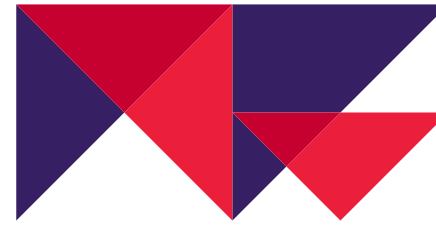




The Next Great Tourism Revolution: A Report on Travel and Tourism Trends

Giorgio Ascolese
Joantxo Llantada



**The Next Great Tourism Revolution:
A Report on Travel and Tourism Trends**

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industry opinions

“Nobody that has to make strategic decisions in the tourism industry should hesitate to read this book. It’s a fantastic tool to understand the new and complex world that we’re entering and how to take advantage of the great opportunities it presents us. I honestly recommend it.”

Eulogio Bordás
President, THR

“We don’t have the certainty of how the world will be in 2045, but we can, as of today, ask questions that go beyond the short-term vortex we find ourselves immersed in. And we can envision that today’s trends are the beginning of a new “metamorphosis” and an “exponential change” that breaks away from our current frameworks.”

Jesús Herrero
Tourism Marketing Manager, Tecnalía

“It will open the eyes of many tourism professionals that are unaware of the industry’s current state of affairs and its links with what you note as a metamorphosis, which is crushing and indelibly destroying the industry’s future.”

Vicente M. Monfort Mir
Managing Director of Economics, Entrepreneurship, and Cooperation; Vice-Managing Director of Analysis, Planning, and Economic Coordination of Generalitat Valenciana (Valencian Regional Government)

“This ebook provides us with future trends that many professionals perceive but appear far off. Here they tell us the present reality up close but with a unique and fundamental characteristic, its vision. Reading it lets us visualize a very near future and how it will impact not only our industry and work but also our daily and personal lives. Fundamental for any tourism professional!”

Jaume Mari
Marketing Director, Costa Brava Girona Tourism Office
(Patronat de Turisme Costa Brava Girona)

“The report allows us to understand the magnitude and transformative nature of the developments that are occurring and about to unfold. The future is created from the present and this report awoke a panorama of “infinite possibilities...” in me that reinforced my professional excitement and determination to develop innovative services and products that provide unique, personalized experiences.”

Regis López Lang
Delegate, Odyssea Europe-AL-Caribbean and Odyssea 2020 Growth & Blue Tourism

“A book about tourism, but not just tourism. Information and ideas about society, economics, the environment, and technology juxtapose themselves, creating an echo in the reader’s mind to get the content to resonate and impact them about the knowledge they’ve learned and the experiences they’ve lived in the tourism industry. This book is recommended to get you off-track, off the beaten path since we’re still guiding ourselves with the same tourism management coordinates from a few years ago.”

Joan Carles Cambrils
Vice Director, Valencia Tourism

“We’re at the beginning of a new era. An emotional period that’s joining to a digital one that’s causing radical changes, that society is not emotionally or mentally prepared for. And this is left clear in the report. Thank you for inciting innovation.”

Jimmy Pons
Innovation Maker at www.jimmypons.com

“Brilliant display of how the tourism industry, the first to receive the Digital Transformation’s impact, takes on the metamorphosis of its model. Nothing will ever be the same. Are we ready?”

Pedro Antón
Public Administration Director, Grupo Vas

“We liked it for two reasons: first, for how solid the content is, and two for the ability to show and cover so much complex information in an easy-to-follow and understand format. The document’s flow is incredibly interesting and dynamic. Congratulations on a job well done.”

Sandra de la Cruz
IBM Client Executive

“With this report, one transports themselves to a world that seems far-off, but in reality, is one that’s already here. Joantxo and Giorgio manage to synthesize it with a vision of the future and the significant challenges that await. A mandatory read for all those looking to understand where we’re heading.”

Víctor Mayans
Director, ARTIEM Hoteles

“I’ve read the beginning and the end, as well as looking at the thickness of the document. It’s well thought out, easy-to-read, and enjoyable.”

Álvaro Carrillo de Albornoz
Managing Director, Instituto Tecnológico Hotelero

“Using available data from today and unearthing the future, they draw a path for tourism in the next 25 years to reach prosperity. Go ahead and familiarize yourselves with the adjacent possible, identity, and exponentiality: the customer is already in the center of everything.”

Josep F. Valls
Professor of Marketing Management, ESADE Business School



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CHAPTER

1



About the Authors

Giorgio Ascolese

Giorgio Ascolese, the Founder, and CEO of We Are Marketing, comes from a family of hoteliers. The travel industry has been at the heart of his over 15-year professional trajectory, as well as hospitality and real estate. After serving as Marketing Manager for AR Hotels & Resorts, he became the chain's General Manager in 2010, a role he still fills today.

Giorgio has studied at the Università Commerciale Luigi Bocconi, Universidad Carlos III in Madrid, Harvard, and the University of California Berkeley while embodying an entrepreneurial spirit throughout his professional ventures.

In 2014, he decided to create an agency able to adapt to the ever-changing needs in the digital marketing space: one that, along with executing campaigns and plans, offers complete

digital consulting, business growth, cutting-edge technology, and real ROI increases.

Today, Giorgio manages over 600 employees under two business groups while having garnered numerous accolades in the travel industry. These include four consecutive "50 Best Places to Work in Spain" awards, AR Hotels being one of Spain's most-awarded companies at the World Travel Awards, as well as Ascolese himself winning the Best General Manager Europe prize at both the 2017 and 2018 World Luxury Hotel Awards.

Joantxo Llantada

Joantxo Llantada is a marketing, innovation, and strategy expert. He has spent the past 30 years working in branding, business projects consultation, destination tourism strategy and policy, innovation programs and systems, as well as being a growth hacker and doer. His passion is researching and sharing trends with the public, which has led him to teach at renowned public and private universities and institutions across Spain including IE Business School, the Escuela de Organización Industrial, the Universidad Católica San Antonio de Murcia (UCAM), the Universitat Jaume I, chambers of commerce, provincial councils, and more.

He covers subjects such as digital marketing, sales, digital culture and transformation, innovation, smart cities, smart tourism destinations, and future trends and transformation.

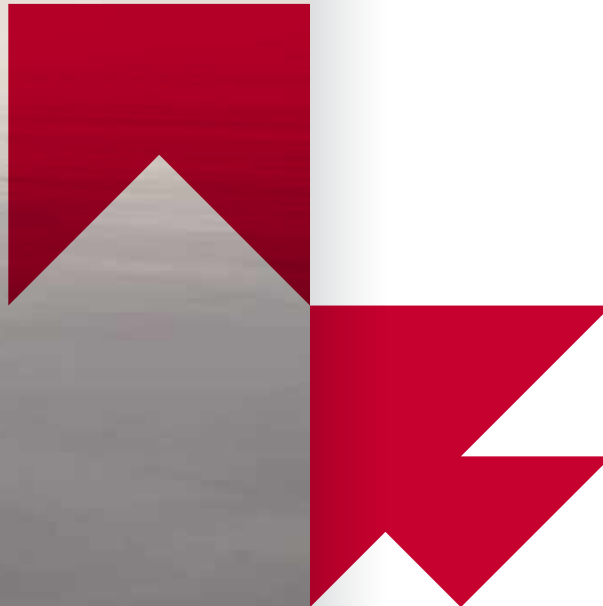
He collaborated as an expert on the digital marketing plan for Turespaña 2012, as well as the positioning and marketing plan for the Valencian Community and the Canary Islands of El Hierro and La Palma. He has also worked on FICOD and the Red.es connected lodging project as well as Escuela de Organización Industrial programs, where he has consulted for more than 3,000 Spanish firms in industries as diverse as tourism, hospitality, trade, agriculture, fishing, ranching, or finance. He served as the Director of Invattur and the Head of Marketing, Projects, and Business Development for the Valencian Community's Regional Tourism office.

www.joantxollantada.com



CHAPTER

2



About WAM

We Are Marketing aims to provide **solutions that excite its clients** and bring them closer to their consumers' reality by giving them the digital culture they need through the best-in-class technology solutions that will result in performance that stems from ethics, responsibility, and their organizations' exponential growth.

In the face of industry challenges, constant technological changes, and the uncertainty stemming from innovation-based growth, **WAM wants to be**

the node that guarantees your firm's leadership and growth.

WAM explores and drives your firm's dynamic capabilities by building bridges for success and we do this by fostering a digital culture within your firm. As talent is the key to everything in this day and age, we'll guide you in connecting with people through marketing and the implementation of technology.

We're a consulting firm and business accelerator that uses its experience in digital transformation to help our

clients achieve another level of earnings and sales. We're specialists in managing the most advanced technological solutions, helping to oversee and implement the world's premier CRM software solutions (HubSpot and Salesforce), guaranteeing a positive impact in our clients' balance sheet and organizations.

WAM has a team of more than 100 people in 17 offices across Europe, the Americas, Africa, Asia, and Oceania. We have teams with specialties in technical, creative, and analytical disciplines from 13 countries that ensure our solutions fit in the Global Digital Culture as well as within the specific stage of the digital transformation journey your firm requires in our various industries of expertise.

One of the strategic verticals where we provide value and expertise to improve your business performance is the tourism, leisure, and hospitality industry. Some of our clients are leaders in the industry, including the Palladium Hotel Group, Hard Rock Hotels Ushuaia, Fiesta Hotels, Nicolaus and Valtur, AR Hotels & Resorts, ARTIEM Hotels, Charme & Adventure, Africome, Intur, and Surtrek. ▼



CHAPTER

3

Connecting With the Future of Tourism in 2045

Let's focus on the future because that's where we're going to spend the rest of our lives. **Let's visualize what the world will be like in 2045** to understand how transformative and monumental the changes await are. While it's true that we won't know for sure what the future will be like, we can infer how it can turn out by using a series of scientific, technological, natural, and social variables to imagine what awaits us. The world has never been so aligned in terms of the economy and innovation as it

is now. Science and technology are now global. This is a reality. Therefore, all the energy, politics, and excessive budgets destined towards developing Artificial Intelligence, the robotics revolution, connectivity, nanotechnology, artificial biology, organ printing, language, and thousands of other industries that are rapidly expanding will turn into a **technological supernova** that will make possible a world that humankind never imagined. We're talking about posthumanism. In 2045, our past experiences won't be as important; instead, the ones we'll

live will be. Over the next 30 years, we'll reach the point of no return on a technological and social level in terms of computing and mechanical advances. This is when humanity will experience a sea-change.

We'll be immortal

A natural death results from two variables: illness or aging. These two variables will have been solved with technology and the century's advances. In 2045, **the diseases of the 20th century will be no more** thanks to nanotechnology, 3D organ printing, food, and more.

Increased intelligence and strength, the result of the marriage of Artificial Intelligence and exoskeletons, will be the constant in 2045 that will drive exponential leaps in reaching immortality. This situation will result from the fusion of Artificial Intelligence, robots, and human beings.

All this leads to an estimation that in 2045, **human life expectancy will reach 142 years**. And if all the predictions come true, we could choose to be immortal.

There will be a lot more of us

Life will concentrate in the cities that will have turned into organisms that intelligently manage physical spaces, where life and artificial intelligence live in harmony and gear themselves to

guarantee a sustainable urban model. We'll be able to communicate with its ontological buildings, and in turn, they'll learn from our needs.

The United Nations predicts that 70% of the world's population will live in cities in 2050, translating into 6 billion people living in urban spaces. They also predict that the world's population will reach 9.37 billion people.

It will be the year of Singularity

Artificial Intelligence has been dominating the human and robotic space for a while. Advances in quantum computing and new materials have given machines greater ability to learn from scratch and in exponential sequences. 2045 will be the year that **Artificial Intelligence reaches the same level of development as human intelligence**. This moment is where we see the end of the human age as we know it. At this point, the post-human era begins, where the machines will be able to build software that takes the intelligence of all human beings combined¹.

We'll all be a lot smarter

The marriage of biological intelligence, human intelligence, and exponential intelligence resulting from Artificial Intelligence will make us post-humans with an exponential cognitive function. The symbiosis generated between man and machine will give machines the

1. José Luis Cordeiro, Professor at Singularity University in Silicon Valley

power to detect our moods, emotional, and physical states, and will develop an **artificial empathetic system** where emotions and technology will create a state where both types of intelligence will integrate with perfect harmony.

Anybody will be able to turn themselves into an Avatar

[The Avatar 2045 Initiative](#) is a project started in Russia to develop a new human development strategy responding to the current challenges facing civilization. It seeks to create optimal conditions that promote human spiritual enlightenment and create a new, futuristic reality based on five principles: high spirituality, high culture, high ethics, high science, and high technology.

The primary goal is to develop the technological solutions that are the most suitable for **transferring human personality to a non-biological carrier** that's more advanced, extending life up to immortality. There are currently more than 40,000 donors worldwide.

We'll see the arrival of a new post-humanity

In 2045, we'll be awaiting the advent of the post-human era and a reestablishment of the concept of humanity from the way we know it. We'll be re-establishing our main spiritual traditions, citizens' view of scien-

ce, and society's way of seeing the world. We'll live a **large-scale human metamorphosis** comparable to some of history's main spiritual, technological, or scientific revolutions. Maybe we will then see the advent of the noocracy or intelligent government that Plato imagined in the 4th century BC.

All this leads us, in 2019, to ask ourselves questions like:

- × **What characteristics will society have in 2045 and how will that affect leisure?**
- × **How will society organize itself when robots and Artificial Intelligence take care of the activities we currently do today?**
- × **What will workdays look like? Will they even exist?**
- × **Will the universal basic income substitute the job we know today and guarantee the hedonistic state that will serve as the basis for future leisure?**
- × **Are tourism and leisure in danger in the future?**

Our take is that the **tourism, leisure, and hospitality industry will grow exponentially in every sense of the word**. It won't just be in meaning; it will also be in the space it will occupy in the society of the future, and above all, the social and economic role it will be poi-

sed to play in a hedonistic, intelligent, and connected society in 2045.

But what will the path to 2045 look like? At We Are Marketing, we wanted to break down, analyze, and show you the most significant trends and changes that will impact leisure and will turn your business into a success. Here are our findings. ▼





CHAPTER

4



Introduction: The Need for Anchoring This Analysis in the Future

“It’s not [transformation](#), stupid; it’s metamorphosis.”

We decided to write this report to call attention to a misinterpretation very much present in the tourism industry, leading us to take our own spin on that classic Bill Clinton phrase from the 1992 presidential campaign. In our humble opinion, the cycle we currently find ourselves in has nothing to do with transforming an industry.

An industry like the travel industry transforms itself when it changes necessary variables without altering essen-

tial characteristics. An example would be when low-cost airlines launched in Europe in 2001 or when the first IDS and OTAs appeared in the face of travel agencies. Both these cases exemplify industry transformation.

As you’ll see in this report, what **we’re currently living is a metamorphosis instead**. These significant structural, cultural, environmental, economic, political changes are crushing the dogmas and paradigms that have persisted since [Thomas Cook](#) created the world’s first travel agency in 1845. In Lewis Car-

roll’s *Through the Looking-Glass, and What Alice Found There*, Alice discovers that the world she finds behind the looking-glass has rules that have different meanings than in the real world. Her experience in the novel provides us with a metaphor to describe what the tourism industry is currently experiencing. **The travel sector is now in the throes of a process of change from its deepest roots** all the way to the most insignificant process. Everything that surrounds us will change, and nothing will ever be the same again.

Think about it: today we talk about forms of transport like the Hyperloop² that’s just around the corner; and Elon Musk, Jeff Bezos, and Richard Branson [have put their focus on space travel](#). It’s also no longer bizarre to find travelers who would rather sleep in treehouses, book activities using sharing economy platforms, or look for hosts instead of tour guides.

We don’t think the word “transformation” is the right one to describe what’s going on in the industry. With all the benefits cloud technology, artificial intelligence, Industry 4.0, or blockchain provide, [metamorphosis](#) is the more appropriate term to illustrate this movement.

Perhaps a study of trends should focus on solely identifying those that

are genuinely transformative for the industry in focus. Even if that were the case, we know that we cannot carry out this study without **considering this moment we find ourselves in**.

We’re at the gates of the Fourth Industrial Revolution, and we have surely already started the Renaissance 4.0, further cementing our belief that we need to **contextualize these trends in this moment of cyclical change**.

Today, we can expect just about anything from natural science, technology, and social behavior. All this means that we need to tackle the change scenarios that impact the world and, of course, our industry. What awaits us is a world that is difficult to imagine: one that’s passionate when it comes to creativity—where quality, speed, extensive connectivity, and minimal network delays will be imperative for all this technology to converge.

“The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”

Albert Einstein.

2. The Hyperloop system, currently in testing, can transport people and goods at speeds of up to 1,200 kilometers an hour using vehicles that gradually accelerate using electric propulsion. ADIF, a state-run railway infrastructure manager under the auspices of the Spanish Development Ministry and Virgin Hyperloop One will open a research center that will cost 430 million euros.

4.1. Why You Should Read This Report

In this document, we have decided to conduct a study about the future and try to derive trends that will mark the industry's progress over the next few years. We invite you to join this reflection and read it with these three quotes that we believe have good arguments, in mind:

- × "I think there is a world market for maybe five computers." -Thomas J. Watson, President of IBM, 1943.
- × "There is no reason for any individual to have a computer in his home." Ken Olsen, President of DEC, 1977.
- × "640K ought to be enough for anyone."-Bill Gates, 1981.

4.2. Authors' Note: The Creative Process

Why analyze tourism trends? This question is one we asked ourselves over and over as we developed this report.

Corporate executives, urban planners, consultants, entrepreneurs, and engineers spend too much time focusing on those technologies that are the most complex and daunting for the user. They should instead observe, research, and find out what are the real problems travelers need

to solve in their daily lives. These needs will mark the path towards the solutions with soul, purpose, and meaning, the ones that will accelerate the innovations appropriate for the citizen or traveler's reality.

It is especially important that we conduct an analysis of the structure of our surroundings that lets us **understand and reflect on the future of the tourism system**. This work of relating all the changes, actors, and cycles will let us find where the tourism industry fits and its coherence in corporate dynamics and destinations.

We've divided our analysis into three parts that we will break down below:

IN PART ONE

We define and detail the **principles** that will determine **the future of the global tourism industry** for all stakeholders: the system, the firm, organizations, destinations, and institutions. These principles are internally consistent, evident, and solidly substantiated.

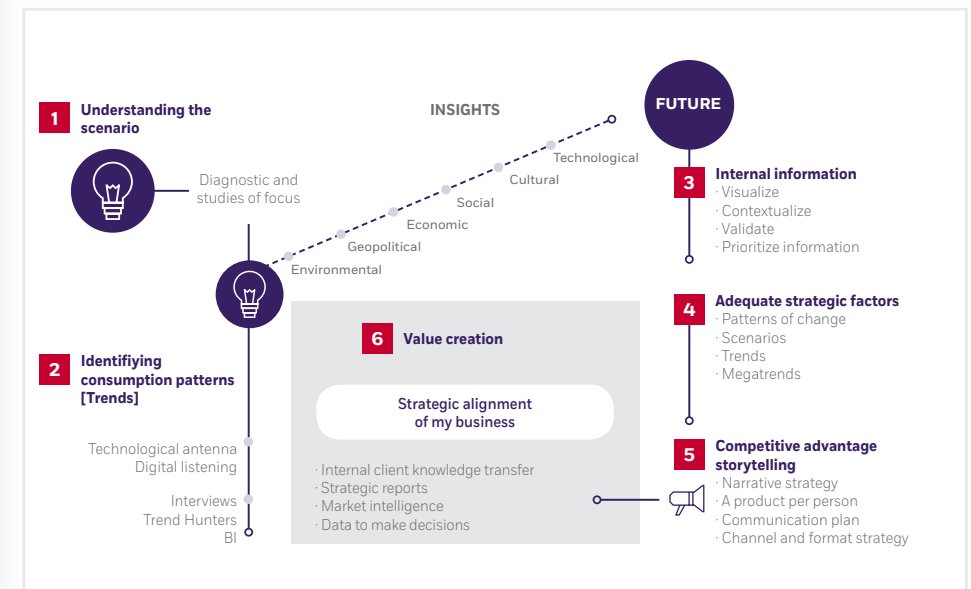
IN PART TWO

We move on to identifying the **drivers or factors** of this system, or as the Pestel analysis tells us, the **market indicators** that are critical components to industrial and corporate strategy. These drivers, along with

the principles in Part One, result from the catalyzing and accelerating nature of these plausible and pertinent changes. These factors are ones that are truly worth considering in our analysis.

We then wrap up our research by mapping out and identifying the **key trends**

or variables for the future that will undoubtedly impact our industry in 2019. Our analysis of these variables should serve as the lens for **turning these changes into opportunities** for the industry through identifying dynamics into business pathways. This approach will guarantee a sustainable future in the face of these sea-changes. ▼





CHAPTER

5

Part One: The Principles That Justify Analysis

Part One aims to identify **the principles that will determine the future of the overall tourism industry** from the firms and organizations to the destinations and institutions.

We have chosen to examine four key principles, ranging from analyzing culture and humanity, the dominance of binary technology, as well as observing how this all impacts tourism, leisure, and hospitality. Finally, we'll look into how it affects the firm and the ecosystem that surrounds it.

5.1. The Digital Humanism Principle

The Digital Transformation requires new methodologies, abilities, and talents that we need to empower.

All this implies, among other things, that people who work in organizations can:

- × **Draw up problems that can be resolved with the help of tools and technology.**
- × **Organize and classify data in a logical way.**

- × **Elaborate models and simulations.**
- × **Automate solutions using algorithmic thought.**
- × **Study possible solutions with the aim of choosing the most efficient procedure and generalize a real problem-solving process for more complex issues.**

The Digital Transformation requires a marriage of creative, critical, and scientific thinking as a basis for coming up with customer-approved solutions. Will these abilities meet the challenges we face?

Based on how rapidly new technologies are evolving and, with digitization's impact on society, industries, and the advances in robotics and artificial intelligence, **there are a lot of promising developments on the horizon** that are likely related to technological singularity or the hypothetical beginning of general artificial intelligence.

The key to the solution resides in **culture**. It does not lie in technology nor algorithms but instead in what moves us and what motivates us. To be able to understand and obtain the expected benefits that awaits us from the Digital Transformation, we need to hack culture and change it. It's here where **digital humanism** disrupts and occupies this new cultural space.

Digital humanism will be **the new culture's connection and code**, coming from a holistic philosophy of thought that is focused on human values and interests aware of environmental concerns, equality, and inclusiveness. Digital Transformation will be the only means through which we can maximize business profits and workspaces that the Digital Transformation impacts.

In the face of verifying the magnitude of these changes and the exponentiality these factors suppose, we need a complete metamorphosis of people and their values—an advanced humanism that allows the individual to understand their life purpose to transform, expand, and improve their abilities without renouncing their identity. If we know who we are, nothing, or no one, will stop us.

This situation gives way to transhumanism, which we understand to be a way of focusing our thoughts on the future, since life and the planet will be irreversibly transformed, and we'll find ourselves forced to lead change. And this can only happen if our culture progresses at the same pace as technology towards a more integrated and advanced humanism that's adequate for a future where these emerging technological solutions are at the service of people and the biosphere.

And, according to Albert Cortina in his book, ethics, and the humanities will the scientific-technological progress in this realm³.

a) Digital Culture

There is no other solution to this challenge than a **digital literacy** that allows for a genuine interaction between humans and machines that makes the relationship between them increasingly more intuitive and extending this relationship within organizations.

Up until now, we've been using technology to solve problems, and beginning in 2020; we'll use the technology and the associated algorithms we have at our disposal, to offer solutions to the issues that we, as a species, are facing. At the same time, this will also resolve the individual's short-term needs. We'll finally go back to having to bring creativity and logic, the rational and emotional parts of the brain, together and develop products and services that excite customers.

