for improvement; for example, improvements in energy management, new materials and adoption of intelligent energy saving systems. However, from our point of view, the greatest range for improvement is in the progress and upgrading of *soft* aspects of technology, where innovation can mean an important source of market growth and

satisfaction. Innovation in tourism is to advance and to discover that the soft technology (underestimated for many) is key to improving competitiveness.

c) *Supremacy of Clusters or Networks and Productive Agglomeration*

In recent years the concept of cluster or productive agglomeration has spread and gained weight. Both as a way of understanding the cross-cutting relationships and positive externalities between firms that share a common regional framework, as well as a way to approach local development, sectorial and regional level policies,

Therefore, sectorial expertise, promotion and joint organization policy initiatives reveals as a tendency to intensify, especially by the application of new technologies.

d) *Closed compartments Versus Communicating vessels*

In the past, distinction or separation between Department, Agency or Government Areas jurisdictions were a basic premise that reflected an order and a required pragmatism. However, it is now remarkable the need to coordinate efforts between different levels of government, different agencies, for the achievement of joint goals. For example, in the past the Economics and Finance area hardly related to social issues or formative cycles. Today it is recognized the need to articulate policies for Education and Training in Human Resources to stimulate local and foreign investment. Currently there are new projects such as "Single Window" where in a single administration counter the Manager arranges his commercial habilitation, and within the government itself are coordinated simultaneously the different requirements of different agencies, such as Health, Finance, Social Security, etc.

e) *To Maximize Profitability Versus Sustainability*

The schemes for maximization of economic profitability to the detriment of the environment, or without considering these costs, have been questioned. Simultaneously came across a group of "new customers and segments" committed to respect for nature, resources and conservation. The positioning strategy as a sustainable destination, which ten years ago was thought an attempt as brave as naïve, today it has emerged as an unquestioned value, and in many cases the mainstay of the National Tourism Strategy.

This trend is complemented by a European reality that presents a specific population structure. According to the estimations made by the World Tourism Organization, in 2020, 50% of European tourists will exceed the age of 50. So in this environment and tendency, there will be a strong demand for products and destinations that respect the environment and, in turn, provide respectful surroundings, innovative and rewarding for adult travelers.

f) *Experiences Versus Transportation & Lodging Packages*

In recent years, experiential routes have entered the market and enticed a growing number of tourists; specific experiences that evoke emotions and enjoyment from a place of comfort; the discovering of new sensations and activities outside the everyday world visitor

These "new packages" experience the highest growth in sales and business development. From the main Tour Operators segment, the concept of "global travel experience" is potentiated, understood as the satisfaction and care of customer's sensations and feelings from start to finish. In fact, these same operators create specific training programs for the entire chain of human resources involved in the process and encourage them to greater commitment and involvement in this direction.

Today the tourist experience has Value and Price, and begins to be articulate a set of public and private initiatives to ensure this new wealth and consideration.

g) The new paradigm of tourism consumption

With the advent of the Internet, ways of behaving, thinking, choosing and selecting are reinvented. The consumer acquires more information, shares, creates "groups" and "channels", comments his particular interests and opinions about the use of a product and purchases goods or services. The traditional agency loses prominence and starts to appear new intermediaries and facilitators of trade.

In fact, one of the largest travel reservation, hotel booking and car rental company, Amadeus (used by 67,000 travel outlets and 10,000 airline counters) launched in late 2009 its module Amadeus Affinity Shopper.

<http://www.amadeus.com/amadeus/x163551.html>

The mechanics of this new travel search engine is as simple as effective: the customer defines a) the type of tourism they want to do (for example, sea and sand), b) where to reside c) what budget has d) some additional data, such as "I want to do snorkeling." Following this, the system provides a set of destinations and accommodation and transport options that meet the needs and desires of the client. That is, if some time ago, the tourist had to search himself and dig out flights point to point, merge routes and then find accommodation options, today the system does that by itself, and in turn, suggests different destinations. And once again, the concept of systemic competitiveness is captured. Today destinations compete, now tourism systems (public and private) of the destinations compete.

Therefore, the General Secretary of World Tourism Organization (UNWTO), Mr Taleb Rifai insisted in the first meeting of the organization in 2010 on the need to coordinate public and private initiatives, to bring positions close as the only way to gain competitiveness of Tourism. That is the way, that is the challenge.

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