This new methodology implies that **teams will have to be able to propose solutions** by coming up with straightforward problems that can be solved with the help of technological aids, organizing data logically, elaborating models and simulations, working with canvases, and automating solutions using algorithmic thought along

with creative and social thinking. And they'll have to validate these proposals with the client in real-time to scale the solution to solve much more complex problems.

Therefore, methods such as Lean Startup, Canvas, Speed Thinking, Growth Hacking, Exponential Thinking, Service Design Thinking, and Dynamic Capabilities will be the perfect allies in this metamorphosis process.

Digital culture consists of a series of cognitive, creative, scientific, and technical capabilities that allow them to take full advantage of a society that is wholly influenced by companies and society's digitization, as well as their own.

b) The Digital Transformation in Businesses

The transformation of a corporation's culture is tied to its necessary digital transformation. This is a new culture that's aligned with focused, not dispersed innovation.

71% of leading companies say that **their Digital Transformation initiatives facilitate talent acquisition and retention efforts**, [according to data from Manpower](#).

The capabilities that [the World Economic Forum lists](#) as the most-de-

manded on the part of companies, and according to *Forbes*, should be the object of preparation for organizations and people for 2020, are:

1. **Complex problem solving**
2. **Critical thinking**
3. **Creativity**
4. **People management**
5. **Coordinating with others**
6. **Emotional intelligence**
7. **Judgement and decision making**
8. **Service orientation**
9. **Negotiation**
10. **Cognitive flexibility**

Communication is one of an organization's key disciplines, and that's why storytelling, or the ability to connect using stories that resonate with your audience, should dominate. This tactic is critical for communicating with outside customers but above all, with your employees, your internal customers, and adequately transmit-



ting the directives that impact your organization.

c) Renaissance 4.0

The Renaissance was the fruit of the diffusion of humanism's principles, that determined **a new conception of man and the world**. This era saw a new way of seeing the environment, with a fresh focus in areas such as the arts, politics, philosophy, and the sciences. This came to substitute medieval theocentrism for Anthropol-



3. *Humanidad infinita: Desafíos éticos de las tecnologías emergentes de 2016.*

centrism. We can break down the evolution of the Renaissance into several phases all the way to present-day.

RENAISSANCE 1.0

This is the period starting from the year 1492, the arrival of Christopher Columbus, up to the French Revolution in 1789; the possible catalyst for this era was the emergence of Gutenberg's printing press in 1450. Knowledge moves from being captive in monasteries and their monk scribes to being distributed en masse thanks to books and the ability to print in printing presses.

The next phases have been as follows:

RENAISSANCE 2.0

This marks the beginning of the social communication age thanks to the PHP programming language that empowers the creation of online platforms, the ability to communicate, interact, and create ubiquitous, globally-distributed digital communities. The catalyzing invention in this era is the Internet, and the key is the creation of communities and user empowerment. This period would correspond to 2000-2004, the birth of Facebook.

RENAISSANCE 3.0

The customer dominates with its ability to opine and think for them-

selves while buying and exchanging P2P products and services, and rethinking business and social models. Sharing economy platforms, the exchange of goods and services using platforms without any middlemen, the global digital culture and their nemesis called fake news all come together to form society 3.0. The great catalyzing moment of this period are platforms and social media. The primary key is the focus on the customer as well as the Digital Transformation. This era occurs between 2005 and 2015, with the Smartphone and Tablet as the accelerating devices, and Wi-Fi and 4G and the accelerating technologies.

RENAISSANCE 4.0

We're living in an era where machines, algorithms, and humans are learning to relate to each other. Artificial Intelligence, Machine Learning, Deep Learning, language technology, facial-recognition, as well as the super population and need to control the challenges that along with managing scarcity and climate change are leading us to an inevitably controlled, connected Smart Society focused on hedonism. We're now witnessing its birth. The great catalyzing point of this period is undoubtedly the moment we become conscious of the fact we are social, connected, and emotional people. The primary key is digital metamorphosis and customer

empowerment 4.0, marking the first of the Intelligence revolutions in the 21st century. This era started in 2015 when the World Economic Forum considered Artificial Intelligence to be the emerging technology of the year, up until now.

d) Values Go Global

The world has witnessed profound changes in the political, economic, and social spheres over the past 30

years, as well as increasingly quick and transformative technological advances. We often attribute this to **globalization**.

Capital markets are integrated all over the world. Hundreds of millions of people visit the same websites, watch the same television channels, and laugh at the same jokes.



These examples have contributed to the belief that **globalization brings merging values** or a “McDonaldization” of the world. Analysis of results from *the World Values Survey* show that common values have not consolidated in the last three decades.

Those norms related to marriage, family, gender, and sexual orientation exhibit dramatic changes but they have been moving in the same direction at similar speeds in industrialized countries. In contrast, for economically-stagnated countries, there was little change in these values.

As a result, there has been an increasing divergence in prevailing values between rich and developing countries.

e) Our Planet, Our Future

As Woody Allen once said, “we are all interested in the future, for that’s where you and I are going to spend the rest of our lives.” To paraphrase this film director, we humans have taken note of our place as individuals in the world. Not only have we used this to make changes to the global economy and culture we live in and benefit from, but we also make changes to advance society. This **global citizen consciousness** also relates to the awareness of global citizens’ responsibility for improving the world they inherited.

On the other hand, the state of the planet when it comes to the environment, referring to climate change and the increase in temperatures, is also **the responsibility of the tourism industry** since we are a party that is adversely affected. Climatic instability, floods, droughts, coastal erosion are all issues that directly impact our industry’s economy.

In the summer of 2018, we’ve seen several examples of this. There were more wildfires in Sweden than in Spain, the thermometers shot up in Berlin, and there was a major drought in England.

The first effect produced is deterrence, motivating travelers to find replacement destinations more suitable to the climate. The second, most-concerning one, is the staycation when people decide to stay home. The summer of 2018 saw a 21% increase in Britons deciding to enjoy the hottest months on record at home. It was not only the Britons who stayed home; the Swedes, Norwegians, and Germans also experienced similar record-high temperatures. The high temperatures made beaches and coastlines that previously flew under avid sun-seekers’ radars fashionable. The tables have now turned to the point that the construction of tourism infrastructure along the British coasts, especially hotels, has spiked.

In a recent report published as part of the World Travel Market held in November 2018, they conducted a survey of more than 1,000 travel agents. **27% of them reported having spent their vacation in the United Kingdom** displacing what had been, up until then, the most popular destination on the European continent: Spain, which only received 18% of respondents. When asked whether they would spend their next vacation in the United Kingdom, 14% said it would depend on the weather. The high temperatures from this summer have not only influenced the delay in trips abroad, but they’ve also impacted winter reservations, according to tour operator Thomas Cook. Low-season bookings dropped for Scandinavian and continental European markets.

In the summer of 2017, Phoenix, Arizona saw a high temperature of 60° Celsius. These extreme temperatures are strongly tied to climate change and do not allow planes to take off due to air density changes that do not support aircraft. These factors can cause a significant drop in the availability of slots, number of passengers, and the amount of weight a plane can transport. Bombardier aircraft cannot take off if temperatures are above 47.7° Celsius, Boeing if they’re above 52.2° Celsius, and Airbus if they’re above 52.7° Celsius.

Over 100 flights have been canceled in the United States since then due to extremely high temperatures. The town of Montoro, in the southern Andalucía region, saw a record-high temperature of 47.3° Celsius in the summer of 2017.

The questions we need to urgently ask ourselves while taking into account the projected two degree-increase (Celsius) in global temperatures in 2045 are:

- × **How will climate change affect our tourism value chain?**
- × **How do we replace airplanes’ flight frequency and cargo capacity?**
- × **How do we act in the face of the erosion of beaches, islands, and coastlines?**
- × **How do we act in terms of delays in harvests, blooming, or delays in plantings like vineyards, orange trees, or other fruit branches, grains, and other crops in general that put our essential food sovereignty at risk?**
- × **How do we act when it comes to invasive species, the loss of those endemic to our environments with the subsequent loss of identity?**

f) Social Responsibility, Ethics, and Governance

People often question the relationship between words with profound meaning, such as ethics, social responsibility, and governance; and others like business and corporate profits. Why should the modern corporation, that aspires to connect with reality and people, chase ethical principles as their lifeblood?

Aristotle defined three dimensions that comprise human intelligence: the episteme or intellect; the techne or art; and the phronesis or wisdom and ethical values. We can extrapolate this to our analysis and associate these three dimensions to the what, the how, and the why.

Therefore, **ethical values make us intelligent**, making us especially adept at connecting with society. It's also important to highlight that sustainability has nothing to do with the green market that became a trend a decade ago. Sustainability, ethics, and governance are today deemed part of a customer-centric vision.

According to a consumer [survey from Nielsen](#), **81% of respondents believe companies should help improve the environment**. The majority of consumers, 73% of them, also say that they will definitely or probably change

their consumption habits to reduce their environmental impact.

Beyond the business vision, we also have to make an effort to get to know and comprehend the view of those observing said tourism firms and the overall tourism business. This is how travelers analyze what a brand's personality is, which characteristics are implicit and explicit, and what are the company's commitments related to climate change, nature, organic, work/life balance, the gender gap. These elements fit into the travelers' world, and that's what your customer is expecting from you.

We need to morally rearm ourselves with a hurt planet, **accept the challenge and commitment involved with this social responsibility** in our corporations and put our customers in the center to satisfy the social and ethical demands, as well as those stemming from tourism consumption.

Today, being sustainable is not an option, it's an obligation. Consumers are no longer merely conforming to a product but instead are demanding differentiating experiences and traits. It is significantly important to have a robust corporate social responsibility policy.

In sum, a tourism company should be responsible if it wants to be compet-



itive in today's tourism industry. And to do so, we recommend three critical frames of reference:

- × **The United Nations 2030 Agenda for Sustainable Development Objectives.**
- × **The Global Code of Ethics for Tourism from the United Nations World Tourism Organization.**
- × **Singularity University's Global Grand Challenges.**

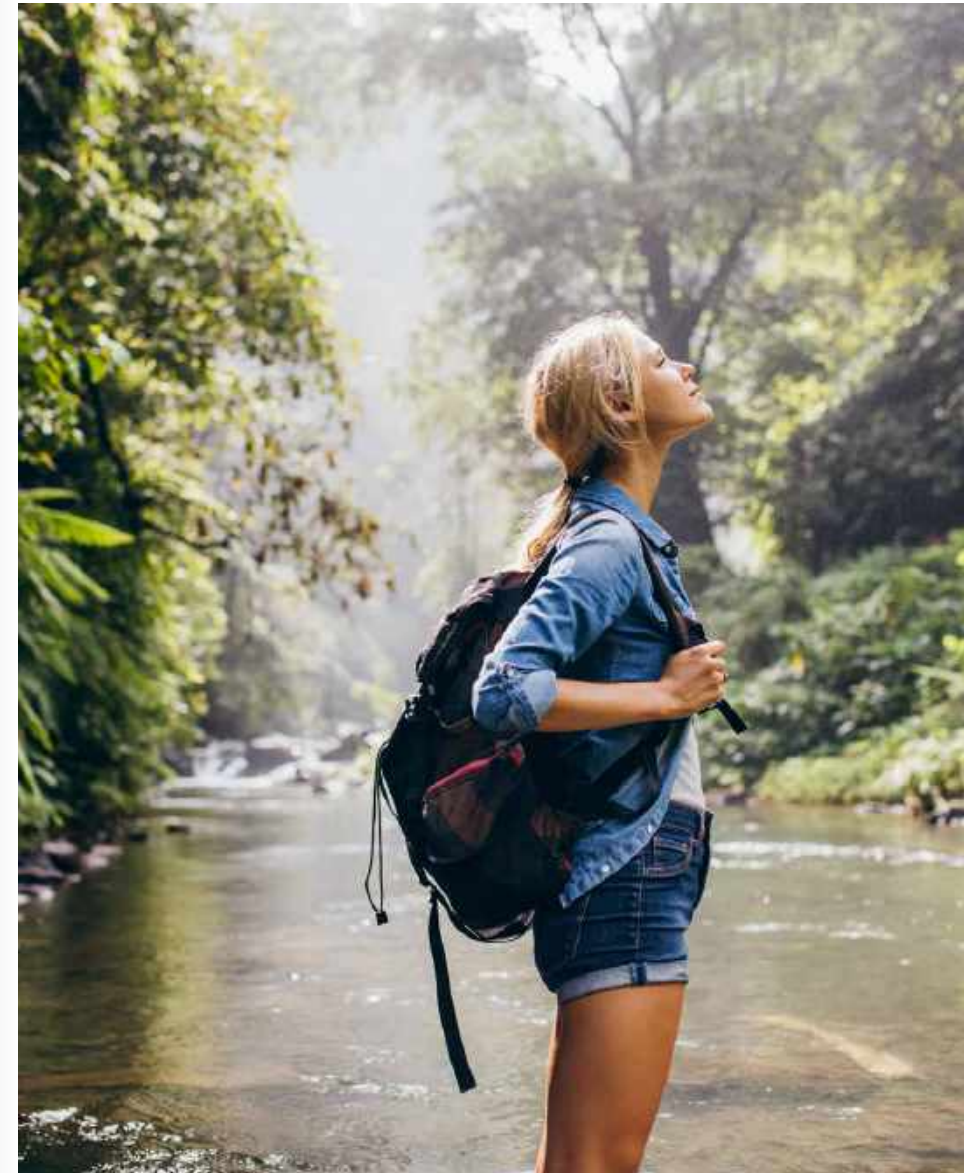
The United Nations 2030 Agenda for Sustainable Development Objectives

The 2030 Agenda for Sustainable Development approved in the UN General Assembly in September 2015, establishes a transformative vision towards economic, social, and environmental sustainability for the 193-member nations and will be the institution's framework for carrying out this vision of the subsequent 15 years.

The World Tourism Organization's Global Code of Ethics for Tourism

This code of ethics should serve as the framework for responsible and sustainable tourism. This code originated as a means of guiding companies, communities, and tourism in how to reduce the industry's negative impact on the environment, cultural heritage, and society. It consists of ten articles that you can find in the appendix of this report.

Here is a visual summary of the 17 sustainable development goals:



Singularity University’s Global Grand Challenges

[Singularity University](#) is a Silicon Valley academic institution whose “...mission is to educate, inspire, and empower a group of leaders to apply exponential technologies to address humanity’s great challenges.” Its campus is at NASA’s Ames Research Center.

As a consequence of being a center of advanced future thinking, Singularity University’s Global Grand Challenges coincide with the significant challenges highlighted in both the UN’s 2030 Agenda for Sustainable Development Goals and the WTO Global Code of Ethics for Tourism. In a society experiencing exponential growth, they represent the foundation on which to build a model where both

the present and the future can fit. There are twelve Global Grand Challenges-GGCs-that we as a society must tackle. Each one of them gets examined from three distinct viewpoints:

- × **Ensuring basic needs are met for all people**
- × **Sustaining and improving quality of life**
- × **Mitigating future risks**

[The challenges](#) Singularity University identifies paradoxically coincide with the ones in the 2030 Agenda and the Global Code of Ethics in Tourism. Singularity also goes further to make two core distinctions: resource needs, on one hand, and social demands on the other.

Resource Needs	Social Needs
<ul style="list-style-type: none"> • Accessible energy for human needs • Sustainable and accessible environment on both a local and global level • Food • Shelter • Space for the benefit of humanity • Water, sanitation, management 	<ul style="list-style-type: none"> • Disaster resilience • Governance • Health • Learning • Prosperity • Security

On Internet Ethics

We’re social beings and therefore subject to behavioral norms that let us manage ourselves with a certain degree of freedom. This is why ethics and deontology take on particular relevance when it comes time to form the basis on which confidence in systems is built.

Today, the impact of social media and the internet is indisputable. It’s reached the most intimate parts of our society: our freedom, right to vote, family, security, economy, and politics. Maybe that’s why we have seen a concentration of critiques about the system we should take into account because, it will undoubtedly be a constant that we’ll see the Internet modified, regulated, **and protected as a universal right.**

In November 2017, [Stephen Hawking](#) already warned about the harmful effects of AI: “computers can, in theory, emulate human intelligence, and exceed it...Success in creating effective AI, could be the biggest event in the history of our civilization. Or the worst. We just don’t know. So we cannot know if we will be infinitely helped by AI, or ignored by it and side-lined, or conceivably destroyed by it.”

Elon Musk has also demonstrated the same reservations, warning that [“we’ll](#)

[be like a pet labrador if we’re lucky”](#) if we don’t advance more rapidly in managing and programming them.

The European Commission has also started to make good on its commitment to investing 20 billion euros until 2020, as well as presenting ethical guidelines for AI development based on the EU Charter for Human Rights.

In this same way, Apple, Amazon, Google, IBM, and Microsoft, along with other tech firms, [have formed a partnership](#) to cooperate and disseminate knowledge, best practice, and ethics about AI development.

Apple CEO Tim Cook said that **government regulation in tech companies and the way they store consumer data is “inevitable.”** “Generally speaking, I am not a big fan of regulation. I’m a big believer in the free market. But we have to admit when the free market is not working. And it hasn’t worked here. I think it’s inevitable that there will be [some level of regulation.](#)”

g) Changes in Organizational Culture: From Human Resources to People

We find ourselves in the Human Age, or the era of people and talent. In this time of metamorphosis where technological paradigms, energy sources,

business models, wealth sources, and more are continually changing, **the human factor carries more weight than ever.**

In this sense, culture occupies a key position as a differentiating competitive element, and within this, it's worth highlighting the role **talent plays as a growth accelerator.**

As we said, we're living in the Human Age, which poses both a challenge and an opportunity for all organizations in terms of boosting the potential of their primary asset, their people, and guiding their business towards the future.

A recent study from McKinsey highlighted that in the coming years, as technology increases its presence in society, **cognitive, social, and emotional skills will improve their joint degree of importance by 35%.** We also need to remember that those skills related to technology will logically grow the most, up to 60%, to the detriment of technical and manual skills.

The crucial thing is that all these social, emotional, and cognitive skills will take on particular importance for perceiving, decoding, and understanding the current world. Therefore, the corporate world in the tourism

industry should opt for a high level of knowledge and control of the use of technology, and a high dose of soft skills to go along with it because this technology will, after all, be at the service of the customer.

In the face of hard skills based on the technical abilities that allow the team to complete their tasks with confidence, we find an essential skill set: soft skills⁴. According to studies from universities such as Harvard and Stanford, **85% of professional success comes from the development of soft skills.**

Degrees are becoming increasingly less important in the hiring process. Big tech firms like Apple and Google, and even more traditional firms like IBM or EY, hire people without undergraduate degrees in favor of soft skills. According to a Booking.com study, Generation Z is rethinking the high value from college degrees compared to the practical learning and competencies acquired through travel.

Young people are aware that experiences, beyond classes and work, add points in their favor in recruiting processes for companies. 68% of them are interested in cultural exchanges to learn a new skill, 54% in volunteering, and 52% in living an international work experience.

4. Examples of soft skills include communicative skills, politeness, flexibility, and resiliency, integrity, possessing interpersonal skills, positive attitude, having a sense of humor, optimism, enthusiasm, happy, confident, professionalism, team-building skills, ability to integrate and lead, loyalty, commitment, motivation.

h) Humanizing Management

In today's society, **we can't solve exponential challenges with linear solutions**; this is why organizations have failed to evolve at the same speed as people. This has created a split between organizations and consumers, and in reverse.

At the 2018 *Drucker Forum* in Vienna, where they placed great emphasis on the feeling that this change, stemming from the Digital Transformation, is focusing too much on automation and technology at the expense of the role and centrality of the human dimensions of the firm.

The forum placed the following points into relevance:

1. The need for person-centered management
2. Take advantage of and explore, which is the organization's destiny
3. Powerful leadership carried out by humble people
4. Empower and produce numbers (transparency)
5. Create networks and ecosystems
6. Enhance the company's social dimension

i) The Age of the Human-Centered Economy

One of our bedside table books is Barry Libert, and Jon Spector's *We*

Are Smarter than Me: Crowdsourcing New Businesses, published in 2008. Here we can find an exciting study ahead of its time containing ideas like how using platforms and, with just a movement's viral force, thousands of people spread out all over could write co-created novels. The book highlighted **how collaboration powered the acceleration of the development** of products, manufacturing, marketing, customer service, finance, management, and more. It also links the power of professional knowledge, and that of social media and platforms to direct human capital and the achievement of better performance.

The cycle closes in Shoshanna Zuboff and James Maxmin's *The Support Economy: Why Corporations are Failing Individuals and the Next Episode of Capitalism*. Zuboff and Maxmin reflect on the defects of a machine and vertical management-based capitalism. They propose replacing a capitalism not focused on the consumer, where no value is provided to service, with a new support economy that **empowers people inside organizations** and revives horizontal corporate structures to serve more customers and serve them better. It involves swapping processes for machines and redirecting the time saved into improving the user experience.



We're only as strong as the weakest link in our value chain, and in this era of change we're living in **collaboration has become an imperative**. We can use the Living Lab Hotel concept from Jimmy Pons, Innovation Maker of [BlueBay Hotels](#), as an example. At the beginning of 2018, the firm opened its very own innovation lab and had seen other hotel chains that could be deemed competitors come aboard. In this case, they all share the same goal of wanting to work together. Some of them are the Satocan, HD Hotels, and Dunas Hoteles, the Instituto Tecnológico de Canarias (ITC), and the Patronato de Turismo de Gran Canaria, along with software firms and firms providing solutions for the industry like Zennio, Feel Tourist, Microsoft, among others. In the end, BlueBay will implement innovations that will be as adequate, powerful, and competitive as the sum of its competitors'. This phenomenon is known as [coopetition](#).

j) Coopetition: When Two Competitors Enter a Partnership

In November 2018, Spanish department store chain El Corte Inglés and Chinese retail and distribution conglomerate Alibaba signed a partnership agreement that included among its goals:

- × They would work together to take on Amazon.

- × El Corte Inglés would have access to Alibaba's web technology and data analysis.
- × El Corte Inglés will be able to sell its products to millions of customers in China on the Alibaba platform.
- × Alibaba will be able to use El Corte Inglés locations as package pick-up points for its customers.
- × El Corte Inglés has already begun to accept Alipay, the primary e-commerce payment method in China, in its stores. This capability will drive more purchases from tourists.
- × The two retailers will exchange the use of logistical and infrastructure channels.
- × El Corte Inglés merchandise will also be available on AliExpress and Tmall, where they will join other Spanish retail brands such as Zara and Mango.

k) Innovation Is and Will Be the Primary Driver

If we have one thing clear, it's that the tourism industry needs to understand that **innovating is the new marketing**. The *Harvard Business Review* notes, "innovation is the key ingredient for business success". But what is innovation? We can use two classic definitions:

- × "A technological product innovation is the implementation/com-

mercialisation of a product with improved performance characteristics such as to deliver objectively new or improved services to the new consumer. A technological process innovation is the implementation/ adoption of the new or significantly improved production or delivery methods. It may involve changes in equipment, human resources, working methods or a combination of these” (*Oslo Manual 1997*).

- × “Innovation is taken as being a synonym for the successful production, assimilation and exploitation of novelty in the economic and social spheres. It offers new solutions to problems and thus makes it possible to meet the needs of both the individual and society” (*European Commission Green Paper on Innovation, 1995*).

Just like the BlueBay Hotels example we cited, KLM Airlines held an innovation competition in Barcelona to come up with proposals to improve the brand’s sustainability.

The Meliá hotel chain is developing its own innovation vision by driving innovating through entrepreneurship communities, better known as accelerators. One example is the Meliá Challenge, whose purpose is to create new business models in the Food

& Beverage segment to improve the customer experience, come up with one-of-a-kind sensory experiences, and boost operations and profitability in this category. In the first edition, in both Spain and around the world, there were more than 50 submissions, from which they chose ten finalists.

Booking also launched [Booking Booster 2018](#): a bootcamp⁵ where innovation focused on the dispersal in the tourism industry, new opportunities for women, inclusive growth, and environmental protection.

Types of tourism industry innovation hubs:

Marriott Test Bed

Marriott launched the Marriott Test Bed program with the aim of including open innovation into its business model. The idea is to incentivize projects underneath the Marriott brand umbrella focused on:

- × **The hotel room experience**
- × **Transforming the complete guest experience both inside and outside the hotel**
- × **Helping guests discover spaces and to stay inspired**

Eurostars Hotels

The Eurostars Hotel Lab seeks to

reinvent the hotel concept through the *Hotel Space Design and Innovation (Concurso de Innovación y Diseño de Espacios Hoteleros)* that invites participants to design and create the spaces and furniture for a hotel room that responds to travelers’ current and future needs.

Accor Hotels

The Accor Hotels innovation factory is aimed at students, small and medium-sized businesses, startups, and Accor executives. Its goals are to analyze trends and take advantage of changes, develop innovative products and services, foster open innovation, and more.

The Iberia Hangar 51 innovation hub

IAG, the group Iberia belongs to, has a startup accelerator called Hangar 51. It has a ten-week program for disruptive companies run in conjunction with the group, supporting startups in every phase of growth to transform the travel industry.

Amadeus and their innovation ecosystem

Amadeus, an information technology group that supports more than 135,000 travel agencies worldwide through their GDS and other IT solutions is developing its own innovation ecosystem geared towards startups.

D) The Path Lies in the Adjacent Possible

The **adjacent possible** is all the possibilities and **new inventions that lead to a specific development**. An example would be that no one imagines a pushcart or a car until the invention of the wheel.

This expression comes from the scientist Stuart Kauffman, but many have written about it throughout history. Steven Johnson also wrote about it in [The Wall Street Journal](#):

The strange and beautiful truth about the adjacent possible is that its boundaries grow as you explore them. Each new combination opens up the possibility of other new combinations. Think of it as a house that magically expands with each door you open. You begin in a room with four doors, each leading to a new room that you haven’t visited yet. Once you open one of those doors and stroll into that room, three new doors appear, each leading to a brand-new room that you couldn’t have reached from your original starting point. Keep opening new doors and eventually you’ll have built a palace.

We use the adjacent possible concept when discussing innovation as the heritage, accumulating, and concurrence of knowledge, techniques, disciplines, and skills acquired over

5. A bootcamp is a dynamic event lasting between 24–48 hours focused on solving specific problems and targeted at startups with the aim of developing new ideas and solutions for a particular topic. The corporations that organize these events can later choose to create or acquire the ideas stemming from them.

time. We also use it when talking about technological, cultural, economic, and social advances as well as networking and knowledge networks that serve as the basis for constructing an innovative future.

It is ultimately about **possibilities that arise when we pursue our life's purpose**, our path's "zen" configures itself along the way, and all the vectors suddenly fall into place. The result of all this is an innovation, a new process, a new product, or a new business model.

Thus, **the adjacent possible is the innovative vitamin organizations need** to accelerate their changes that we should provoke in the people that make the changes in these entities possible.

One of the representative cases was when Toyota launched the Mirai model in 2015. At the same time, they also announced that they would free up more than 6,000 patents for other car manufacturers to use, in the same way that Tesla did with its battery. The result was that both Tesla and Toyota made their patents available to third-parties on the electric car and the hydrogen car, allowing both firms to innovate exponentially. The movement benefits the three agents involved: the firms that will be able to take advantage of the technology, the end consumers, and the owners of the patents.

The leisure and hospitality sector's boundaries are vague, as actors who previously had little or nothing to do with the industry's value chain or the traditional tourism industry ecosystem started to emerge. Nonetheless, these forces are coming in and changing our ways of understanding the industry, providing freshness, disruption, and improvements to the industry.

We could say that today, **the tourism industry is one of the Spanish economy's most dynamic sectors**. Buying cars, renting apartments, user-to-user purchasing, food delivery, hosts—all this is provoking change in the more traditional tourism industry.

The first Spanish tourism operator to see the potential in this new model was Room Mate, who decided to add another business line focused on managing private apartments that met Room Mate Hotels' high standards. After much heated discussion, other big hotel operators are copying their strategy, but Room Mate was the first to do it.

m) Globalization is Diluting the Black Swan, Dogmas, and Paradigms

One of the current phenomena stemming from globalization is [the black swan theory](#). This was a common expression in London and a declaration of the impossible given they assumed



all swans were white. However, they discovered black swans in the 17th century in Australia.

What's the takeaway here? **We, humans, strive to investigate what's already known**, forgetting about the unknown, impeding us from recognizing opportunities, and making us tempted to simplify, narrate, and label-all while overlooking incredible opportunities. In the current globalization and permeability of borders and ideas, Google, Amazon, or WhatsApp's success demonstrates that they're all true "black swans."

5.2. The Binary Technology Dominance Principle

When they invented the first modern computer in 1936, few predicted what that technology would bring to the world. It would then go on to revolutionize the way goods are manufactured through punched cards and allow for the control of industrial production on scaled levels. And today, this man-made machine still permeates everything we do.

The current **role computers play goes beyond business and industry**, reaching the point of classifying the world under the optics of a binary system and algorithms. The arrival of the Internet and its ability to connect

machines that have dialogues among themselves, along with bringing individuals closer together through social media and applications, has further highlighted its place in society.

This scenario is accelerating to the extent that design has transitioned from binary code (with the only values either being 0 and 1, or on or off), to **quantum code**. This transition is causing binary data to turn into a quantum bit or qubit where the 0 and 1 can be both at the same. This new system has the same ability to solve complex calculations or process large quantities of data in little time.

Computational speed progresses at capacities that Moore's law never imagined, giving way to revolutionary events such as the quantum computer that *IBM is starting* to put out on the market, or the *quantum internet* that will allow for connections at the speed of light and a never-known level of security. This exponential acceleration, according to Intel, will result in *Moore's Law becoming obsolete* in 2023, giving way to a three-dimensional transistor structure.

As they become more accessible and affordable, computers' current capabilities need Artificial Intelligence to develop those powers that avoid human clashes with technology.

However, Artificial Intelligence is simultaneously accelerating the adoption of current technology.

When we move around and intuitively buy things on Amazon, we're showing its algorithm how it should show us information in the future through their Artificial Intelligence program.

Similarly, our ability to interact with computers using natural language -iOS' Siri, Amazon Echo's Alexa, Google Now- by giving voice commands is thanks to Artificial Intelligence with Machine and Deep Learning⁶.

a) Artificial Intelligence

The McKinsey Global Institute think tank stated that AI's contribution to the transformation of society is "happening ten times faster and at 300 times the scale, roughly 3,000 times the impact of the Industrial Revolution."

Artificial Intelligence is a computer science discipline dedicated to solving cognitive problems related to human intelligence; some examples are learning, problem-solving, and pattern recognition.

This technology illuminates a **flourishing industry that's seeing its revenues increase at an annual rate of 55%** and according to the results of *PwC's Global Artificial Intelligence*

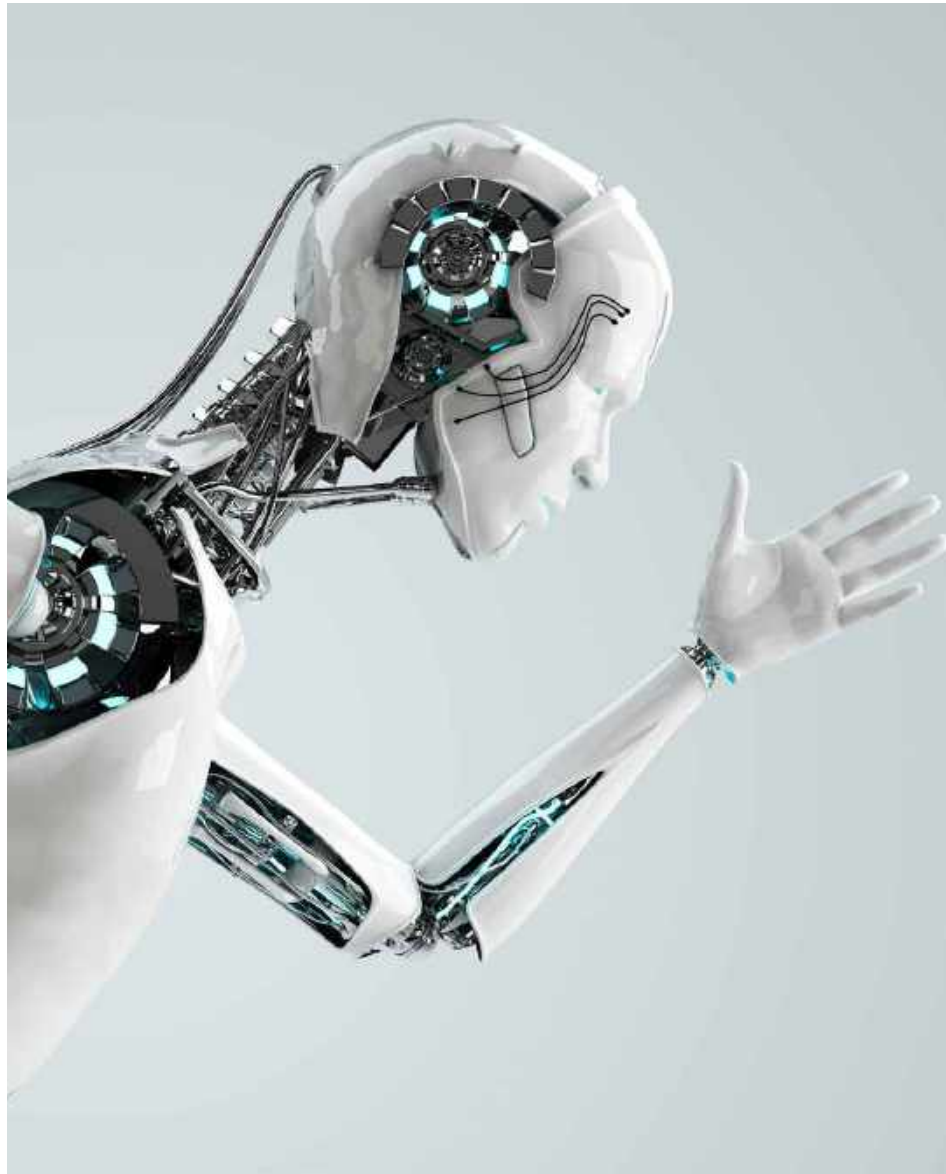
Study: Exploiting the AI Revolution, AI can make global GDP increase by up to 14%.

These optimistic figures make us think that **this technology will be in just about every piece of software in 2020**, especially in processes involving data processing, decision-making, and browsing.

AI can help in a lot of ways: increasing our ability to create better algorithms, improving voice assistants' ability to respond, or detecting patterns that the human brain is unable to process using data analysis. Maybe the most significant challenge will be having the appropriate human capital with the right culture and resources to implement AI.

Amazon is perhaps the company that is currently experimenting with and using AI the most as it pursues its obsession of being relevant for the user. The fingerprint we leave **in every session on the platform turns into value for itself** by helping it understand the consumer's needs and purchasing cycles, not only ensuring the purchases are successful but that you choose to purchase on the Amazon marketplace over others when buying the products you desire. Their algorithms are capable of combing through trends and helping consumers find the prod-

6. It generally involves a class of algorithms ideated towards machine learning (computers).



ucts they're looking for and the ones related to them.

However, the reality is much more complicated than that, and we have quite a way to go for us to see and experience everything Artificial Intelligence offers, and even more so for machines to replace humans.

In the [When Will AI Exceed Human Performance? Evidence From AI Experts](#) study by researchers from the Future of Humanity Institute at Oxford University and Yale identified the stages they expect this to happen. They contacted 1,634 researchers, and 21% of them responded. They predicted that **Artificial Intelligence would surpass humans in the following tasks in the coming years:**

1. They'll surpass humans in translating languages by 2024.
2. They'll be able to write better essays than high school juniors and seniors in 2026.
3. They'll be able to drive self-driving cars in 2027.
4. They'll be able to conduct business in 2031.
5. They'll be able to write best-sellers in 2049.
6. They'll work as surgeons in 2053.

b) The Semantic Web

The semantic web results from **the**

natural evolution from the textual web to a structural and contextualized web, useful for an increasingly-complicated environment saturated with information where relevance for the user becomes increasingly essential.

Today, to be relevant for the user, the web should be built and structured to recover information in a precise way to satisfy a user's need and attention.

The information should be organized and have semantic markers associated to it that, on the one hand, allow for a logical connection to the data, and on the other, recovers the data in the face of a question. That's the underlying logic behind today's browsers, offering search suggestions and increasingly relevant information based on our search history, cookies, and Artificial Intelligence. This all serves as the basis for [the Google Knowledge Graph](#) and is an Artificial Intelligence component.

Google is currently working on **increasing the value of a piece of data** by adding predictive and prescriptive text to every department's day-to-day routines in a way that conducts predictive analyses that suppose an improvement in anticipating consumer behavior.

c) The Internet of Things

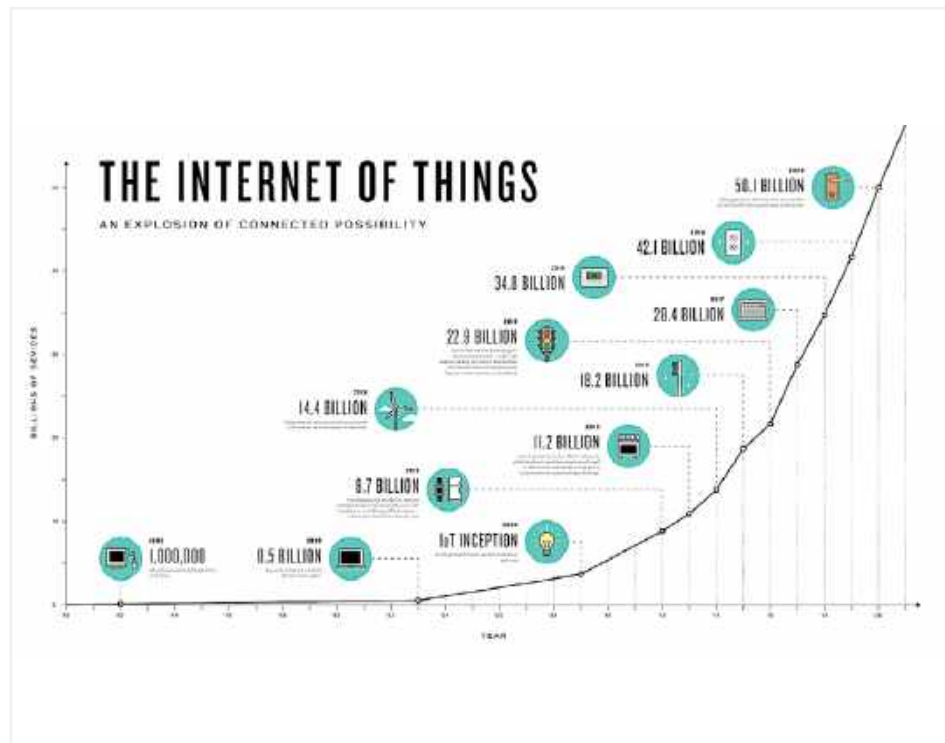
The Internet of Things (IoT) is a

technological solution **that connects objects through Internet-connected sensors** that can exchange information among themselves. These devices, for example, let us open or close our house windows using smartphones even if we're out of town or control our vital signs using a watch.

The Internet of Things allows you, for example, to manage visitor flows, road

traffic, reduce accidents, establish cargo capacities, create heat maps, manage public spaces, increase traveler-resident-citizen satisfaction, and more.

This technology's growth and potential are impressive; that's why experts predict that in 2019 **there will be 26.6 billion IoT-powered devices worldwide.**



The firms that integrate IoT solutions will discover a series of benefits stemming from them. Its advantages will go beyond allowing for better data collection; **they will see IoT as a driver for improvements in all enterprises.**

Corporations are already starting to use IoT to mitigate risk in their operations, reduce costs, create new earnings channels, boost employee productivity, improve the customer experience, and much more. They will likely find even more benefits as they apply this technology throughout all areas of their operations.

Nonetheless, as more IoT-powered devices surround us and enter our lives, the **concern about data privacy** and the information these devices gather will increase. The public has already had this reaction to facial-recognition technology, voice search, and the data that our mobile devices hold.

The explosion of Artificial Intelligence, along with 5G technology with little loading delays, will lead to an inflection point when it comes to its proliferation in urban areas, as well as in the quantity of data they'll gather and how the data is processed through an algorithm.

In 2015, aware of these concerns, the Federal Trade Commission launched

a series of **recommended best practices for companies** that included points such as the need for native security in connected devices, as well as the maintenance of standards that would allow them to interoperate while ensuring safety.

An extension of the Internet of Things are wearables, which are daily objects we have on our person (such as a watch, jacket, or glasses) that we interact with in some way and are connected to the Internet. An example of a wearable device would be a smartwatch that measures our pulse or how well we sleep.

There are also reservations about how easy it is to access data that, for example, allowed people to discover the location of secret CIA bases in the Middle East through extrapolating data from US soldiers' [Fitbit bracelet data](#).

IoT is one of the most significant trends that we are already seeing unfold; the forecast is that millions of beacons will get installed all over the world that will increase our level of control over physical spaces, time, culture, healthcare, agriculture, resource consumption, and much more. This is undoubtedly the future, but we have a question yet to solve. It's the one we always have to answer: what system are we going to develop to

guarantee that the user experience is still of high-quality? Data and beacons are the project's useful tools, but the governance over them will depend on a management system centered on having its finger on the pulse of where the user experience will go. That is the key to the system.

Security, privacy, and anonymity appear once again as some caveats to consider. There are already some first steps being taken towards solutions like the recent sweeping EU GDPR legislation, the above-mentioned FTC regulation, the IoT legal and ethics manifesto, or the current law passed in California.

The reality is, however, much harsher. There's a clear demand for being aware of the benefits of IoT, but to make universal solutions that foster interoperability rather than developing exclusive systems belonging to a few, we have yet to learn how technology businesses work in regards to the need for working with clear standards, open source, platforms, and other functions.

We already lived in this era when software and hardware were incompatible with the market, and many manufacturers and providers died along the way as a consequence of this short-term thinking. Does anybody remember WordPerfect, Lotus 1,2,3 or the print-

ers for PC or Mac? **IoT products and services must be compatible** across all systems, devices, and platforms, in integrating data, in standardizing and classifying ontology, or they'll directly disappear from the market.

Today, designing for vertical niches, which makes machine-to-machine language incompatible, causes two scenarios to occur. First, it causes great disaffection when it comes to understanding and viewing IoT as a strategic option for obtaining business information. Second, it also causes a high level of stress when deciding what technology to acquire, given that it is a significant investment. I am not sure if I am not making the right decision today, especially when it comes to wanting to scale my business and making my solution evolve according to my project's needs.

To guarantee security, trust, and a technological base with robust measures and systems, the International Organization for Standardization (ISO) published the first international standard that provided an IoT reference architecture that uses a common vocabulary, reusable design, and industry best practices.

The Internet of Things has come to improve citizens' lives. Bosch estimates that Internet-connected cars

will reduce injuries in car accidents by 350,000 every year in 2025 and will save 11,000 lives annually. These reductions in car accident injuries and deaths will result in less spending in health care, car insurance, infrastructure repairs, and other associated costs.

Besides, due to the convergence of different technologies, IoT will be increasingly more present in our lives. A proliferation of multiple users in smart homes, cities, buildings, and corporates will drive growth in IoT.

Like with all transformative processes (those that mark in such a way that an organization will never be the same again) we have to take into account that this is a comprehensive strategy; it's a journey and not a stop along the way.

d) Bots

Virtual assistants have been among us for some time. **Although they created the first chatbot in 1950,** they didn't acquire a high enough level of reliability and sophistication for corporations until the arrival of Artificial Intelligence. A virtual assistant or a bot is an information technology program that's developed to automate processes within a network that can interact thanks to a routine or algorithm that lets it respond to users'

questions. They are software robots endowed with Artificial Intelligence that enables them to carry a coherent, functional conversation with a user in real-time while adapting to their answers.

We can use bots to:

- × **Browse the Internet in search of information**
- × **Automate quick answers**
- × **Carry conversations**
- × **Automatically correct data**
- × **Simulate followers on social media**
- × **Perform virtual assistant duties**

We can currently integrate chatbots into Artificial Intelligence-powered services like Facebook Messenger, Slack, Telegram, WeChat, Google Assistant and Alexa. According to data from *The Economist*, messaging apps are the most popular function for mobile devices. Users spend more than 200 minutes a day on messaging apps. Besides, users are getting tired of apps, and that's why they use chatbots, which are much more open and functional.

KLM Royal Dutch Airlines launched a chatbot on Facebook Messenger called "BB" or BlueBot. Its primary role is to help passengers book flights and keep them updated on the status of their flight, changes in departure



gates, and other similar data-based functions. KLM developed this bot to help their support team manage more than 16,000 weekly interactions with passengers. During the first sixteen months of operation, BB sent more than 2 million messages to over 500,000 passengers. KLM recently connected the chatbot to Google Home as well.

In 2018, [Alphabet presented Google Duplex](#), a bot targeted at small businesses lacking automated reservation systems; the system is based on Artificial Intelligence, natural language processing, deep learning, and text dictation. Its ability to make reservations at hotels and restaurants along with discerning the human voice surprised many. [Alibaba just responded](#) with its own version on AliMe, Alibaba's

language recognition and Artificial Intelligence that it uses to distribute packages and carry out logistics. It's also developing an engine that's able to make reservations for restaurants in noisy atmospheres and a chatbot that allows for price bargaining that 20% of sellers on Alibaba's Xianyu platform already use.

[Luxair's new bot Bobby](#) is the company's digital assistant on Facebook Messenger. It's designed to be as useful as possible to help the user with those topics that tend to lead to the most issues:

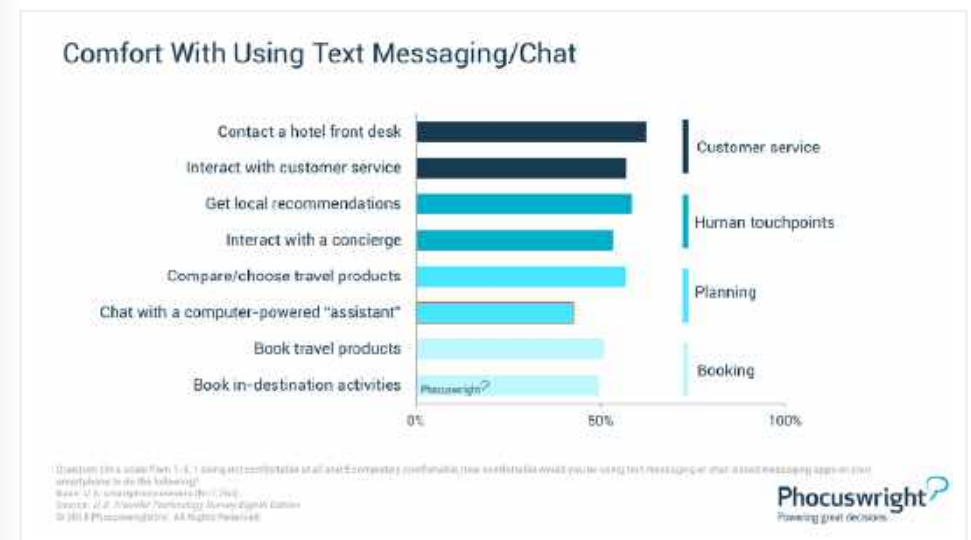
- × **Baggage problems**
- × **Baggage policy**
- × **Goodies**
- × **Website**
- × **Parking and insurance**
- × **Company animal policy**

According to *Forbes*, around 40% of companies will have or will start using chatbots at the end of 2019. The progress related to Artificial Intelligence and natural language processing will make it nearly impossible to discern a chatbot from a human conversation, leading to them providing added value to post-sale service, marketing, lead acquisition on websites and social media, and CRM expansion. However, we have to take into account that many people don't want to talk to machines.

One of the functionalities of bots is their ability to interact in multiple languages. On Booking.com, they already operate in 42 different languages.

Or, for example, the integrations with platforms that permit Marketing Automation like Salesforce or Zapi-er. If the chatbot can communicate with a company's CRM, it will gather valuable inputs to improve their sales processes.

In any case, this technology has room for improvement because as recent data from *Econsultancy* indicates, 45% of consumers deem chatbots to be "intrusive," and 78% of them say that the problem with automated experiences is that they are too impersonal. In the case of tourism, according to figures from *Phocuswright*, 4 out of 10 would use chatbots to interact with a firm.



e) Language Technology or Voice Assistants

Natural Language Processing –NLP– is a branch of Artificial Intelligence that gives a computer the power to recognize, understand, and execute commands thanks to spoken language. Another associated discipline is machine learning, which is capable of returning analyses of profound amounts of data that improve its learning.

This system's relevance lies in the ability that search engines should have to **“understand” the voice searches made in people's natural voice**. If the search engine functions properly, the information will be highly relevant and will more effectively impact the client.

We have to consider that natural language processing gains its relevance through a computer's ability, using Artificial Intelligence, to recognize commands and process orders. We could say that this technology is another component of Artificial Intelligence.

The evidence to support voice search's importance is strong: humans can verbalize 150 words a minute while they can only write 40 words a minute. Besides, **28% of users think voice search is a more precise search method**. 43% of users believe using voice search is faster than using a website or an app.

With natural language and AI as an entryway, websites will change and evolve towards a much more colloquial, technical, or culturally-refined language directed to the person we're targeting. Just like there is an Internet etiquette (netiquette), **the different tribes and subcultures will maintain their own vernacular**. Say I'm a scuba diver and I go on a website talking about diving cylinders instead of scuba tanks; I'll immediately leave the site. Likewise, when voice search becomes standardized, those websites that don't optimize for voice will render themselves irrelevant or anonymous.

Gartner projects that in 2020, conversational Artificial Intelligence will be a user experience that will provide support to more than 50% of the large consumer-facing firms. But, according to Oxford, that's not all:

- × **70% of British consumers are aware that they'll search using voice services.**
- × **57% of American consumers use voice assistants for travel planning (Travelport).**

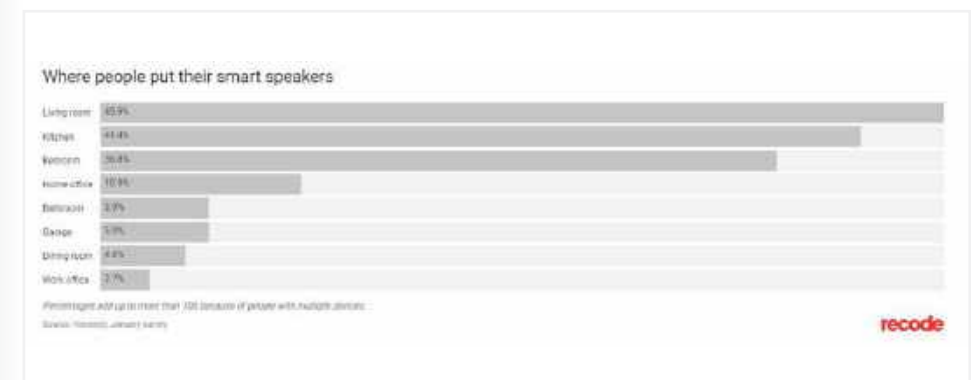
Language technologies are, therefore, revolutionizing the way we're understanding technology while reducing friction and improving the adoption of it.

Last year, Alphabet, Google's parent company, announced that their Google Now software was able to distinguish several voices at the same time. A six family-member household would be able to use the same device with different Google accounts. Amazon's Alexa can also distinguish several voices.

Connectivity and opening up standards are transformative for device adoption. That's why Google Assistant allows for interoperation with more

than 10,000 smart devices from other manufacturers; in the case of Amazon Alexa, the number is more than 20,000 devices.

The driver for smart device sales is precisely the interoperability and the utility this supposes for the user. According to IDC, on a worldwide scale, the following devices are projected to grow by 27% up to 550 million units in 2018: timers, lighting systems, home monitors, security systems, and smart speakers.



This technology, therefore, has a unique placement when it comes to the tours of rooms, lobbies, information points/concierge desks, and social spaces. But not as much when it comes to the sale of tourism services that are still undertaken in physical points of sale (62.3%), websites (26.3%), or mobile (7.6%).

If you're wondering who's winning the consumer adoption war in terms of the number of smart devices, it's undoubtedly Amazon's Alexa followed by Google and then finally Apple.

[Amazon's Alexa](#) is already being used through the Amazon Echo Dot, Echo, and Echo Plus speakers in Marriott, Westin Hotels & Resorts, St. Regis Hotels & Resorts, Aloft Hotels, and Wynn Las Vegas hotels, allowing their guests to control their room comfortably, look up information about

the hotel, get in touch with reception, order room service, or play music. The hotels also get access to software analytics with guests' feedback.

TV is already starting to incorporate virtual assistants in their service offerings with the goal of improving the user experience. This is what Samsung's doing with Bixby, and they've also recently announced that their upcoming QLED television sets will be able to be connected to Google Assistant and Alexa devices. While Bixby will have more advanced capabilities because it will be the only speaker integrated into the proprietary Tizen software, you'll be able to turn your TV on and off, control the volume, launch select apps, or [switch inputs with Google Assistant and Alexa](#).

Spanish telecom giant Telefónica has unified all their AI-powered technol-

ogies under the Aura service, while we'll also see a new device in 2019 that will allow for users to make video calls and project them on television. This is undoubtedly attractive for guests and other users of tourism services, travel agencies, and tourism offices.

This technology's penetration is getting to the point that we'll shortly **be capable of verbally communicating with our electronic devices**, changing the paradigm in the relationship between users and machines. If we add emotion-recognition software to them, tools like assistants will be able to offer answers depending on different emotional states.

The speed of users' adoption of voice recognition systems, and the figures that corroborate it, reinforce their relevance. The fastest of all-known statistics are:

- × **In two years, the number of smart speakers in the world will double the current figure of 225 million units according to data from Canals.**
- × **Amazon Alexa sales could lead to more than \$5 billion in sales in 2020 according to a report from RBC Capital Markets.**

f) Facial Recognition

The Economist claimed 2018 was the

year of facial recognition. Even if we don't realize it, this technology is already around us, and we don't need to go very far to find it. For example, in November 2017, Apple released the iPhone X that unlocked thanks to facial and biometric detection technology.

In China, they're scanning their population using this technology on a massive scale. Using more than 176 million high-definition video cameras and a system consisting of complex AI-based algorithms, they're watching the Chinese population to catch traffic violations, bad behavior, and crime but also to classify people and obtain personal information.

China recently incorporated a "social credit" system inspired by a 2016 episode of [Black Mirror](#) that already predicted a society based on personal reputation on the credit received from it. China has made this a reality and:

a) Those who gain a trustworthy reputation can:

- × Rent bikes or cars without having to leave a deposit.
- × Use unique lines in stores, banks, and hospitals.
- × Show their ranking on social media and show they are someone they can trust.





b) Those who “breach” this trust:

- × **Won’t be considered for public-sector jobs.**
- × **Will lose their right to social security.**
- × **Will undergo comprehensive customs inspections.**
- × **Will be banned from high-level positions in the food and drug industries.**
- × **Won’t be able to have a bed on overnight trains.**
- × **Will be banned from hotels and restaurants with higher star rankings and turned away from travel agencies.**
- × **Their children will be banned from the most exclusive private schools.**
- × **Those who, for example, do not pay a loan, acquire debt, commit fraud, get transit fines, and even express opinions against the government on social media or in public places, will see their score go down, leading to them being classified as “untrustworthy people.”**

On the other hand, one might think that only the Chinese will end up using this technology, but some schools in England are using similar Israeli-patented software to control how much time teachers spend drinking tea.

g) Affective Computing

On the other hand, 20 years ago they

were working on affective computing that wants to **endow emotional intelligence to devices** to achieve a more intimate and personalized communication with the user.

The Affective Computing Group at the MIT Media Lab explores how to equip emotional intelligence technologies, a capacity many deem critical to achieving more natural relationships between human beings and Artificial Intelligences.

Among other objectives, this group seeks that in the future any device can understand us much better and that our communication with these machines is more intimate and personalized. “If the phone notices we’re going through a bad time, maybe it will filter the news to get rid of the more negative stories, it will recommend we listen to a song we like, or suggest we talk to somebody close to us to make us feel better and improve our mood,” said Javier Hernández, a researcher for the Affective Computing Group at MIT in an interview with Spanish newspaper [El País](#).

h) Blockchain

[Blockchain technology](#) promises to revolutionize many parts of our daily life including the way we travel. But, what does it entail? It’s a technology that publicly stores all the transac-

tions produced on a particular network. The registers get encrypted and grouped in blocks that form a chain, and hence the blockchain moniker.

One of blockchain technology's most exciting features is that **the data decentralized**, meaning that they're distributed throughout different nodes or computers that form the network and each one has a copy of all the compiled information. Once a block or register gets added, all the members have to confirm it, and it gets included in the copy that each one stores. This process ensures that the information can't get modified or altered. The data stored on the blockchain network is secure, traceable, unchangeable, and transparent.

Therefore, blockchain **will add security and guarantees to our industry** in a way that, while invisible to the user, will allow for solvent operations. Examples include guaranteeing contractual hiring conditions for my trip, my credit profile, verifying my identity, booking a ticket; all this will let companies focus on their service processes.

The industry as a whole will work together in a collaborative and deconstructive way, on top of blockchain technology, on an information repository based on unchangeable blocks that the entire industry will

share. The blockchain will share the requested information with the firm reliably and immediately using a token or a query call.

This will suppose a revolution in the way we legally relate to each other. In theory, it will guarantee the control, traceability, and anonymity of users' data. In sum, it involves **establishing a single, truthful information service** that a service provider can consult without having to provide more details than necessary, and guarantees the information is accurate and appropriate for the service I am going to consume.

This system could imply, and it will cause, a revolution when it converges with Artificial Intelligence or the Internet of Things since it will exponentially accelerate its possibilities. If we have the certainty of who the user is but also their profile and past purchases, we'll be able to predict and suggest services that are highly appealing to them.

We must, nevertheless, draw attention to the fact that **this technology is now in the experimental phase**, so we're not expecting a disruption with solutions in the short-term. Industries like banking, legal, and insurance are already experimenting with blockchain. We'll see how they progress and their level of adoption.

i) Wearables

Although we've already talked about wearables, we want to go back to them in more detail since they were the first devices to open the Internet of Things to daily life. Through these connected devices we can know our physical state, how much we walk, how well we sleep, how many calories we eat, our location, or where we went on our walk. On the other hand, we can control the air conditioning from a distance or fill our refrigerator thanks to devices that warn us when we need to add an item to our shopping list because we don't have it in the fridge.

Today there is an infinite number of devices that let us control the spaces around us using our phones; this is the Internet of Things.

The companies that have put IoT solutions into place in 2018 will have a clear advantage over their competitors when it comes to developing their digital skills. According to [Vodafone's IoT 2017/2018 Barometer](#), **74% of the firms that have adopted IoT agree that the digital transformation is impossible without it.**

Along with the benefits stemming from the technology itself, those firms that integrate IoT solutions will gather data better, reduce costs, create new revenue streams, boost employee

productivity, elevate the customer experience, and much more.

Data is the base of the Internet of Things; therefore, software and hardware go hand in hand when it comes to achieving the production, cataloging, filtering, and interpreting said data to provide genuine value.

Comments, tweets, videos, step counters, clicks, sentiment analysis, emotion scanners, all this is value for Big Data. Besides Social Data, Big Data, Smart Data, and so on, it's crucial to include [Dark Data](#), which refers to all non-structured and untagged data, and as well as data that is not used in data deposits without either being treated nor analyzed. IEC estimates that no less than 90% of all data belongs to this category.

j) The Dangers Stemming From Algorithms and the Perception of Security

"We should never allow computers to make important decisions because computers will always lack human qualities such as compassion and wisdom," Joseph Weizenbaum, MIT.

Algorithms surround us, organizing our world to make it easier and more intuitive but, on occasion, less free. When we converge different technologies and discover the potential for

social control, **we can sometimes diminish liberties.**

When, for example, in 2016 a Microsoft Twitter [bot named Tay](#) quickly learned the social network's netiquette and started to tweet out apologies to Nazis, to defend Donald Trump's plan for a wall on the US-Mexico border, and harass any naïve person who dared to question it, they had to close it down in 24 hours.

If we take into account that any bureaucratic procedure is going to be digitized, let's remember that we are already seeing algorithms judging and evaluating us regularly in the United States and China.

Our digital fingerprint gives us away, defines us, and sometimes paints a portrait that is not entirely accurate using algorithms, voice search, analyzing cookies on the Internet, social media, or any other source. From there, the algorithm, Artificial Intelligence, and machine learning can **create patterns that don't exist or aren't accurate in real life.**

"Advertising dog food to dog owners remains innocuous, but pushing payday loans to people identified as being emotionally and financially vulnerable is not. Neither targeted advertising that is used to exclude

people," [said Jonathan Zittrain](#), Director and Faculty Chair at Harvard University's Berkman Klein Center for Internet and Society.

With all this, we've started to see the first platforms ask for algorithms to be transparent and for public regulators for them, such as [the Algorithmic Justice League](#).

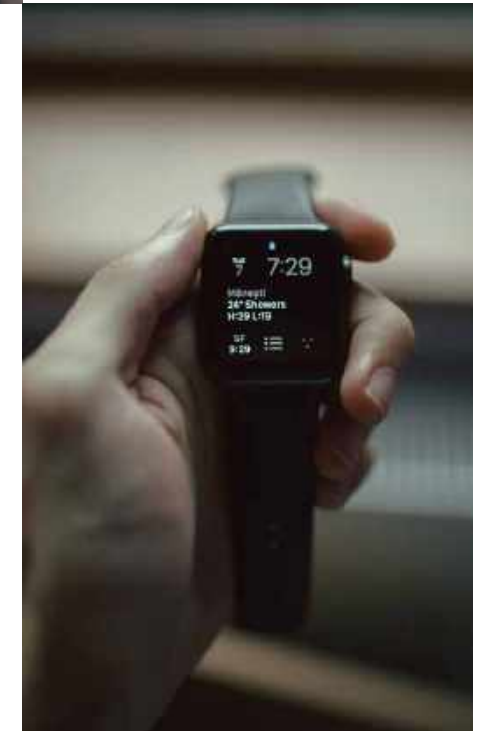
k) The Rising Concern About Data Security Breaches

The global Marriott Starwood hotel chain recently [suffered a hack](#) that stole **data for 500 million customers**. Among the stolen information were credit card numbers from reservations made from 2014 up until September 10th, 2018. Despite being encrypted, the attackers deciphered the cards' expiration dates.

In an increasingly connected world that's more focused on taking advantage of data as a precious resource for the digital economy, we have to assume that malicious attacks against our organizations and services will be frequent.

l) The Freedom of Anonymity

There's no doubt these "virtual butlers" represent great functionalities for the user but their listening and audio recording capabilities could offer more dubious uses.



For example, [Google and Amazon](#) save audio segments on their segments through our devices with the aim of improving their services. Facebook, Instagram, WhatsApp also use our phone's microphones to identify advertising patterns.

This technology can be used to spy on us, classify us, and know everything about us, which can be alarming and provoke a sense of rejection among digital citizens. The Federal Communications Commission sounded the alarm a few months ago about [SilverPush](#), a startup that uses Artificial Intelligence and beacons⁷ to put at marketing's disposal information received through imperceptible acoustic signals and linking devices to develop a profile of the person who uses them.

In 2018, Donald Trump, through the FCC, took a critical step towards eliminating net neutrality, that the Obama Administration had been protecting since 2015. The move threatens to transform the way we understand the Internet forever: the loss of security and freedom of formats, slow content, a lack of international stands, up until the point that the European Union decided to reinforce their policy guaranteeing net neutrality in the Eurozone.

m) The Digital Twin Revolution

The Digital Twin is a virtual replica

of objects and processes that simulate their authentic counterparts' behavior to analyze their efficacy or behavior to improve their efficiency. This idea, although not new, was presented as one of the most important trends in 2018 according to Gartner. As for KPMG, in their ["Beyond the hype"](#) report, they mention the digital twin as necessary for becoming part of the Fourth Industrial Revolution.

With an estimated 21 billion connected sensors for 2020, there will be millions of Digital Twins in the next decade. Also, in 2020, 30% of the *Forbes* Global 2000 (the world's 2,000 best corporations) will have put advanced Digital Twins within their production processes.

In the Internet of Things context, the Digital Twin is a virtual representation that should make it possible for us to take the pulse of what's going on around us. This is possible through being linked to physical spaces, beacons, consumption and exploited data, operations indicators, and any other type of information that lets us respond to change, improve operations, optimize processes, parameterize strategies, plan investments, scale up infrastructure planning, and offer real value to the present model.

Digital Twin development is essential in this moment of digital transit we find ourselves in, as it allows us to contemplate the dimension and layers of actions that should get interspersed for the tourism destination to be successful.

It's not about trying to create a virtual model to use; it's about trying to recreate the territory's complexity digitally, and through that, interact and observe how my decisions impact the virtual model in real-time.

The Virtual Twin is equally applicable to resorts, theme parks, cruise parks, and any other infrastructure willing to become a smart one, and has efficiency, control, and improving their processes in real-time among their objectives.

Microsoft will also put a particular focus on their [Azure Digital Twins service](#), a Smart Cities digitization platform where the cloud, Artificial Intelligence, and the Internet of Things converge. This platform can connect people, places, and devices to provide a complete picture of the relationships and processes taking place in urban centers, driving transformation based on the data gathered and analyzed in real-time.

Given the fact that the digital twin concept opens up an infinite number of

possibilities within strategic, resource, and infrastructure planning, it will be critical for the proper governance of tourism models in the coming years.

n) Exponentiality: The New Growth Standard

"An analysis of the history of technology shows that technological change is exponential, contrary to the common-sense "intuitive linear" view. So we won't experience 100 years of progress in the 21st century—it will be more like 20,000 years of progress (at today's rate)." —Ray Kurzweil Co-Founder of Singularity University.

Transformation's timeframes are getting faster. The result of shorter, more iterative timelines will be the application of concepts like the Lean and Agile methodologies. We'll move from working on 5 to 7-year innovation Windows to working on 18-to-24-month cycles, or even shorter.

A clear indicator of the rhythm these changes, and innovations are moving are the nearly weekly updates that the global software companies conduct. We can, therefore, assume that the competition is in the process of upgrades and permanent betas, leveraging their growth in exponential strategies and using lean and agile marketing to be successful in their innovation strategies.

7. A beacon is a low-consumption device that transmits a broadcast signal that's small enough to put on a wall or counters.

We're awaiting a **new product revolution** with the combination of the available base technology along with new ones such as Artificial Intelligence, machine learning, and computing abilities. It will be an exponential leap and will accelerate new industries and sectors like the automotive, transportation, security, medicine, logistics, and many more.

The positive benefit of this situation is **efficiency and productivity will skyrocket**, leading to new business opportunities and the creation of employment and professions. The downside is that it will be a gradual shift and the impact won't be equal for everyone.

Exponentiality, along with globalization, the acceleration of technology will mean that administration and governance will always be behind technological advances, having to legislate after the fact or laying down minimums that guarantee users' rights. In a situation like this one, it's impossible to predict what's about to happen. We should, therefore, prepare for a society where corporations ask for forgiveness instead of for permission, and where the customer reigns supreme over all decisions.

o) Managing Scarcity

The economics of scarcity describes the dilemma between limited resourc-

es and unlimited wants. This dilemma leads to an environment of mass competition of services and products where people and brands will need to manage in a system where we can see the scarcity of the following:

TIME

We don't have time and things happen in an accelerated way due to sudden and exponential change.

ATTENTION

We lack time to focus on real needs. We pay increasingly less attention to things to the point that we are missing universal principles such as full consciousness or mindfulness. We can also see this in marketing's battle to grab people's attention through Inbound Marketing, retargeting, storytelling.

TALENT

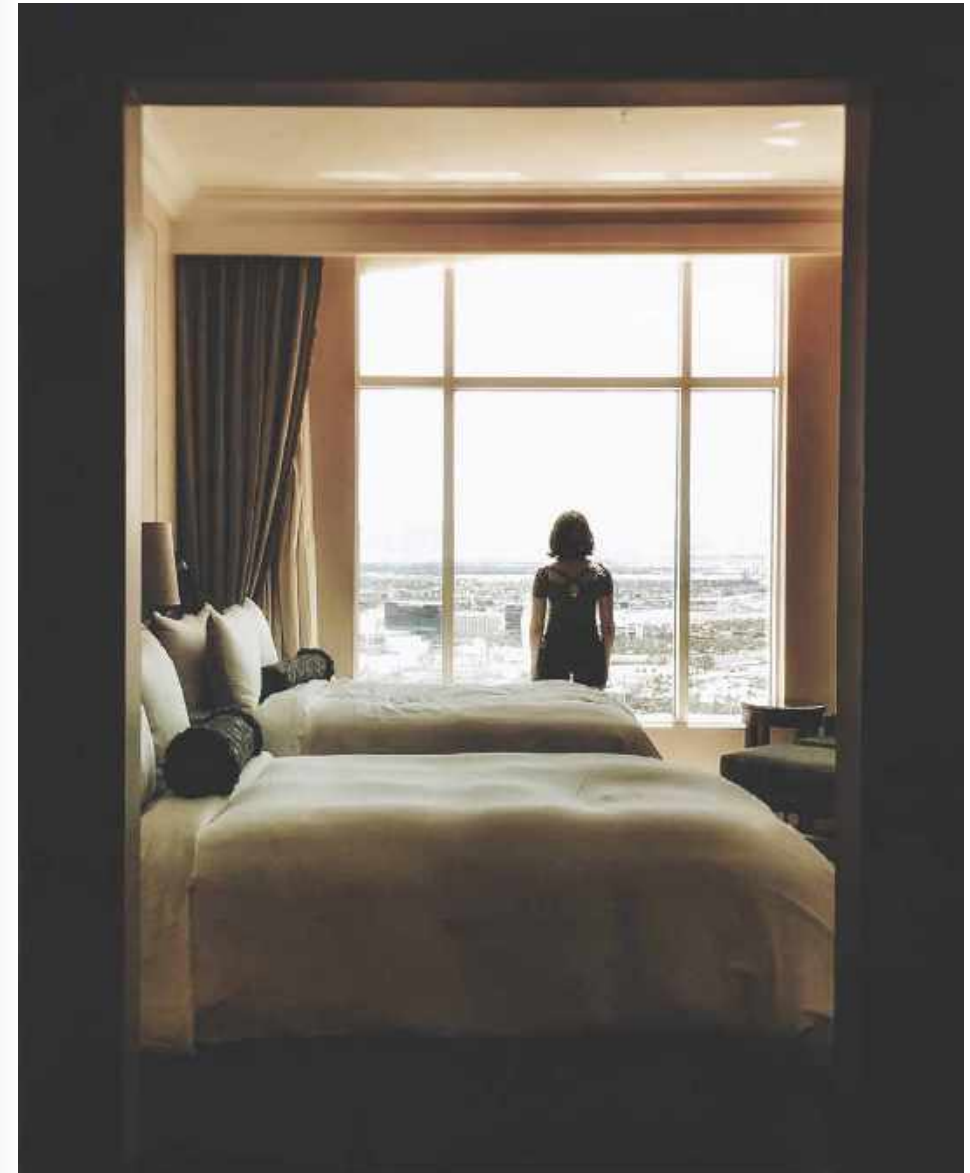
The acceleration of times requires soft skills and talent that's appropriate to the market's real needs, implying a paradigm shift that academia nor the corporate world have yet to tackle.

CULTURE

In a globalized world, culture runs the risk of banalization by turning tourism into a pedestrian activity.

ENVIRONMENTAL DECAY

The challenge of scarcity management is shaped in the environment;



where the unconscious use of resources has led to progressive exhaustion of the environment and increasingly unsustainable accumulation of toxic waste.

p) Singularity

Technological singularity implies that a computer, IT network, or a robot could be capable of continuously improving themselves; or designing and constructing better computers or robots than itself. At that moment, the creation of intelligence will be superior to human intellectual capacity and control.

Everything will change and transform the human. It won't be just another industrial revolution; it will be like the

beginning of a new society where the norms and paradigms that govern work, social interaction, security, identity, law, and order, will all change. They project it will happen between 2030 and 2045, although nothing is certain.

What we nevertheless say is certain is that technology's vectors and the way we produce value today are advancing towards that point and the planet's challenges and the aging of the world's population will make the future much closer than what we suspect. And without a doubt, the leisure, tourism, and hospitality industry, our industry, will benefit from this technological singularity.



5.3. The Tourism, Leisure, and Hospitality Industry Principle

a) The Tourism World is Now Global

Everything that happens affects all of us, making it impossible for us to go on our own. Governments and international organizations of all stripes are therefore obliged to collaborate in an open, rules-based multilateral system to address the risks that excessive global risks pose and **tackle common challenges**.

The norms, laws, and other legal conditions should be appropriate for the local culture as well as allow for competition and competitiveness in the tourism business to develop. **The norms are global, but the industry is local.**

b) People and Tourism

In the digital context described in this report, one of the skills that stands out among the rest is **emotional intelligence as a bridge to understand and connect with audiences**.

If there's one thing we've put into evidence is the speed of the change of cycle we face. Speed is inversely proportional to the need to observe and predict, to interpret the environment and the people surrounding us.

On the other hand, **speed is the primary precursor to changes** in culture, behavior, and necessary learning

to survive this change of cycle; that speed brings us closer to the perception's value and role.

The environment is clear: **continuous centrifuge and beta**. Humans are the result of their genotype as well as their phenotype, their previous life experience, their emotions, the personality that has shaped their individuality, and the social beings we humans are.

Social media's success and its influence on our society and corporations stems from being platforms where those emotions travel from one corner of the planet to another, impacting our brand either positively or negatively.

There are as many realities out there as there are people just like there are just as many stories for the same number of people.

c) The Experience Economy

Spend your money on experiences, not things: a study revealed that **75% of people felt happier when they spent their money on trips, courses, and classes**.

If there is an industry where this has had a particular occurrence, it's been the tourism, leisure, and hospitality sector. This phenomenon is generating a new layer to create, offer, and service a consumer.

Joseph Pine II and James Gilmore published [The Experience Economy](#) in 1999 and Rolf Jensen published [The Dream Society](#), these two books masterfully reflect on the changes happening in the global economy in terms of society and service production. We're witnessing the birth of **experiences as a profitability point** and as a basis of the relationship between brands and people.

21% of firms today already offer contextualized and personalized products and services; they offer these to their customers based on geographic location or specific conditions of the customer context. 70% of them hope to count on it in the future. A recent study also revealed that **69% of customers are more loyal to a travel provider that personalizes their experiences.**

A recent report from Booking.com found that:

- × **Booking experiences or activities as part of a trip was one of the significant trends in 2018 and will continue to be one in 2019.**
- × **60% of global travelers value experiences more highly than material possessions.**
- × **In 2019, 42% of global travelers are thinking about traveling to a destination that makes them feel like a kid again.**

Engineering experiences is meticulous, precise, and indeed not a question of luck. **We have to work systematically to cultivate emotions** in peoples' minds. We have to move from being a commodity to the emotional world.

Today's tourism industry can create a sensory world in its customers' minds using colors, images, words, scents, videos, and more through a perceived story and lived experience. This process of bringing these together is key to successful competitive positioning.

Beyond a digital solution or automating processes, **every interaction is full of emotions**, feelings, sensations, and as Kike Sarasola notes, "happiness is profitable. Travel is the only thing you can buy that makes you richer and happier."

d) We Live Immersed in our Perceptions

It's critical we question the reality we observe, whatever Plato's cave we see in front of us. The more questions we ask about how the person in front of us is feeling and why, the more equipped we'll be to establish relationships. We definitely **should doubt our perceptions.**

The beauty of conversation is that it lets us gather information to process, whether it be verbal or non-verbal

communication, filtering questions, conflicts, human, and understanding others' behavior and emotions. The information-gathering stemming from conversation represents one of the most transcendent moments and attributes at the time. Everything is based on platforms, screens, algorithms, scanners, facial recognition, and more. Technology counteracts and enriches itself with emotional intelligence. That's why **emotional intelligence is needed to construct sensitive, cognitive, and emotional worlds** capable of connecting with our customers.

e) Millennials as a Point of Reference

Maybe the closest control group the social, technological, and market reality we should pay the most attention to is the millennial cohort. They're halfway between the generation behind them, Generation Z, and the one ahead of them, Generation X, along with the Baby Boomers ahead of Generation X.

We also have to consider that our idea of a generation has nothing to do with reality. The current permeability in the technological, economic, and social spheres lets us, while using Millennials as our reference group, extrapolate ideas, trends, and strategies that are equally valid for Baby Boomers, Gen X, or Gen Z.

It's important to note the following about Millennials:

- × **They're very aware of the 3Rs: reduce, reuse, and recycle.**
- × **They're less tied to material things.**
- × **They're more aware of what they eat.**
- × **They're more pragmatic regarding sex, religion, and life in general.**
- × **They're connected to the social reality.**
- × **They're investing in causes they deem just.**
- × **The world is their house.**
- × **[The gig economy fits them perfectly.](#)**
- × **They're creative and are used to working together.**

f) The Fourth Industrial Revolution is Also Impacting Tourism

Our industry, leisure, tourism, and hospitality should learn more from Walt Disney for numerous reasons, but one stands out from the rest. Disney is the father of "edutainment," or the marriage of "education and entertainment." This concept is the foundation for creative tourism based on co-creating tourism experiences.

Disney is behind many of our industry's most significant advances. They patented the Walt Disney Imagineering-created [Audio-Animatronics technology](#) in 1961, which is a robot



designed for the shows and attractions at Disney parks.

An interesting [Travelzoo study](#) given to **more than 6,000 people from different cultures and countries found that more than 80% of respondents are convinced that robots will play an essential role in their lives in 2020.**

Nearly two-thirds of them declare they're comfortable with robots used in the tourism industry. The French and Germans are the most reticent towards them, while the Chinese and Brazilians are the most open to seeing how robots and Artificial Intelligence can improve the tourism experience.

This will, of course, depend on the human interface on the human-robot relationship that develops but if used appropriately, **robots will bring value to our industry.**

In what areas could we find them useful? We could use them well for back-office activities like laundry, assembly and storage, adequate information capturing for upselling and cross-selling, to selling experiences, customer satisfaction, improvements to CRM systems and user profiles, automated check-in and check-out, and more.

Besides, the convergence of technologies like Artificial Intelligence, machine

learning and robotics provides very useful functionalities that the tourism industry is viewing as **an accelerator of improved user experience for guests.**

On the other hand, hotels have started to experiment with the Internet of Things quickly. They already use smartphones, smartwatches, or identification bracelets to access rooms or control the air conditioning.

In practice, Big Data collection allows us to know, for example, that a guest did not sleep well and we should make their coffee extra strong. Or, we could pinpoint their favorite drink and bring it poolside, the area of the property where the guest tends to spend most of their time.

Users, meanwhile, appear to be in favor of using Artificial Intelligence in hotel service. A study of 6,000 users from Travelzoo found that 80% of them believed robotics and the automation of process would be an essential part of hotel management soon. They also think that robots are better prepared to command different languages and will more efficiently process data gathered from guests to provide them with better care.

With differing levels of precision, **robots have already integrated themselves in hotel chains, cruise ships,**

airports, and restaurants. They greet you in reception, bring you room service, resolve your problems better than the concierges, make your cocktails, perform your check-in, and more.

The latest player to add them is Dutch airline KLM with Care-E, an assistant that will take care of you at the airport by taking your baggage for you and controlling your time intervals and gates. It's currently available at New York's JFK Airport, San Francisco International Airport (SFO), and KLM's center of operations at Amsterdam's Schiphol Airport.

g) The Customer's (Finally) in the Center of Everything

The importance of making everything customer-centric has been the catalyst for all these changes, redrawing marketing and corporate boundaries to allow for beautiful chaos that has turned into a metamorphosis of the overall system.

The marketing teams of the past used to focus too much of their efforts on analyzing demographic segments that are increasingly smaller and are extensions of increasingly inferior products. They should instead find out what tasks their consumers need to carry out on their path towards finding products with a purpose and achieve something genuinely innovative.

h) The Touchpoints are Getting Complicated

We think that everything online affects our industry, which is valid to a greater or lesser extent for certain parts of the travel process. It may be because we feel pressure from the digital transformation mantra, but not everything is online. In some phases like the reputation phase, the impact from opinion sites, networks, and platforms have when evaluating tourism destinations and services is undeniable.

When it comes to the reservation phase, it's not necessarily so. According to Google and McKinsey's extensive analysis of the European travel industry, **87% of all reservations involved the use of the Internet in some part of the cycle**, but 42% of them ended offline.

The relationship with the user becomes increasingly complicated as the marketing technology tools and solutions help us make this relationship increasingly relevant.

According to the [McKinsey study](#) on the travel industry, when we analyze the entire customer journey, the average user **pivots from channel to channel up to 50 times** interacting from screens to the computer, tablet, or the smartphone. This constant change leads to up to 100 touchpoints.

Here are some things to take into account for our industry:

1. **In this scenario of complexity, it is not surprising that there is an active battle for the traveler's attention.**
2. **The possibilities that our competitors capture their attention through deals, storytelling, usability, and other tactics are very high.**
3. **Most touchpoints are not the company's own, meaning that it makes our interaction and management of their attention more complicated. In the case of airlines, 20% of touchpoints before a flight are their own.**

5.4. The Corporate Ecosystem Principle

a) Co-Creation

Co-creation, from the corporation's perspective, represents **innovation's most crucial challenge** given that in the face of an accelerated product, it allows for a joint go-to-market in record time, adding assets of another partner that previously were individual.

Besides, in the case of the tourism industry, co-creation **serves as the**

basis of the experience economy, for creative tourism. It, therefore, is opportune to carry out co-creation initiatives to launch new tourism services with brands to satisfy a need.

It's also useful from the customer's point of view to jointly develop a product by making it experiential, creative, participatory, and aligned with the market's demands.



What an organization needs to apply co-creation internally:

- × Leadership.
- × Customer and employee empowerment.
- × Openness and transparency.
- × Sharing a common market and objectives.
- × Confidence in the partner and the customer.
- × Hybrid teams and resources.

The expected benefits for people stemming from co-creation in tourism are:

- × It accelerates the product's go-to-market phase.
- × It drives the creation of unique products and services.
- × It works on personalized contexts for every customer.
- × It develops personal meaning for the co-creation experience, which determines the value the individual perceives.

b) Identity Earns More in the Tourism Industry

Personality gains more in the tourism industry. It is **the primary differentiating factor** that a destination, service, or a product has, and it's important to defend it. When we at the Valencian regional government marketing department decided to qualify the industry as

a point of inflection of the competitiveness of our area as a destination, we started a conversation with [the Disney Institute](#), the training institute for Tourism, Leisure, and Hospitality directors that uses best practices from Walt Disney Parks & Resorts as the foundation for its curriculum.

After two emails, we decided to request an estimate for a training session at the Disney Institute and on-site. They asked us about the site, and we notified them it would be Benidorm.

They sent us a firm reply: "Unfortunately, I regret to inform you that the second site will not be possible due to the 'Disney Difference,' which does not allow us to show what makes Disney great as it diminishes our added value. This prevents us from directly working with other hospitality organizations such as hotels and tourism authorities."

Another paradigmatic case was Ferran Adrià, who realized that El Bulli was a hindrance, and he left it in an intuitive, yet direct way. "If I focus on the business, I won't make it mine. One has to know when it has to transform itself." The new Bulli will open its doors in September 2019.

c) You'll Have to Be as Agile as Software

Did you know [87% of marketing pro-](#)

[fessionals](#) say the Agile methodology makes their teams more productive?

This is no longer a time management question, **time itself has turned into a strategic matter**. We should, therefore, be able to react in real-time to market challenges and we'll have to adapt our companies to agile, disruptive, centralized models with empowered employees that resolve the needs of an attentive, well-informed market with competitors ready to act and take away our market share.

There's an analogy from the software world that we can apply today. We're used to updating operating systems, software, and apps that are the fruit of security updates, and implementing improvements such as hardware optimizations. Although consumers are demanding these improvements when something is not correctly meeting their needs, if something does not serve them, they'll choose to avoid it. Therefore, you not only need a good product, but you also have to commit yourself to updating, innovating, and making improvements to it continuously.

Being Agile is the mindset that leads to achieving this, and to get there, we should rethink our organizations and take concrete actions that allow us to deconstruct teams and concentrate

talent based on the available people's commitment and aspirations.

Agile Marketing is:

- × **Agility to react in the face of market dynamics.**
- × **Agility to react to competitive changes.**
- × **Agility to use more advantageous and economic assets to reduce costs.**
- × **Agility to make sure supply keeps up with demand volatility.**
- × **Agility to organize work teams.**
- × **Agility to develop the culture of the adjacent possible and promote agile thinking in every team member so that they act autonomously.**

Remember to think about how agile software companies are on a quest to remain relevant in the face of brutal competition in the market, focusing on offering value and relevance to the user. You should resolve to make yourself agile too to conquer or defend the market share you presently enjoy.

d) You'll Find Your Path to the Next Stop in the Midst of Disruption

Since the beginning of time, our culture has been socially and biologically designed to be the guarantor of the human species' survival, and therefore, establishes premises and

immovable concepts that will let us decode the environment and make us feel safe in it.

Nonetheless, in the last 100 years, the species' basic needs have significantly evolved due to technological, economic, and human development. It, therefore, **appears nearly impossible to imagine the changes that await us in the next five years** that are going to affect your personal life, and especially, organizations.

Disruption supposes a brash rupture with the established norms, and therefore implies a conflict for organizations. This conflict is the motor for change; thus, **disruption drives towards necessary renovation** in technological, social, and economic realms, among others.

Yes, it's true that disruption represents a clear bet on the unknown or the risky. Nonetheless, users always validate disruptions, meaning those disruptive innovations that impact our society are those the consumer previously certifies, and therefore they're innovations that will undoubtedly affect our companies. Let's not make the mistake of categorizing them as one-time occurrences; instead, let's ask ourselves how and what we should do to make our project and company disruptive.

e) We Wander Blindly Through Life Without a Vision

Sight is undoubtedly one of life's most important senses. It lets us connect with our world, to interact safely, advance, and make our imagination soar using visual stimuli.

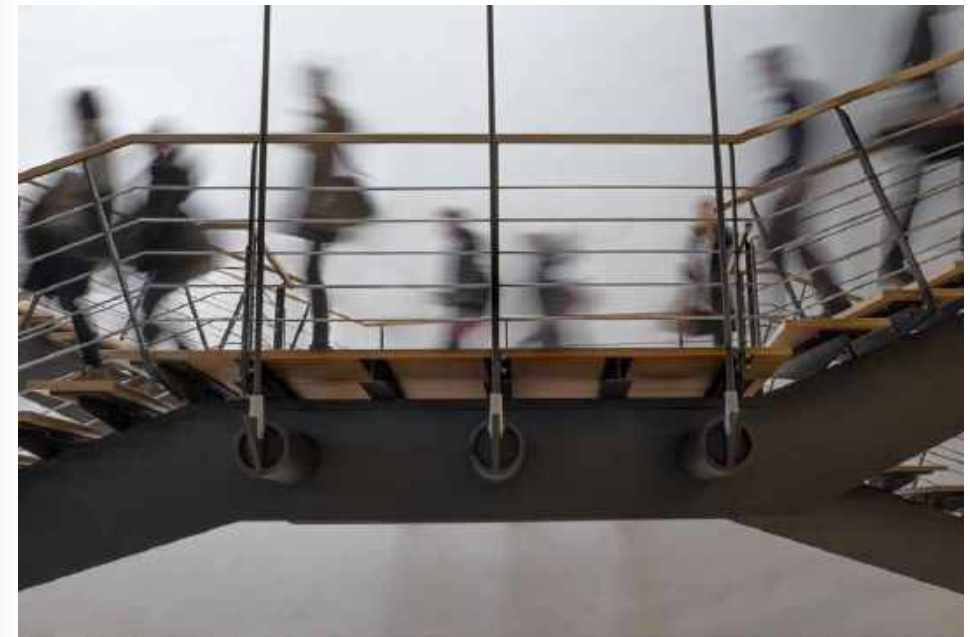
Vision has turned into a mantra, a powerful mental instrumental that changes people's lives, that can generate movement and action among users, that has excellent psychological and spiritual power. It is characteristic of enlightened minds.

f) The Work Methodology of Choice is Lean

The lean method is a type of business strategy that aims to **improve efficiency by reducing costs and operations** by bringing products and services that consumers demand to the market.

Through this system, we achieve a reduction of the necessary resources to launch a new product, while also promoting the collaboration between departments to experiment and analyze results agilely.

This concept gained relevance in 2011 with Eric Ries' *The Lean Startup Methodology: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*. Nonetheless, Amancio Ortega,



the owner of the Inditex retail empire, started using this method in 1986 when he hired engineers from Toyota, who were pioneers in applying this methodology.

Many large firms in the United States already use it, but many SMBs and startups do as well as they aim to innovate and improve their products.

g) Technological Convergence = Evolutionary Jump

One of the most significant patterns that we have in this change in cycle is hybridization, or lateral innovation produced between different technologies, products, and services when they unite to form another. They come together to create a convergence of objects and ideas to develop new products and services.

Convergence happens when we combine functions, and we add value when we carry out co-branding and brand alignment through opportunities that are validated in the market. **The convergence can be physical and digital**, and we can design it to enrich the sensory experience through platforms, devices, displays, and more.

According to the Growing Digital Business study based on a survey of executives in 15 countries, nearly 90% of the corporations studied confirmed

they had high expectations for digital technologies and **70% of them say that digital technologies still have more transformative power if they get jointly applied than separately.**

The convergence effect will allow for the exponential expansion of other technologies that we already have but is in a dormant state while waiting for new materials, higher processing speeds, and full connectivity (5G). And then, we'll be even closer to singularity.

h) Digital Maturity and its Effect on the Industry

As a study the MIT Sloan Center for Digital Business carried out notes, the corporations that have achieved a higher degree of digital maturity or are more advanced regarding embracing the digital transformation or digital innovation, gain measurable increases in customer acquisition and retention, income, and revenue. According to the report, **digital firms in every firm are, on average, 26% more profitable than their industry**, generating 9% more income than their competitors, and increasing their market value by a percentage higher than 12%.

Today, in the tourism industry, according to The Boston Consulting Group, 95% of travelers use digital resources throughout their trips, whether it be before, during, or afterwards, and a

user visits an average of 19 different websites and/or mobile apps.

The case of Meliá's digital transformation

The Meliá hotel chain, with 350 properties distributed across 40 countries, started its digital transformation in 2014 when it announced a 100 million euro investment in a transformative digital initiative with its investors, people in the organization, and technology as its primary objectives. In April 2016, they publicized their intent to "belong to customers more than construction."

Throughout the digital transformation process, the company has let **the customer put itself first and take control of its assets**. The results up until now?

- × **They have a 360° view of the business.**
- × **More than 70% of Meliá.com sales come from Meliá Rewards members.**
- × **60% of global earnings are from digital channels.**

The strategy's execution depends on the channel

Meliá knew how to identify, to focus on the use and their behavior, who's behind every platform, and what specific needs they have to resolve.

From a strategic perspective, they monitor their social media platforms and analyze their evolution to readjust their strategy according to the brand's interests intelligently.

Every platform has its metrics, formats, and audiences; the key lies in analyzing how all this leads to improving the brand's positioning in the market. They have different strategies for each of the platforms to do so.

Meliá and innovation

Meliá Hotels International is still loyal to its innovation and digital transformation roadmap. It launched two very interesting activations underneath this umbrella.

The first saw it put two Meliá Rewards loyalty program gift cards on sale for Black Friday: one worth 35,000 points and another for 55,000 points. Along with a 40% Black Friday discount on Amazon, users could also redeem their rewards points for Amazon gift cards.

They've also incorporated [Amazon's payment system](#) to make the process more agile without requiring any additional bank data or system from the customer.

Transforming data into information

Meliá designed a conversation apparatus not only able to produce

millions of pieces of social data but also behavioral data. The challenge is in applying Artificial Intelligence and machine learning to convert all this data into value and create [particular offers for every user](#).

Melia has now connected a personalization engine that has integrated social that is targeting Gold members of its loyalty program so they receive personalized content. The next significant challenge is to scale this to all customers in an individualized manner.

i) Work 4.0

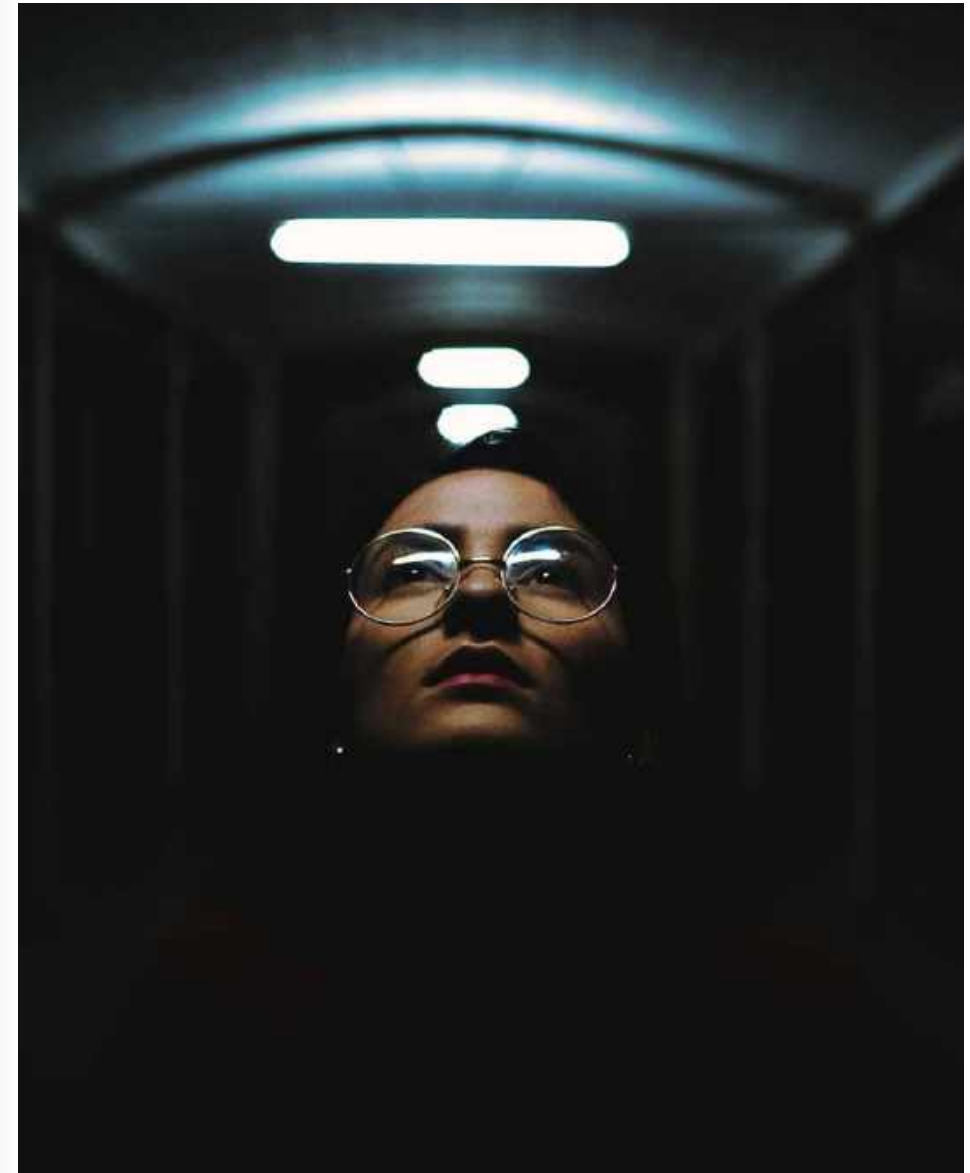
The damage to the US labor market during the recession that followed the 2008 financial crisis hit a specific set of positions more than others: middle-skilled labor that did not require a college degree but did require more than a high school diploma. An article in *The Atlantic* outlining the inequality that still marks the American workforce after the Great Recession notes that many employers took advantage of the recession to increase technical requirements in the positions that were available or replaced the workers they [fired with robots](#). As for Millennials, they have different ways of perceiving [workplace productivity](#) and have very different values when it comes to work than previous generations. All these factors have led

to a **model that, despite being in an evolutionary stage, is different and presents interesting characteristics**.

We've moved from a period of universal reconstruction and peace that led to the Baby Boomers born between 1946 and 1964, whose characteristic was noble work, long days, few job changes, and loyalty to the firm; to a generation that is the polar opposite. Millennials work to be happy and not to move up the social ladder, looking for work that lets them be themselves, that allows them to be ethical, and lets them travel and live.

Millennials don't live to work; they work to live. [According to a study of them](#), this cohort prioritizes three things when it comes to choosing where and how to work: money, stability, and free time. They want to be compensated for their efforts, feel secure in their jobs, and be open to stopping once in a while.

Nonetheless, we have to be on the lookout for **new dynamics getting created around technology companies** and how that affects work conditions, and the new digital culture's influence on them. Iconic corporations that seek to change the world are not only redrawing boundaries but also the norms and conditions. [Elon Musk affirmed on his Twitter account](#) that



“about 80 sustained, peaking above 100 at times” is the ideal number of hours of work to change the world.

We also look at the other side of the coin. In the case of Perpetual Guardian, a New Zealand trust, wills, and estate planning firm that put a trial four-day work week into effect in March and April of 2018. The employees worked four eight-hour shifts but earned [the paycheck of working five](#). The result of the experiment was less stress, higher levels of satisfaction at work, and a greater sense of work-life balance.

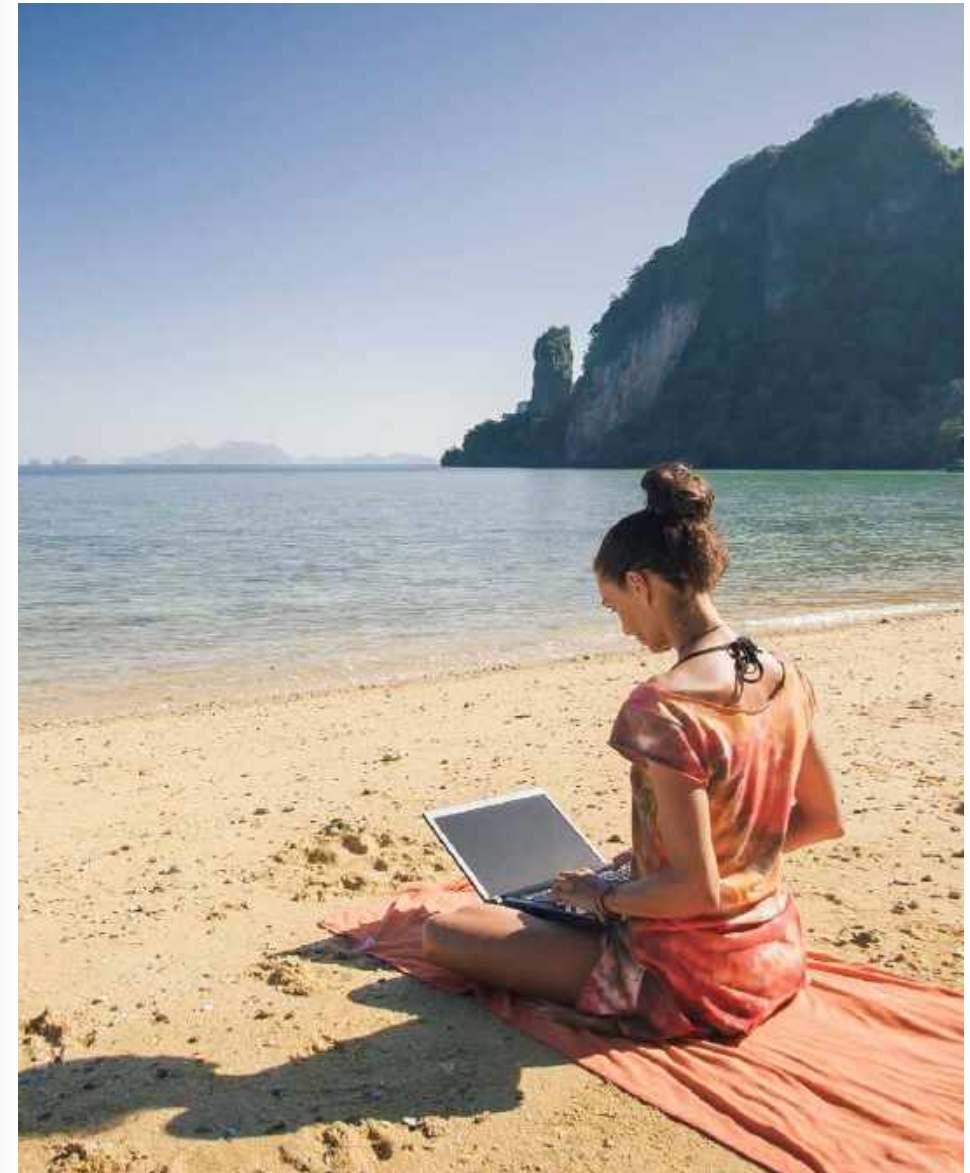
j) Visualization

Visualizing lets us travel to the future, imagining ourselves in it. **The future is a dream that when we get there**

materializes itself in a way we never believed.

They have trained us to work analytically to obtain solvent data-based results. Nonetheless, this is not at all compatible with the need to optimize all the resources and capabilities to achieve said objectives. The creative part found itself reviled, yet today, it has particular relevance when it comes to quick thinking, validation, and implementation.

We can derive the quick adoption of techniques from the power of visualization thanks to visual techniques like Design Thinking, Service Design Thinking, Agile Marketing, Speed Thinking, and any other that allows for mapping out the challenge we face and drawing the solution to it. ▼





CHAPTER

6



Part Two: Global Drivers or Factors

The stability we've seen in the global economy and in geopolitics over the past few years is starting to be questioned. This stems from the recovery of competition in the sector, the explosion of critical markets such as China, as well as the opportunities generated from political decisions in countries as consequential as the United States, causing travelers that traditionally went to the US to opt to go to Europe, due to the stability of the Eurozone, or oil prices.

Global drivers or factors should have an aligned, accelerated, or empowered role due to their dependence on the principles we examined in Part One, as well as the fact that the synergies between them define critical future variables or trends that we'll see in Part Three. We'll now go into depth on these eight drivers.

6.1. Political Factors

The basis for tourism as we've known it in the past 70 years has been Eu-

ropean stability, the development of communication systems, labor right consolidation, and the evolution of travel culture. Nonetheless, over the past decade, we've seen how economic crises, the lack of political leadership, as well as the dearth of security in destinations, have negatively impacted, to differing degrees, tourism. The most exemplary cases that are affecting the markets over the next two years, without a doubt, are:

The Trump Presidency

Donald Trump can make the global tourism industry tremble with a single tweet. As Loews Hotels CEO and U.S. Travel Association President Emeritus Jonathan Tisch pointed out, "[while global travel is growing, the U.S. share of the market fell nearly 13% over the past few years. That means we missed out on 7.4 million international visitors, \\$32 billion in additional spending and 100,000 more jobs.](#)" 2017 saw a fall of 16%.

The United States' image around the world has seen continuous fluctuation over the years, depending on who's [occupying the White House](#). According to the Pew Research Center's [poll of 25 countries](#), the percentage of Canadians who had a favorable image of America fell from 65% at the end of Obama's second term to 43% in 2017 and 39% in 2018. In Sweden, the percentage of people who had a favorable view of the

United States [dropped from 69% in 2016 to 45% in 2017 and declining to 44% in 2018](#). The most dramatic decline from 2017 to 2018 in the poll was in Russia, which saw only a 26% favorability rating, down from 41% in 2017. The president's unfavorability numbers are evident in Spain, with only 7% of those polled in Spain expressing confidence in Trump, while only 9% of those in France and 10% in Germany did.

This phenomenon is translating into a ripple effect on the overall economy, including education, which has been one of America's most robust exports. While the number of international students at universities in the United States first fell in 2015, the Trump effect has undoubtedly been a strong deterrent. The University of Illinois, in a first, has even purchased an insurance policy to protect itself if it sees a drop in [Chinese student enrollment](#). This problem is affecting nearly half of all American universities, with the latest edition of the Institution of International [Education's Enrollment Survey](#) noting that 49% of universities described drops in new student numbers. They also pointed out that the reasons for enrollment changes are related to visa delays and denials, and the social and political climate.

The Trump administration's policies could also have consequences for the

United States tourism industry. Brand USA, a public-private partnership in charge of promoting the United States as a travel destination and for communicating all policies related to visas and entry procedures for international tourists and business travelers coming to the US, is seeing its funding at risk. Half of its funding presently comes from a \$10 fee that travelers from any of the 38 countries eligible for the ESTA (Electronic System for Travel Authorization) visa waiver program. The February 2018 budget caps deal proposed diverting the ESTA proceeds to general US Treasury funds instead of Brand USA. The US Travel Association recommends increasing the ESTA fee by \$7 to ensure funding protections through 2027 since Brand USA funding is only covered through 2020. Their data shows that the US Treasury would earn \$100 million without Brand USA, and the end of Brand USA would result in first-year losses of \$8.5 billion. This program also helps reduce the US national debt, with [a projected contribution of \\$60 million for 2019](#).

Brexit

While we have yet to see the definitive impact from the United Kingdom's departure from the European Union, it's true that this situation of uncertainty **is impacting the entire tourism value chain** especially when it comes to the relations and interests Spain has in

the British market. It's likely that the US, is the non-European country that might be the most prone to effects from Brexit, and they have paid little attention to what the severing of air links to continental Europe from the United Kingdom could mean for US air travelers. Despite the risks this poses, Capitol Hill is just beginning to process the ramifications it will have for the US economy, [especially in banking, finance, and air travel](#).

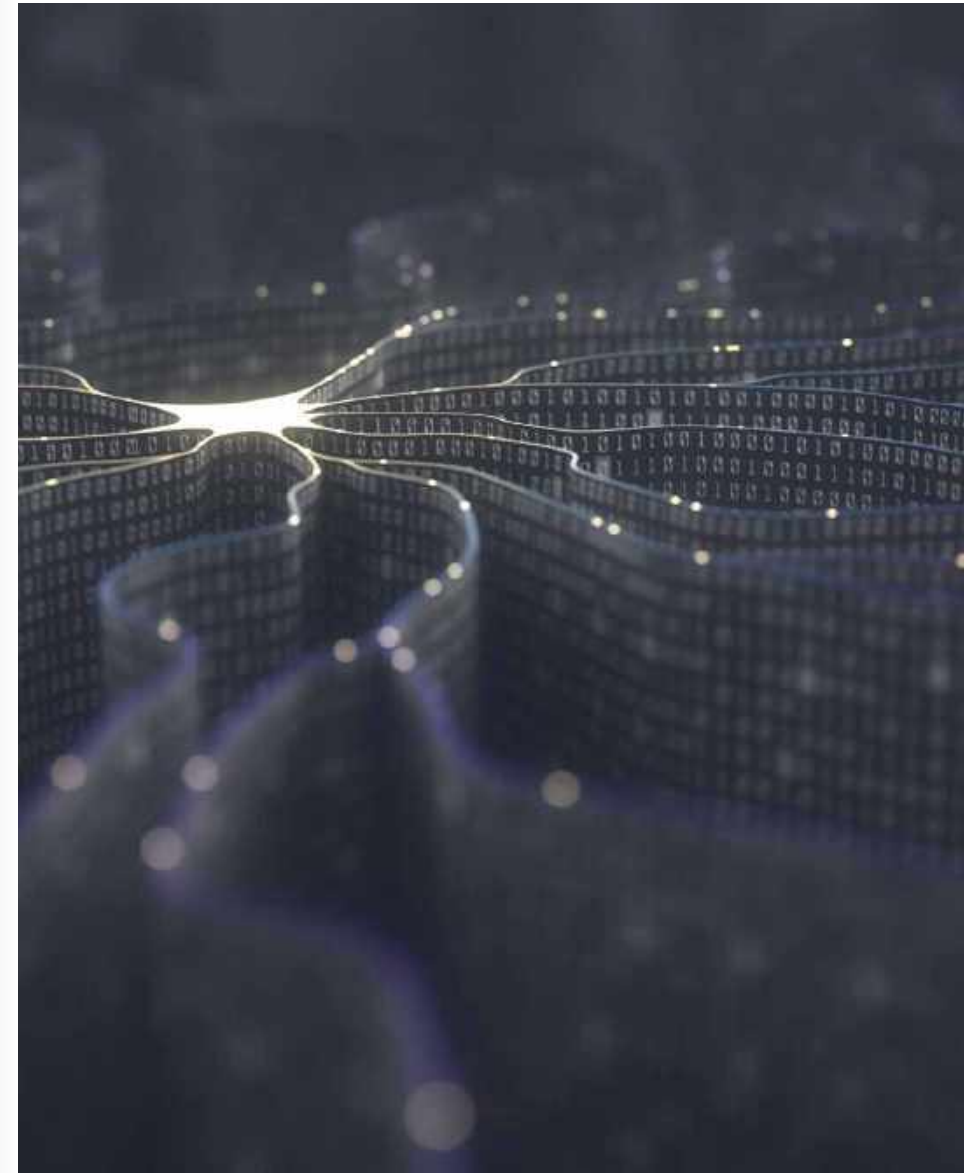
The Catalan independence movement

In Spain, the political instability as a result of the Catalan separatist movement, along with the Barcelona mayor's opposition to tourism, coupled with over-tourism, has caused a 14% decline in tourists in July 2018, compared to 2017.

6.2. Economic Factors

VUCA is an acronym used to describe or reflect the volatility, uncertainty, complexity, and ambiguity of conditions and situations. The US Army War College came up with the concept to explain [the situation of the world following the end of the Cold War](#).

This concept allows us to **describe the current state of the global economy** with a phenomenon like Brexit, ballooning public debt, oil price



fluctuations, Trump's trade tariffs, the lack of global vision, protectionism in the global trade system, and more. We can say that we're once again living a volatile, uncertain, complex, and ambiguous, or VUCA, moment.

According to figures from the International Monetary Fund (IMF), the global economic expansion cycle remains vigorous with some potential issues on the horizon. That's why governments should increase their financial systems' resilience and implement structural reforms, including those related to corruption and government management.

In their latest outlook, the IMF projects GDP growth in the United States to be 2.5 percent in 2019 and [to decline in 2020 to 1.8 percent](#). **Despite this declining forecast, the economic growth rate is above the projected estimated growth potential for the United States economy in both years.**

The country will see steady growth in domestic demand and the rise in imports will see an increase in the current account deficit. As for Europe, growth expectations are also slowing down. External demand has diminished due to various factors: raw material prices, the lack of qualified labor, and more. In the short-term, **the economy will grow, but at a much slower rate than what was once projected.**

What's happening in the travel industry in the United States? [According to the US Travel Association](#), the United States travel industry generates \$2.4 trillion in economic output. They also [projected](#) that travel spending in the US in 2019 would be 1,131.6 billion dollars. In 2018, the United States tourism industry was expected to represent between 2.6 and 2.7% of US GDP, or \$526.9 billion, and when including the broader impact stemming from induced income impacts the supply chain, and investment, the percentage increased to 7.8% of the total US GDP, totaling \$1.5493 billion.

As for Europe, in 2016, earnings in the European travel and logistics industries reached 330 billion euros and 410 billion euros respectively. Of these, half of all earnings from European airline passengers come from online bookings.

6.3. Sociocultural Factors

As we already pointed out, the beginning of the Renaissance 4.0, with its impact on the global culture and digital culture society, enhanced by technology, has configured a new society where human, ethical, and social values have increasing relevance in a short amount of time.

Maslow's hierarchy of needs has turned upside-down. As a society, we

today develop **the tendency to search for pleasure and well-being in all areas of our lives.**

The aging population and slow advance of reforms are weakening the growth potential for the world's advanced economies. Growth should be even more inclusive given the increase in the income inequality gap.

6.4. Technological Factors

Given the scenario we described when going over the principles, we have to emphasize the pace of these changes.

There's a lack of qualified workers that weighs on the digital space's growth capabilities while it is also clear that neither corporations nor leaders nor academics are grasping how profound these changes are nor the sacrifices we'll need to make to catch up with reality.

The changes are so quick that the demand for technical skills and capabilities are the most coveted in the industry. The needed profiles are Data Scientists, Systems Analysts, usability experts, and User Experience professionals, among others.

A December 2017 report from the Brookings Institution found that about

108 million workers hold positions that require moderate or high digital knowledge, while an estimate from the Bureau of Labor Statistics says that **the US economy needs 100,000 new IT workers entering the labor force annually, with only 60,000 presently joining the workforce.** In manufacturing, it's expected that should current trends persist, an estimated 2 million positions will go unfilled [due to the current digital skills gap](#).

6.5. Environmental Factors

A factor that we should observe and consider as a threat is, without a doubt, **climate change** and its occurrence in two factors: the corporation and demand.

In the first case, we're talking about how suited a tourism company is to face the endogenous realities stemming from the rise in temperatures, water shortages, adjusting infrastructures to the new reality, coastal erosion, and increased storms that target coastlines popular with tourists.

The second case has to do with adjusting the supply with a demand that is increasingly subject to climate change and environmental management, that does not understand the waste of resources, and penalizes water resource mismanagement.

The environment is one of the Millennial generation's primary concerns. It leads the ranking of global conflicts that this generation tackles, with 48.8% of the votes of respondents⁸.

Climate change already directly impacts our industry. Perhaps it is, along with agriculture, ranching, and fishing, one of the most-threatened industries. Beyond torrential rains, wildfires, rising water levels, air quality, and biodiversity loss, it's clear to see how's impacting us directly.

It's already affecting the sale of trips for those travelers seeking mild climates: Iceland's popularity is continuing to rise, cruises to Alaska, and adventure trips to the Arctic and Antarctica are also increasing, as well as the Northern Lights being on trend.

6.6. Legal Factors

Since legislation in the United States varies by state, and there are only five states that have Seller of [Travel laws](#) (Washington, California, Hawaii, California, and Iowa), it is best to look at Spain for our purposes. In Spain alone, **there are more than 200 pieces of legislation that impact the tourism industry** according to data from the Mesa del Turismo. How can an industry be subject to so many regulations and expect to be competitive?

The key is in the data, the new oil if you will, but we should regulate them before we use them. When data is used for commercial purposes, we can achieve competitive advantages. Gartner predicts that 35% of companies sold data from their products and services, or at least, planned to do so.

[Vodafone](#), [Telefónica](#), VAT refund services at airports and shopping malls, the banking system, etc. have started selling data to third-parties to equip themselves with these competitive advantages.

Nonetheless, **since GDPR came into effect in the European Union, the rules of the game have changed both in and outside its borders.** The European Union has positioned itself for the guarantees brands have to offer their users; this is how we can achieve greater control and precision over personal data, and this includes advertising, marketing, and public relations.

GDPR legislation demands greater transparency from websites and online services about how data is treated and how they guarantee the security of users' information. If a company is found not in compliance, they could face a fine of up to 20 million euros, or 4% of their earnings.

8. According to the annual Global Shapers survey given to 31,000 participants



This legislation has forced large tech firms like Facebook, WhatsApp, or Google to change how they gather information and how they notify us about what information they have collected on us as well as the right to forget or rectify incorrect data. Nonetheless, other firms with fewer resources have made more drastic decisions and have closed off their information services to Europeans altogether.

The case of bloggers and covert advertising

Both GDPR and FTC regulations protect the rights of consumers by requiring influencers to identify all promotions and marketing of tourism products and services that they promote.

In agreement with a recent survey from Zine, **52% of influencers recognize that they tend to mark the content sponsored by brands as sponsored content.** Nonetheless, four out of ten only do it when a brand asks them to, and 7% never do.

We should also add that, according to a March 2018 study from Origin, 34% of Generation Z is permanently leaving social media; 35% of them say there is too much negativity and 29% say that social media hurts their self-esteem.

Email marketing campaigns

Since we need users' prior consent before carrying out email marketing campaigns, brands will have to maintain a continuous communications channel with them. A probable consequence of this will be an improvement in the quality of the information, great and better data layers, better knowledge of the customer journey's indicators, and therefore, **a better content marketing in qualitative and quantitative terms.**

We're conscious of the potential the new real-time data retrieval system has for our society, and to get there, we are especially worried about preserving both the uniqueness, as well as privacy, privacy for the data, algorithms, and the decisions made based on pure observation of them, beyond the context or reality of them.

Data's power will reside in the legal ability to use them, and the rejection of their use for purposes differing from their original aims poses. Therefore, data governance, control, and supervision will be of utmost importance in the new environment.

6.7. Human Factors

One of the other challenges the tourism industry must tackle is globalization. Service standardization,



which many companies are currently opting for, presents the risk of losing the demanded differentiated value that the market craves. Travelers have gone outside their comfort zone to enter the adjacent possible. They're open to exploring new destinations, to experiencing new feelings in the destination, trying out new activities, to trying something that could change their lives, and so on.

Today we don't want to be mere tourists; instead, we want to be travelers. The tourist label has turned into a commodity, and we look to stay away

from it. That's why **we're searching for immersive experiences or creative and responsible tourism** that puts travelers' and locals' personal growth on an equal footing. We're looking for spontaneous, out-of-the-box experiences full of familiarity and authenticity.

Brands should, therefore, look for a vital purpose and be authentic because that's what Millennials and Generation Z value most. In a recent survey from *Skift*, 52.8% of respondents found trips more transformative than three or five years ago.



Employees, for example, are a powerful branding tool, who also see themselves empowered on social media. They see their voice widely disseminated on those supports users refer to when looking up information about their purchases.

The people who make an organization have a strong personal brand and if they also coincide as a love brand—one that falls in love with a brand or their firm, knows it, and evangelizes it—luck is on our side. As we've previously seen, customers and these types of figures in our organizations are taking the place of influencers when it comes to connecting and promoting a brand socially.

It's not about forcing employees to be on social media; it's the opposite. It's about establishing favorable conditions that, when led by the company, employees can promote our brand spontaneously. It's crucial to create communications policies, meritocracy, and transparency in implicit and explicit ways across the organization to naturally develop a loyal community around our brand.

6.8. Corporate Organization Factors

On the whole, Spanish organizational structures should increase their

concentration, and gain critical mass and weight in society. They should get together and exercise as a business lobby with the administration and defend their interests.

The tourism industry was the real architect of the international crisis Spain suffered in 2008. This industry by far generates the most wealth and direct and indirect employment in the country. Also, it's the main asset of the Marca España (Spain's national brand) in generating the country's branding.

We sincerely believe in the leading, indisputable role SMBs, self-employed professionals, and family-run enterprises play in the Spanish tourism industry. They're the base for business, the cement for a promising future.

Therefore, they'll continue to be relevant, and nonetheless, we are going to see a professionalization in them that we could never have imagined.

Today, **enterprise management** is complex, and it will be even more so in the future. Marketing and technology, Artificial Intelligence and emotions, corporate culture management, etc. will require a never-before-lived professionalization of directives for all classes of enterprises. ▼



CHAPTER

7



Part Three: Key Future Variables or Trends That Impact Tourism Service Brands and Production

We have derived a series of trends that we identify as relevant and will impact the tourism industry throughout 2019 based on our analysis of the principles and drivers analyzed in the previous sections of this report:

7.1. We Tourists Are More Than Just the Data We Leave Behind

In different sections devoted to technology, one trend emerges: companies and destinations have it increasingly

clear that we tourists are data, and they act accordingly by deploying even more digital marketing campaigns.

As more people consume this technology, the more data tourism destinations and companies will have; and the more data about the potential customers they have, **the more personalized the tourism campaigns of the future will be.**

However, there is a consumer segment that does not think it makes sense to go with your smartphone everywhere.

They are moving from FOMO (fear of missing out) to [JOMO](#) (the joy of missing out). This idea is what is at the base of **mindful travel**.

7.2. Design New Experiences, Please

Many different studies presented at the 2018 World Travel Market London fair agreed on one thing: no matter where they're from, tourists don't stop looking for different, out-of-the-box experiences that move away from what we most frequently see in photographs. Destinations, therefore, have an

excellent **opportunity to create new products**. They'll need to have imagination, make that product attractive, accessible, and available online. Having a resource, no matter how good it is, is not the same thing as having a product.

Design Thinking turns out to be a critical tool for organizations' success in the digital economy as it is a **method for fostering innovation** that brings together:

- × **Technology (feasibility)**
- × **Business (viability)**
- × **The human experience (usability)**



Design Thinking's focus is

- × **People-centric**
- × **Highly collaborative**
- × **Iterative: fail quickly; fail early**

Canada's Nimmo Bay Wilderness resort has created its own hospitality theory formula:

E2=MC: Exceeded expectations = memories created.

Another Canadian resort, the Northern Edge Algonquin, has at least one of the following factors in the activities it programs for its guests:

- × **Be aspirational/dreams**
- × **Creativity**
- × **Adventure**
- × **Immersion in the community**
- × **Celebration**
- × **Nature**

7.3. Control: Less is More

The new campaigns for some tourism destinations are increasingly geared towards segments of **travelers that spend more money despite that translating into fewer visitors**. At the same time, they are looking to decongest urban centers by creating itineraries towards more off-the-beaten-path areas that can attract a more adventurous traveler profile.

[Amsterdam](#) is even putting more of its media budget into encouraging tourists to behave appropriately should they decide to visit instead of highlighting the sites. The campaign reminds visitors: "Singing in a bar is free but doing it in the street costs €140," referring the fine the police would give you should you get caught.

London, on the other hand, is publicizing an app for tourists to interact among themselves in real time, and when they detect saturation in a location, it will show discounts and incentives at other sites to diminish the crowds in the heavily-frequented spot.

Venice has installed barriers to separate tourists from residents in an attempt to decongest spaces and services in the city while giving priority to locals.

These types of problems arise due to a **lack of planning** but mainly due to a **lack of leadership** that some destinations suffer from:

- × **Trivialization, resulting in the loss of unique identifying resources.**
- × **Densification.**
- × **Anxiety stemming from overpopulation.**
- × **The loss of bonds between the city and its inhabitants.**

- × **The perception that the tourist area is decorated and treated like a theme park.**
- × **Urban management that is similar to a corporation rather than a city. Cities have to be handled like jazz bands; if not, we won't have lively, chaotic, creative city life.**
- × **The risk of creating large brands and spaces that are simultaneously being turned into cheap, replicable souvenirs.**
- × **Cities run the risk of getting run by investment funds, large corporations, business people, etc.**
- × **Coexistence issues.**

7.4. Environmental Responsibility and Consciousness

Tourism is responsible for 5% of CO₂ emissions but also the exponential increase in the amount of plastic in the world's oceans. 85% of the debris found on beaches is plastic, and 61% of them is single-use.

Meliá CEO Gabriel Escarrer said: "The industry's contribution is a big one, and through raising awareness, we can significantly support the quantitative objectives for reducing its impact."

He also added: "we have the capacity that few industries have to bring awareness and educate wide segments of the population."

Thanks to globalization, our collective awareness of environmental problems is increasing. When consumers signal environment awareness as a priority when choosing a product or service, this perception will influence operators' bottom line.

Today there are global movements that incite social responsibility, environmental consciousness, waste reduction, etc. Spain's lower house of Parliament prohibited the sale, import, and [export of plastic utensils](#) such as plates, glasses, silverware, or straws. They demanded that by 2020 they're made up of 50% biodegradable materials and that percentage will go up to 60% as of 2025. [The European Union](#) has also launched a series of measures to ban them.

Some hotel chains including Meliá, Iberostar, Riu, Piñero, Paradores, Norwegian Cruise Lines, Royal Caribbean, Hilton, Marriott, and Intercontinental have decided not to use plastic straws or use compostable straws at any their properties. They are taking note of practices being implemented at Ikea, McDonald's in the United Kingdom and Ireland, United States, France, and Norway, and in [restaurants in California](#).

Numerous tourism companies, ranging from hotel chains to airlines, have

launched **ambitious programs to eliminate single-use plastics** due to the threat they pose to our seas and oceans.

The tourism industry is deciding to go with other recyclable materials like cardboard in place of plastic. [RIU](#), for example, uses biodegradable straws in Spain, Portugal, and Cape Verde.

Not only are they biodegradable; they're also compostable, meaning that they deconstruct upon contact with other organic waste to turn into fertilizer. This process takes up to 40 days and doesn't leave any toxic residue. In contrast, a plastic straw takes 500 years to decompose itself. The initiative, which aims to "save CO2, eliminate residues, and protect the environment," will reach all RIU hotels in the Americas in 2019, according to company estimates.

Grupo Iberostar Vice President Gloria Fluxá, noted in the "*Launch from the family business*" ("*Emprender desde la empresa familiar*") roundtable at the 21st Family Business Convention (XXI Congreso de la Empresa Familiar) that: "we are the first hotel chain that has eliminated all single-use plastics from our hotels, a process that we'll complete in 2019." They have also increased their ability to track where the fish they serve comes from after

guests requested more information and even have a team of scientists to help preserve the coastline since their hotels are beachfront properties. All these measures will reduce plastic waste by 43 metric tons.

KLM, for example, organized a gathering for bloggers with a tourism and sustainability theme. Fourteen travel bloggers from all over Spain came and debated in two roundtables about two topics: "Environmental footprint" and "Cultural footprint."

All this, besides impacting the planet, also influences travelers' decisions when the time comes to book their trips. According to [a study from Booking.com](#), **social consciousness will influence the world's travelers in 2019**. The most important travel trends for this year include cultural exchanges, environmental activism, virtual agents, and a mentality where the "less is more" mindset prevails.

Here are some more interesting figures from the study:

- × **More than half of global travelers take the destination's social issues into account when deciding where to go on vacation. 58% of them prefer to not travel to a destination if they think it will harm the people that live there.**



- × **The vast majority of global travelers (86%) say they would be open to devoting time to activities that offset their stay's environmental impact, and 37% of them would be willing to clean up plastic and other waste from beaches and other sites.**

7.5. The New Influencer Marketing

The first blog trip ever held took place in Spain with 30 of the most important Spanish webTV outlets along with representatives from Argentina and Brazil. This initial experiment sought to investigate webTV channels' role and path in promoting destinations, as well as to create the first content blog trip promoting a destination: in this case, Benidorm.

Since that first trip nearly a decade ago, **influencer marketing has consolidated**, but in those early days, we only managed to perceive the impact the communications from evangelists would have. We have to remember that in these times, love brands started to gain momentum, Twitter had only arrived two years before, Snapchat and Instagram would burst onto the scene the following year, etc.

Nonetheless, this whole path where the influencer has been taking up

valuable space when it comes to inspiring, promoting, and selling a destination has started to balance out. What happened along the way? We can quickly identify the stages that have led us to where we are today and mark future influencer marketing trends. We can divide it up into three phases:

1. The traditional advertising model maturity phase:

When we started to work with bloggers, no one knew this figure. They also had two great enemies: journalists and publicists. When advertising agencies began to work with them because brands demanded it, and journalists found inspiration from them for their stories, they recognized the paradigm shift and the mutual benefit for all parties. Today, media hubs and ad agencies work with them regularly, hiring their service for work with brands. They have professionalized, learned about SEO, content marketing, ROI, etc. They know how to interact with businesspeople who seek immediate profitability from communications actions. Nonetheless, audiences perceive that this air of individuality, lack of ties to, and independence from the brand couldn't be farther from the truth. The consumer has matured; they have a lot of digital culture and can use social media without any problem.

2. The “Mom, I want to be a blogger when I grow up” phase:

Everybody with a blog started recognizing themselves as a blogger-influencer and began offering their services as a destination promoter. From 2014 onwards, there started to be bloggers specialized in generating, moving, and amplifying the reach of quality content. The iAmbassadors and Travel Inspirers, most likely the most professional blogger lobbies currently out there, were born. The role of the serious, transparent blogger able to connect will continue to be significant in 2019.

3. The influencer marketing in 2019 phase:

The celebrities with a large but disperse, even questioned, audience give way to the authentic connector to a brand with individualized globalized audiences. In this phase, employees who know the brand from inside and out, and customers who have experience as real-life users of the product or service, play particular importance when it comes to the relevance and trustworthiness of the content the brand provides. Today, they are and will be throughout 2019, and dare I say beyond, the real brand ambassadors.

However, the recommendation or reputation of an employee or someone internal began to emerge in 2018. **71% of marketers use or will use employees as influential brand advo-**

cates. This change reflects the users' demands (nearly two-thirds of them) that say they would buy a product that a friend recommended to them (61%) before one that an influencer or celebrity recommended (36%)⁹.

In 2019 influencer marketing enters the maturity phase where beyond showing its return on investment and if the influencer moniker is worth it or not for a company, they'll have to prove ties to the brand, commitment, and leadership to be able to influence others. This is a demand coming from consumers.

In a recent study on influencers in 2018 from [consulting firm Human to Human \(H2H\)](#) it's estimated that influencer fraud has cost Spanish firms €12 million in 2018. They also drew the following conclusions:

- × **35 million euros were invested in campaigns with influencers in 2018.**
- × **25% of an influencer's followers are fake, and one out of every five likes is bought.**
- × **27.47% of these influencers' followers have no commercial value for brands. They're ghost accounts, robots, or profiles that are integrated into growth and support groups that are responsible for a quarter of the total volume of their followers.**

9. Sprout Social Index 2018.

- × **This year was a record one for the industry with 35 million euros invested in influencer marketing campaigns, a 400% increase from 2017.**
- × **For 2019, it's estimated that the business volume for Spanish influencers will surpass 100 million euros.**

[The 2018 State of Influencer Marketing study](#) from New York influencer marketing platform Activate found that only 24.49% of the marketers they surveyed had systems to detect influencers with bots and fake followers in place. Research from the Points North Group estimates that 20% of mid-level influencers' (those having between 50,000 and 100,00 followers) are fake. Last year, at the world-famous Cannes advertising festival, Unilever CMO Keith Weed announced they would no longer work with influencers that buy followers, highlighting the risks associated with influencer marketing.

7.6. The Industry's Ready to Manage the 360° User

Artificial Intelligence is already speeding up marketing processes in our industry, offering much richer, smarter customer profiles (buyer personas), better tailored to tourism professionals' decision-making. By combining real data from contact with our brand

through the company CRM¹⁰, and the programmatic advertising platform's DMP¹¹, we can contextualize, adjust, personalize, and accelerate the frequency and sequence of the messaging, content marketing, subject to users' real data beyond those we can gather from Google Analytics, cookies, or email open rates.

Today, traditional market research is a thing of the past. We want to call your attention about the immense opportunities we have as an industry to take advantage of social media, platforms, data brokers, open data, and our own data—BI¹²—, **to build competitive customer profiles** and align them with the reality out there in the market.

As Gartner notes, given the technological advances and the possibility of integrating platforms and sources, they have set up “the marketing operations center” or central hub for sources and services that provide the industry with solutions such as precisely mapping what my customer is like and how they behave across channels, offering precise 360° interaction channels.

7.7. Marketing is Short-Term and in Real-Time

A marketing strategy changes nearly in real time. The complexity of acronyms such as the 4Ps, 4Cs¹³, 4S¹⁴, and

so on put in evidence that marketing and advertising are in a tailspin of formats, supports, and screens. We should consider user behavior data:

- × **88% of consumers trust the opinion of people like them.**
- × **28% of Spanish internet users have ad blockers¹⁵ to avoid advertising and 20% browse in either hidden or private mode. 40% of Millennials block ads on the Internet.**
- × **Despite the fact that most consumers consider some formats more annoying than others, 45% would prefer advertising not to exist, and 55% perceive internet advertising as equally irritating as television advertising.**
- × **68% declare that they would block ads if they could, but only 13% of them would pay to do it.**
- × **For 62% of them, mobile advertising is the most annoying format.**
- × **39% of users erase their cookies¹⁶ under the guise of cleaning up their computer and preserving their privacy but only 18% of them block cookies to avoid being monitored.**
- × **Spaniards also have a high level of knowledge of techniques to avoid seeing online advertising: 59% know about using ad blockers, 50% about erasing cookies, 47% about private browsing, and 45% about using anti-trackers or cookie blockers¹⁷.**

Here's how to do it the right way:

- 1. Be transparent while demanding transparency: 94% of consumers will be loyal to a brand if it's transparent in its relationship with its users¹⁸.**
- 2. Micro-influencers are the most effective in marketing campaigns. A HelloSociety study found that their commitment rate is higher than 60%.**
- 3. Protect your brand when working with influencers.**

7.8. The Return of Operational Efficiency

The tourism industry finally counts on two sophisticated tools: marketing and technology. When they both come together, they not only offer just strategy but also a vision of engineering internal enterprise processes and its execution. Thanks to the right indicators, or KPIs, it allows us to tailor achieving these goals based on productivity, efficiency, and profitability like we never could before. Ahead of all these indicators are those focused on **controlling the user experience.**

We finally have technology at our disposal that lets us appropriately manage all of a firm's departments; then we can later focus on guaranteeing a satisfying user experience.

10. CRM or Customer Relationship Manager, in its version beyond the software.

11. DMP is a centralized data management platform that lets advertisers create target audiences.

12. BI or Business Intelligence that represents the business's performance indicators.

13. Consumer, cost, convenience, and communication.

14. Social, scientific-data, strategic, and storytelling / storydoor / storybuilder.

15. Programs that block advertising, cookies that make Internet browsing anonymous.

16. Publicis Media Observatory.

17. Publicis Media Observatory.

18. 2016 Transparency ROI Study. Labelinsight.



7.9. Product Management Moves Towards Meeting its Full Potential

Tourism companies will start to focus on **product and service-based management** in 2019 instead of project-based management. The methods and technology will focus on the customer with the aim of knowing the grade of support, user experience, and whether the expectations were met.

The **Experience Director** role will have a critical place in the equation as this person will be the one able to balance, interpret, and give voice to the customer in the organization, producing experiences and guiding the rest of the team through generating them. Marketing, technology, and trade are all on active duty for the customer.

This change in the cycle also shows that the corporation's traditional structure, and its focus on process, marketing, production, and investors, no longer works. It does not foster growth. Instead, those agile organizations with open, flexible structures that are focused on creating value and experience for the customer will guarantee their survival.

In the same way, **traditional marketing does not offer a solution to the challenges of 2019**. It might as well

be an obstacle as it focuses on the organization's internal processes and providers, not on the person. As Philip Kotler noted, marketing 3.0 is **marketing focused on the human soul**, it's human-centered marketing.

7.10. The B2B Platform and Commerce Boom

—
 “Marketing’s future lies in database marketing where we know enough about each customer to make relevant and customized offers to each.”

Philip Kotler

—

Platforms have the technical ability to **disperse themselves across the digital ecosystem** thanks to APIs, web apps, mobile apps, and cloud-based technology; together with a cellular internet connection, they guarantee the use and spread of them. Platforms are designed for that purpose, and therefore, exponential growth.

They can create product distribution points at never-before-seen speeds with an exceptional ability to sell

based on design, process engineering, users' emotions, and amplification due to the use and convergence of Artificial Intelligence. They are undoubtedly the marketing and distribution tools of the 21st century.

They also represent ecosystems where large amounts of behavioral data are produced, based on likes, needs, feelings, purchase history, behaviors, etc. They all serve their primary asset. As we've already seen, we can foresee the rise of data brokers and that platforms start to generate economies of scale from them.

7.11. CRM Systems as Trusty Allies for Firms, Content Strategy, and User Experience

91% of North American companies with more than ten employees already use a CRM. These systems store, treat, and gather data with security guarantees for users.

However, the traditional CRM is no longer valid. We've gone from merely capturing email addresses to needing to **establish a profile tailored to what interests my customer** (buyer persona) to direct all our effort and creative and social skills to achieve a genuine, wise, and healthy brand community that embraces me when I need it and enjoys my presence.

The advances in all areas point to an interesting few months ahead that will let us anticipate customers' needs. Not surprisingly, **28% of multinational firms have used Artificial Intelligence as part of their CRM strategy**, and 41% of them plan to do so in 2019, according to a report from market intelligence firm IDC and Salesforce.

The reasons for updating our CRM in 2019 are:

- × **Customer loyalty, a 5% increase in customer retention can, according to Bain & Co., increase a company's profitability by 75%.**
- × **Qualify our CRM data by adding new value layers.**
- × **Expand the message, taking it from their platforms.**
- × **Humanizing the message and being transparent.**
- × **Improving your reputation.**

7.12. From Brands Providing a Service to Committing to Their Customers

On the other hand, **new hotel management platforms** are gaining popularity. Although these tools were not intended for customer use, they do facilitate improvements in the care and service provided to guests. Thanks to these applications, hotels can automate and speed up repetitive tasks.

Also, they add analytical capabilities to monitor sales or control product sales.

This is the case of Connie, which has Watson IBM software, the first robot concierge in the tourism industry. Connie provides information about hotel services, tourist attractions, restaurant recommendations, or hotel traits. The name comes from Hilton Hotels founder Conrad Hilton.

When we talk about commitment to the customer, this will be perceived as the company's ability to personalize the customer relationship or service.

7.13. Contextual Personalization With Bots

Traditional market research no longer applies in today's business world. We need perspective in the face of the speed of the impact stemming from the globalization and digital culture taking effect. If we only focus on what we already know about the customer, we're losing their real value, which is their current and future value. Market research based on customs and uses is no longer valid. We have to move towards meeting their needs.

In this sense, defining buyer personas puts the customer at the center of our research and trying to connect with

them, their environment, and their circumstances are the keys to **personalization**.

Let's accept that dynamic personalization, or the perpetual beta for defining the buyer persona, will be one of the critical missions for 2019. This is especially true when it comes to personalized products, services, the relationship with the customer, the customer experience, offering the service; in short, everything.

Japan Airlines has launched a hyper-personalization program that consists of exploring everything new technological solutions can provide to managing the customer experience in every customer touchpoint. They're introducing Artificial Intelligence in a way that improves the attention and information given to users (with bots and robots that apply this technology to resolve doubts and to guide the user), as well as facial recognition to improve the user experience during check-in and transit through security and boarding.

7.14. Today, Data's the Source for the Tourism Business

IBM estimates that **90% of all the data out there today has been created in the last two years**. The ways we share, analyze, and absorb informa-

tion through technology have exploded, making the use of Big Data much more ubiquitous.

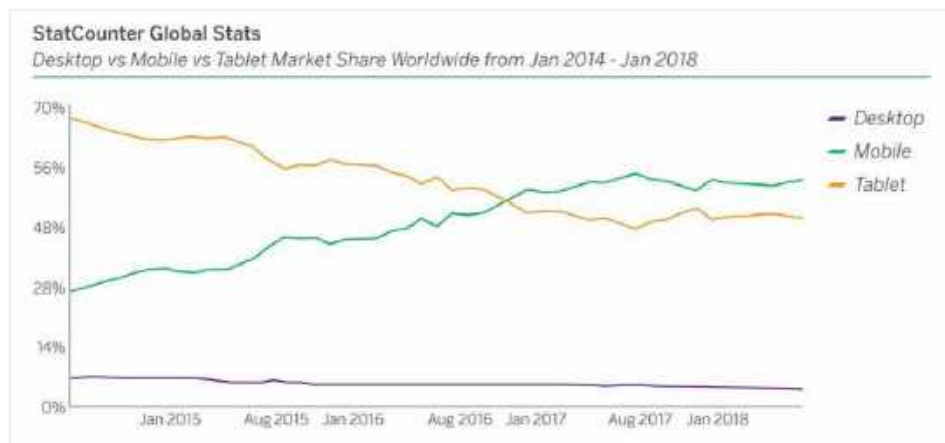
Data is the fuel that powers the business intelligence of the 21st century. In the context of the travel industry, upon analyzing a complex data set like travel history and demographic data, predictive analysis can trace travelers' upcoming movements before they even know what they'll be.

The competitive advantage Artificial Intelligence provides to your business is its ability to turn large, previously useless amounts of data into useful information. You now have data brokers, that along with the right team will let you make magic at your resort, destination, or premises.

7.15. The Markets' Present and Future Is Mobile

Our smartphones are our butler, witness, and confidantes, all in one. Our lives start or end with a phone in hand. The fundamental role they play in our lives points to **smartphones playing a transformative role when it comes to reaching our target audience**. If we've put our customer in the center and the customer lives with a "not without my phone" mindset, we'll always draw out our strategies focusing on this device.

The mobile technology figures are dizzying: **the number of mobile users worldwide is estimated to surpass 5 billion people in 2019**. In 2016, 62.9% of the population had a cell phone, and in 2019 it's expected to reach 67%.



The percentage of the world's population with a smartphone reached 57% in 2017. The number of 5G connections is projected to reach 1.2 billion in 2025, representing 14% of total connections at that time¹⁹.

Today we know that **mobile is present in every step of the journey**. According to various sources, 33% of users book their trips using their phones, 62% believe digital boarding dramatically facilitates the process, and 46% say that a good digital experience is an essential factor when choosing an airline.

Therefore, the cell phone is the closest, and perhaps the most intimate, touchpoint we have with our customers.

7.16. 5G's Arrival

Two-thirds of the world's mobile connections will run on 4G and 5G networks in 2025; of which, 53% will be 4G compared to 29% in 2017. However, it's 5G networks that unlock a world of opportunities.

5G connections will be **100 times faster**, with average speeds of 20 Gbps. That means that data downloads will surpass the ones for already-existing fiber optic networks. As an example, you'll be able to download a 1GB movie in less than ten seconds.

5G's launch in Spain is expected throughout 2020. In the United States, it is supposed to roll out in 2019. The Spanish government plans to auction off the 700 MHz bands currently occupied by DTT at the beginning of 2020, which is vital for deploying 5G, in line with demands from phone carriers.

Vodafone is already experimenting with 5G in various central locations in Madrid, Barcelona, Sevilla, Málaga, Bilbao, and Valencia. It's placed Wi-Fi hotspots in university zones, technology parks, central zones, etc. They predict it will start to reach the Spanish user in the second half of 2019. [The major US carriers](#), Verizon, AT&T, T-Mobile, and Sprint have begun to test 5G in select cities. AT&T estimates making 5G available nationwide in 2020. The adoption and availability of 5G is uneven due to the availability of 5G-compatible phones on these carriers, as well as differences in the markets chosen for testing.

5G's signature improvement won't be so much the excellent bandwidth capacity but instead the significant reduction of loading speeds which **will in turn increase the ability to manage a higher number of connections**, causing an explosion of IoT-powered items and self-managing forms of transportation. This improvement will make the Internet of Things dream a

19. Figures from the Mobile Economy annual report from the GSM Association, the trade body that organizes the Mobile World Congress (MWC). Barcelona.

reality. In this scenario, we'll not only be connected to mobile devices and computers, but also to cars, appliances, or wearables.

One of the significant developments we've already mentioned is self-driving cars. Although they come equipped with cameras, sensors, turn signals, GPS systems, speedometers, radars, and so on; the most important thing will be ensuring that information from these devices are transmitted in real-time, with few loading delays, in order to guarantee passenger and pedestrian safety. But only 5G will make this possible. Another development stemming from 5G will be the Tactile Internet

which allows for absolute control in real time over remote robots. The Tactile Internet can view, listen to, and remotely manipulate robots with human sensitivity and efficiency. This technology already lets them perform medical procedures in real time from thousands of kilometers away. However, with the converge of 5G, its spectrum of operations will expand, automating complex processes in destinations and resorts, revolutionizing transportation, the user experience, etc.

As Qualcomm President Cristiano Amon declared, "[w]hen everything is connected, not just your Smartphone



or Tablet, we'll assume that connectivity will be present in the same way we have electricity in our grasp everywhere."

7.17 The Arrival of the New, Standard Wi-Fi 6.0

[The new standard Wi-Fi 6.0](#), 802.11ax, will become available in 2019, marking a qualitative and quantitative leap similar to the arrival of 5G. It will provide the following benefits to our businesses:

- × **Increased capacity.**
- × **Greater data transfer ratios.**
- × **Excellent performance in high-demand environments.**
- × **Lower risk of saturation.**
- × **Higher quality in terms of speed and lower loading delays.**
- × **It will reach ten times the speed of Wi-Fi 5.0.**
- × **It will boost battery life and duration.**

Additionally, the speed peaks will reach 5 gigabytes in 2.4GHz and 5 GHz frequency bands, meaning that we'll be able to download a 4 gigabyte HD movie in five seconds.

7.18. The Tourism Industry is Too Important Not to Manage it

We have to separate "tourism-phobia" from planning. "Tourism-

phobia" is the antithesis of planning or the benefits the host societies expect from tourism. It's precisely the opposite. Phobias towards the tourist do not exist in Spain.

There is, however, a feeling that in a successful and prosperous environment like our current one, the occupational capacities of the destinations, spaces, and touristic landscapes suffer, possibly resulting in dysfunction, lack of assistance, saturation, or stress on services for residents when they come into concurrence with the tourists coming to visit.

Of course, as in any industry that affects the host territory and society, **planning is vital**. It's critical to establish occupational capacity, buffer zones, limiting actions, and hygiene measures that guarantee that tourism creates opportunities for the host community, as well as allowing for the traveler to live an honest, real, and inclusive experience.

No destination or company can or should renounce tourism's benefits. Therefore, a complete tourism product as diverse and complex as Spain's cannot afford the luxury of sacrificing those benefits without denying who we are. Today it's impossible to disavow the miscegenation, cultural hybridization, and the gastronomic,

economic, and cultural richness that makes us freer and more integrated into the global culture. It's therefore imperative for everyone to **take care of and manage tourism from a pragmatic, professional, scientific, and business perspective**. Tourism is too important to improvise.

7.19. The Digital Ecosystem Learns From and Detaches Itself From Digital Culture

When quality culture came to Spain in the 1980s, we had a maxim: culture starts from the president of the organization. Today, this maxim is more valid than ever in terms of the transformation of the Digital Culture and its entrée into organizations, as it always starts with leaders. They are the ones who have to start creating an active and lively digital culture inside their organizations.

According to a study from IDC, **at least 55% of companies will be committed to the Digital Transformation by 2020**, transforming markets and reimagining the future through new business models and products, as well as services geared towards the digital world.

Digital Culture is important. According to Boston Consulting Group data, nearly 80% of the evaluated companies focused on digital culture, achieved good

performance. Plus, **those firms focused on Digital Culture achieve 90% more success** implementing changes related to the Digital Transformation.

7.20. Reputation is the New Marketing

Reputation is a grace that the user grants. Besides, in a highly competitive and transparent environment like the current one, **it's impossible to purchase, and is very costly to maintain**.

Reputation improves brand perception, increases its visibility and the goodwill, the basis for demand, as well as the price the customer is willing to pay for your service, and therefore, earnings. **The desired brand is a valued brand** and will enjoy good health being competitive in the market.

We have to take into consideration that 93% of users will read 10 or more opinions before forming their own opinion on a business and 90% will read opinions from other users before visiting a business. Therefore, regardless of the effort, you make in all touchpoints in the customer journey, reputation's relevance for users alerts us to the particular impact it has on the life of your business.

In light of the supreme importance of word of mouth, 60% of B2C compa-

nies will use the Net Promoter Score measure as the main reputation metric in 2020.

The IDC report predicts that in 2021, nearly 30% of producers and distributors will have built a digital trust system using collaborative blockchain services throughout the value chain and will give customers access to the product history.

7.21. From Specialization to Working on Plans and Projects

According to market research firm IDC, they expect that **60% of companies will have adopted the "job of the future" by 2021**: flexible, smart, and in a collaborative, virtual, and physical environment that improves both the employee's experience as well as their productivity. Hotels, travel agencies and administrations should quickly adapt themselves to

these changes or miss out on the opportunities the market offers.

65% will attract talent with coworking spaces and remote work options, with generalized access to business applications in a collaborative mode. The job will move from being a physical space to being a moment to interact, collaborate, and produce.

Working 40 hours a week will no longer make sense; hiring will be periodical, and we will work based on specific objectives and projects, like freelancers, that will come together around a common goal, with the team dissolving once the project that brought them together is completed. The skills that will predominate will be digital and emotional, and platforms to offer talent will emerge. IDC notes that 40% of freelancers will use it to provide their services and skills in 2023.

"Traveling leaves you speechless, then turns you into a storyteller."

**Ibn Battuta,
Berber Explorer.**

“It’s very likely that the best decisions are not the fruit of a reflection of the brain but rather the result of emotion.”

Eduardo Punset,
Science Popularizer



7.22. Communication is Key: The Power of Dialogue and Storytelling

The experiential marketing trends in tourism try to create personally relevant moments linked to a call-to-action. Stories and the use of storytelling are key because:

- × They let you connect with people, places, and the present.
- × They have links travelers can embrace.
- × They evolve with time and can be shared.
- × They can be told in a way that immerses a person and makes them a participant.
- × They create connections, and personal vision—everyone makes it their own.
- × The story changes with the storyteller’s personality.
- × They are powerful triggers of the action since they are emotional.

Let’s recall that **emotional marketing is a battle of perceptions**. The truth does not exist. Brands are like stories; they need time to be written, time to be told, and time to be enjoyed.

Your audience is going to tell the story and make it their own; if your brand lacks a personality, it will be difficult for them to remember it.

Focus on making sure that your customer perceives the experience as something unique, transformative, and memorable. The significant trends surrounding stories for 2019 are to:

- × **Create a convincing, real, honest account, and incentivize conversations around it (conversation).**
- × **Let the history evolve and the customer influence its development, in turn making it theirs (social branding; the brand is your audience).**
- × **Make it authentic thanks to synergies with the audience (authenticity).**

7.23. Inject Innovation Into Your Company’s DNA

In the face of uncertainty, the speed of change, the convergence of technologies, and the adjacent possible, the only solution is **continuous innovation**. Thus, those tourism corporations and organizations that inject innovation into their DNA will be those that occupy leadership among the destinations that are attractive, have a strong personality, are competitive, and are continually evolving.

Innovation today represents an opportunity to reinforce our firms’ international expansion, and digital transformation. Innovation also serves as the

primary guarantor of our presence in tourism's future, as well as reinforcing our sector's competitiveness, especially in regards to automating and making processes more technical, integrating marketing and technology, and seeking excellence.

The formula to follow is **to listen, innovate, connect, collaborate, and enter partnership (coopetition):**

- × **The companies that wish to grow today will have to proactively attend to both the internal and external customer and incorporate those needs into the firm's value chain.**
- × **Also, the corporation will have to be innovative. It must question all its processes in search of continuous improvement and business excellence; it will be the only way for the enterprise to be connected to reality and follow the pace of market changes. Therefore, innovation will be critical for the organization's survival.**

As a result, the tourism industry should focus its innovation interests on the following in 2019:

- a. **Product/service innovation**
- b. **Process innovation**
- c. **Organizational innovation**
- d. **Marketing or sales innovation**

- e. **Information system innovation**
- f. **Environmental innovation**

7.24. Robots Will Occupy the Tourism Space

Anything **dispensable will be automated**; like laundry, administration (which will be digital/paperless), predictive facilities management thanks to IoT, and just about any repetitive task. According to IDC, Artificial Intelligence will automate, robotize, and absorb at least 50% of all functions.

Robots, Artificial Intelligence, the Internet of Things, home automation, etc., will forcefully disrupt the tourism industry at every level, causing substantial changes in organizations. People will have to be analytical, critical, be able to signal the Customer Journey and Service Blueprint; they'll integrate and focus services and end up managing the entire service operation from a central point of management and control.

When only three percent of corporations have successfully finished the digital transformation initiative they started, this change will turn into an indisputable factor for competitiveness.

7.25. The Future is Cognitive

Cognitive is anything that belongs to or is related to knowledge. It is also the

host of information it has available thanks to a learning process or experience. Therefore, in times like these, being able to control and know everything that can impact our service or destination is critical.

The emotional aspect is forcefully disrupting the tourism panorama, corporate culture, the management of emotions, smile, and happiness, assertiveness, and undoubtedly, the user experience. This is what builds today's brand experience, and therefore, is so crucial as technology advances and the customer becomes increasingly in contact with it.

From brand management, we'll move towards emotional branding that we'll build hand-in-hand with the user. It's a concept known as extended branding.

7.26. Facial Recognition Will Speed up Processes That Accentuate the Customer Experience

How will we be able to take advantage of this technology in our industry? Here are five possible applications:

Personalizing experiences

Data, as we have noted in this report, are critical for appropriately personalizing our services to customers' real needs and even anticipate them. By biometrically identifying our customer and

having a good data repository for them, we'll be able to make magic to measure.

For example, when confirming and paying the reservation, we could ask for a photograph of the user to speed up the check-in process when they arrive on our premises.

Providing service

The production of services will speed up exponentially once we have identified customers and we'll then be able to focus on taking control of personalizing the service. [Dutch airline KLM](#) and JetBlue started to try out this technology to speed up processes when the user arrives at the airport: identifying themselves at the check-in counter, at security, at the gate, etc. At different Marriott hotels in China, they are already checking in guests using facial recognition technology.

Security

The face's biometric traits are irreproducible so once scanned, we'll be able to identify our customers reliably, and then give them access to our facilities, credit for consuming services, or just enhancing their experience. All airports in Japan and 22 of the most important in the US include facial recognition systems as part of their security measures.

Data Retrieval

Once we identify a customer, we can



track them through our facilities and test whether our service design, customer journey, and even our empathy mapping is accurate, and if not, update it. This process will allow for introducing real-time improvements to our service.

We'll also be able to conduct sentiment analysis by adding a layer of emotional data that is interesting for our industry. Let's remember that we are sellers of happiness, after all.

We'll transition from relying on demographic data to behavioral and sentimental data, which is a perfect fit given that it is the base for the behavioral economy of the 21st century.

Payments and Credit

The password to the iPhone X is your face. Everything we do that needs password confirmation is using our face: bank transactions, fund transfers, payments, etc.

The international banking system is using technology from [startup InPhinite](#) to guarantee transactions' safety.

7.27. Language Technologies Will Design the World

Travelport 2017: "47% of US travelers use voice searches similar to Amazon Echo or Google Home when they search trips."

We have to take in consideration that:

- × More than 1 billion voice searches are conducted every month.
- × 40% of US adults use voice search once a day.
- × One-fifth of people with cell phones talk to their devices instead of writing.

What is going to change in voice search in 2019?

1. The searches will become increasingly more complex.
2. The peripheral will be a smart microphone-speaker; we won't need a computer with a screen, a Smartphone, nor a Tablet.
3. The competition will be much more fierce, and rich media won't have the role in search that it has enjoyed up until now.
4. The searches and the results will be above all, local.

How can you use this technology to your benefit in 2019?

- × Are you going to use it to enrich the user experience in your hotel, destination, or tourism office?
- × Will you create active experiences using voice?
- × Will you provide your business with the ability to let consumers purchase services using voice?

- × **Will you create virtual assistant services to attend to doubts and increase service cross-selling?**

7.28. Artificial Intelligence Isn't That Intelligent...Yet

JA Resorts & Hotels Vice President of Sales and Marketing Thomas Grundner dubs this era the assistance era. Users are increasingly comfortable with the functionalities and services that technology adequately directs towards them. Although it's not in your plans, you should be interested in how **Artificial Intelligence is going to revolutionize our industry completely.**

Let's imagine Isabel, a woman who arrives at a hotel in New York for a business trip after reserving her journey on her phone. She checks in automatically, and with the electronic room key sent to her device, she unlocks the door to the room. The first surprise that awaits her is an upgraded room, as well as a message welcoming her and inviting her to recover from her long flight with a free spa voucher that she enjoyed during her last stay at the hotel. The lighting, air conditioning settings, minibar, bedding, and pillows were all chosen beforehand. The hotel's CRM, after all, is geared towards anything that could escape its clutches. These situations were already accounted for on our hotel's website and app.

For this guest, there was no other hotel in New York for her.

What happened? From the perspective of this guest, she's been assisted and accompanied throughout her stay, with the hotel anticipating her needs at every moment along the way, giving the impression that they are always available for her. From the service perspective, everything was strategically anticipated. We achieved this through a CRM, and Artificial Intelligence-based technology architecture focused on detecting opportunities, processing information, and getting ahead of the competition by generating "wow" experiences among our customer base. We geared, trained, and empowered the team to detect and seize on those moments. We led the organization to take advantage of these opportunities for our customers to evolve, and for our business to transform.

The competitive advantage that Artificial Intelligence provides your business is the ability to **convert large swathes of data that were once useless into valuable information.**

7.29. Build Trusting Relationships

Zander Lurie, the CEO of online survey firm SurveyMonkey had it clear at his [talk at Web Summit 2018](#) in Lisbon:

"companies that listen build trust and grow quickly because entire industries are facing a crisis of trust today."

He noted that, out of the 3,000 people they surveyed from the US, Canada, and the UK, the things that made people lose trust in a brand most were a poor product experience at 75%; followed by a poor customer experience at 71%. Lurie also mentioned in this talk that 82% of consumers trust fellow consumers more than brands.

In this **generalized environment of distrust**, there is a company that stands out among the rest for the opposite reason: Amazon²⁰, the company that best takes care of its customers by far, offering them better service and quickly solving their problems.

The keys for building lasting, trusting relationships are:

- × **Listen, ask, be proactive**
- × **Establish complaint detection mechanisms**
- × **Act transparently**
- × **Be honest**
- × **Be quick**
- × **Make your mistakes and apologize**
- × **Reward loyalty**
- × **Compensate for mistakes**
- × **Act with commitment**
- × **Create a brand community**
- × **Lead**

20. Figures from the Mobile Economy annual report from the GSM Association, the trade body that organizes the Mobile World Congress (MWC). Barcelona.

7.30. Authenticity Is Still a Trending Topic

69% of Millennials are opting for authenticity. In other words, they want to live one-of-a-kind experiences that let them truly get in touch with the culture of the places they visit. When we refer to authenticity, we're talking about a brand, service, or territory's physical and intangible characteristics that make it stand out from the rest.

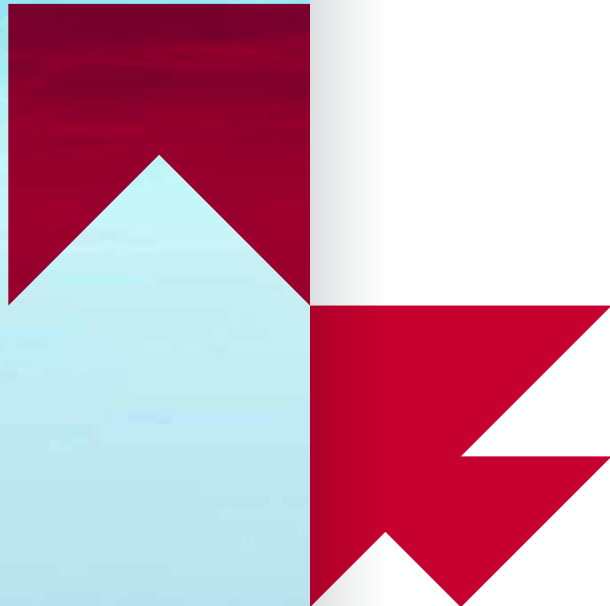
Nonetheless, the constant growth in the number of travelers, cheapening of transport, and new platforms have banalized tourism. It has gotten to the point that cities like Barcelona, Palma de Mallorca, Dubrovnik, Venice, or Amsterdam are against mass tourism, without order or restraint. Perhaps the most striking example is Venice, a city of 52,000 people that sees 26 million tourists a year; in other words, there are 500 tourists for every Venetian.

Identity has turned into a differentiator for positioning in the tourism industry for destinations to remain relevant for travelers. Identity is made up of tangible and intangible components, the emotions it transmits, reputation, the expectations it can generate, the brand's life purpose, etc. As Bruce Lee once said: "The intangible represents the real power of the universe. It is the seed of the tangible." ▼



CHAPTER

8



Your Guide for Successfully Taking on These Challenges

In the next few years, we will live through a metamorphosis of the tourism industry following the previously-mentioned trends. It's important to be prepared to tackle the challenges that are coming our way. The first thing is to have the necessary knowledge and information, that's why we elaborated this report, and the second is to get to work.

Here are **some tips for starting your metamorphosis:**

PERSONALIZE EXPERIENCES WITH DATA

As we have already mentioned, consumers seek experiences and content adapted to their tastes and needs. What seemed difficult a few years ago can be relatively simple

thanks to data. It's essential you have a CRM strategy that uses Artificial Intelligence to derive useful insights to gain helpful information about your customers and get the most out of it. There are tools on the market such as Salesforce that will help you reach your objective.

PUT THE USER IN THE CENTER

Work on 360° strategies where consumers find themselves in the center of the cycle. Along with the personalization we have mentioned, it's critical you maintain a global perspective and that you work on all parts of your business with the same sales goals. As years go by, the world will become increasingly more complex (with more channels, noise, technology, etc.) requiring you to put your focus on the customer and craft a strategy that covers all areas.

WORK ON YOUR WEBSITE'S UX

Your customer's experience (UX) on your digital platforms is critical. As we've already noted, web sales will increase as well as inquiries coming from customers interested in acquiring your services.

It's therefore critical to work on it through different layers to adapt yourself for what's to come:

- × **Adapt to voice search: in the future, it will be ubiquitous for**

the user to look up information on Google using their voice. Your website copy should have a natural language that fits your user, so their searches are successful.

- × **If your site still is not responsive, what are you waiting for? We have been talking about the importance of adopting channels to mobile devices since they are becoming increasingly important. With the arrival of 5G, mobile's role will grow even more significant.**

USE BOTS TO OFFER BETTER CUSTOMER SERVICE

When a user comes into contact with your brand, they should go away with the best impressions; that's why you should provide impeccable customer service that meets their expectations. However, we know that it's difficult to respond to all the queries that reach us across different channels, 24 hours a day, with the speeds we come to expect. Bots can be an excellent solution to improve the quality of your service.

They'll turn into your first point of contact to try to resolve the customer's request, and if it's not able to take care of it on its own, the case will move onto a human agent. This way, the process will be more fluid, and **the customer will be satisfied.**

VALUE YOUR BRAND THROUGH CREATIVITY

In a market where the tourism options are as numerous as the number of destinations worldwide, it's vital to have a differentiating brand personality. To do so, you should work on branding and creativity to find your voice and excel. It is also critical to know your buyer persona to create a discourse that matches their tastes and preferences.

AUTOMATE SUCCESSFULLY AND MAKE BETTER USE OF YOUR TIME

Time is and will be a unique value; that's why it's essential you take advantage of it and spend it the best you can. Today, we can fortunately automate many tasks that we once thought

unthinkable using technology and get better results. In this case, we're talking about Marketing Automation, which lets you create automated workflows to take the user to the final point: the sale. This technology also will allow you to create those **360° customer-centric strategies**.

DARE TO INNOVATE

As you know, many changes are coming, and innovation presents itself as a requirement to move forward. Open your mind, dare to make changes, to break with everything and start again with a blank slate. Surround yourself with a team and partners that are willing to innovate, look further, and make that leap towards the future. ▼





CHAPTER

9



Conclusions

“A ship is safe in port, but that’s not what boats were made for.”

The corporation’s ultimate goal is to generate prosperity, create cultural, environmental, economic wealth, and create jobs. The corporation reflects a complex social and economic reality that takes on risks, places a bet on the future, and brings together the aspirations of a group of people. The firm is risk and happiness. All this and more are what it means to be a company and businessman today. Therefore, whether it be a project, destination, department within a tourism firm or institution,

regardless of your role in the tourism industry, you should keep the following in mind:

Don’t let the changes overwhelm you. They’re there, and will be transformative for corporations, society, the planet, etc. Nonetheless, they all present an opportunity. Pinpoint the trends, plan the innovation roadmap, and start to complete milestones.

You won’t go anywhere by yourself. You need talent and a team. Take care of internal talent, generate corporate

culture, drive emotional management of your team, and if you need help, surround yourself with partners that understand emotions, technology, and strategy.

Always build from the strategic perspective of growing your business. Every piece should fit into the future; therefore, don’t use commodities. Employ technologies and strategic partners that allow you to create business, grow, innovate, and evolve comprehensively, to firmly land in results.

Less is more. Design from the human perspective. Put them in the center and design based on innovation, data, experience, and intuition. But design. No matter how much you do, you won’t get better results; do what’s needed to achieve your objectives.

Start your internal innovation ecosystem in 2019, organize a hackathon, create an innovation group, and start to explore tools, methodologies, training, etc. It’s time to start on the road towards innovation in your business.

While this may come as no surprise, follow industry trends and indicators that most call your attention. Analyze related sectors that could show you different pathways towards getting to the same point: the hybridization of

technology, techniques, and innovation that will help you understand the cultural change.

Marketing and technology, along with creativity and craft, are the keys to today’s marketing. Focus on being curious and make creative proposals to solve critical challenges in your business with innovation, marketing, and technology.

When we talk about coopetition, we talk about companies with charisma, that are not afraid of growth, with a strong identity. Join them to grow. They are solid in their principles, and pragmatic in managing their customers. These and not others will add value to the relationship you undertake.



The only sure thing about a change like the one where are living is the need to change the culture. It's not a question of acquiring technology, nor acquiring talent or increasing the number of employees. The digital transformation has culture as the business' key, but it also has it as its primary challenge at the same time. Cultivate a culture of innovation, talent, emotions, and your business' internal capabilities. The a-ha moments will start to follow from there.



Commit yourself to your customers, to the people you work with, your suppliers, the environment, to what you do... But commit. This change in cycle demands commitment and leadership, not managers. Turn yourself into an industry leader, a reference for your employees and customers. Your reputation will go sky high.

Innovation, setting your mind and attitude in the future, is the only way to lead in today's world. Perpetual change, real-time adaptation, the adjacent possible are the mantras you should never stop repeating.

Join your future to industry leaders. Connect with providers that have a vital purpose, karma, and personality. Connect with the ones that lead in their space, the ones that face challenges and win battles. Those are the ones that can help turn your business around. They're the bridge-makers in the digital transformation. Take advantage of them. ▼

appendix

Appendix Item 1 - Global Code of Ethics for Tourism from the United Nations World Tourism Organization.

ARTICLE 1. Tourism's contribution to mutual understanding and respect between peoples and societies.

ARTICLE 2. Tourism as a vehicle for individual and collective fulfilment.

ARTICLE 3. Tourism, a factor of sustainable development.

ARTICLE 4. Tourism, a user of the cultural heritage of mankind and a contributor to its enhancement.

ARTICLE 5. Tourism, a beneficial activity for host countries and communities.

ARTICLE 6. Obligations of stakeholders in tourism development.

ARTICLE 7. Right to tourism.

ARTICLE 8. Liberty of tourist movements.

ARTICLE 9. Rights of the workers and entrepreneurs in the tourism industry.

ARTICLE 10. Implementation of the principles of the Global Code of Ethics for Tourism. ▼

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