

## World Tourism Forum Lucerne

### 3<sup>rd</sup> Think Tank

22 April 2015



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## Insights and Action Plan

1. The discussion covered four core inter-related topics:
  - a. The Challenges of Growth
  - b. Mega Cities - an Agenda for Success
  - c. Developing the Talent Pool
  - d. Adapting to the Digital Age
2. We agreed that not only were the topics all interrelated but also that achieving progress on all four was essential if tourism was to be a truly sustainable industry.
3. The (almost) unstoppable (except for 9/11, Sars and the GFC) growth of tourism has some admirable side effects
  - a. Tourism is a force for human understanding and peace in an increasingly troubled world,
  - b. It is a labour intensive industry, employing 1 in 11, and in particular offering jobs (and potential careers) for young people and women
  - c. It has the power to bring regeneration to cities and the countryside
4. But behind the unstoppable growth of travel lie real medium term issues which – if not addressed – could contain the seeds of the industry's own demise
  - a. Climate change
  - b. Carbon emission
  - c. Depletion of scarce resources
  - d. Wear, tear and ultimately the destruction of both the countryside and the built environment
  - e. Additional pressure from visitors on infrastructure that is already inadequate for the needs of resident populations
  - f. Slow development of electronic visa regimes
5. The Industry, Government and Academia need to work together to identify and disseminate best practice for dealing with these issues. (The global airline industry is a model of collaboration but non-aviation issues, whilst globally relevant, are essentially national and so depend on the development of joined-up national plans to make progress.)
6. Many tourism ministers are not in control of the majority of levers that need to be pulled to deliver joined-up policy. (But it is already clear that where practiced, joined-up government is delivering competitive advantage.)
7. The tourism industry needs to get behind tourism ministers to push for joined-up policy and sustainable tourism development goals.
8. The industry needs to take the lead in educating consumers that travel is a privilege that they need to protect for their children and their children's children. (The corollary is that few consumers currently consider their tourism "footprint".)
9. The industry and governments should take the lead in adopting, disseminating and reporting sustainability metrics for tourism. Consideration needs to be given to the "balance sheet" of tourism – do we end the year in a better place than we started in respect of tourism assets and resources – as well as its P&L.
10. Governments are increasingly dependent on tourism-related revenues, often collected under the guise of "green taxes" but rarely re-invested in the industry. Industry needs to make the case for targeted investment in tourism-related skills development, city planning and infrastructure investment. This may be more compelling than cries for reduced taxation.



In addition to these overarching conclusions the group identified a number of points under each of the discussion headings.

### The Challenges of Growth

- i. Travel is an industry of SME's. Larger firms need to provide leadership and help disseminate best practice.
- ii. Peak-time travel is already straining infrastructure capacity. Getting better year-round utilization of travel assets and resources can reduce the impact of growing tourism numbers and improve industry economics.
- iii. As interconnectivity increases and travel volumes grow the risks of contagion increase raising the question of whether the industry and governments are fully prepared for the next mega crisis. (E.g. SARS or the 1919 influenza epidemic). NB. The industry has proven its resilience but it is vulnerable to mismanaged responses.

### Mega Cities - an Agenda for Success

- i. The growth of Mega Cities appears unstoppable.
- ii. Because of their importance to the commercial world, the strength of their cultural offer and (in some cases) their built environment, they are magnets for international and domestic travelers.
- iii. Megacities create particular challenges for congestion; infrastructure development; social cohesion; public health, security, community engagement and tourism absorption.
- iv. The governance of major cities is increasingly a specialist subject – the travel industry needs to become part of the discussion and should not risk becoming an afterthought.
- v. Megacities can drain the support from lesser cities and the rural environment. Tourism can help balance this by bringing travelers to less congested cities and rural areas many of which are the perfect antidote to Mega City life.
- vi. Some cities are clearly handling the challenges a rapidly growing tourism sector better than others. The travel industry should develop a best practice model for tourism and Mega Cities to establish its credentials for being part of the debate.

### Developing the Talent Pool

- i. The travel industry is already a major global employer (1 in 11 jobs) and a significant source of future job creation (60million new jobs in the next decade) at all educational levels.
- ii. The industry plays a significant role as "an employer of diversity".
- iii. Educators do not appreciate the potential of the sector and often see jobs in tourism as "jobs you do until you get a proper job".
- iv. Skills development for the sector needs further investment by governments and the private sector.
- v. Travel professionals need to have the skills to harness the digital age.

### Adapting to the Digital Age

- i. The digital world is central to the industry's future development but the industry still needs to work out how to deliver the world of technology to SMEs (e.g. making big data relevant for small firms).



- ii. Technology is already making the travel industry more efficient (e.g. capacity management, pricing algorithms, OTAs, direct booking by consumers)
- iii. Technology can help the industry to deliver consistently high quality service and can liberate staff to serve customers better.
- iv. Technology can help the industry use resources more efficiently (e.g. improved air traffic control; better use of rail infrastructure, more efficient power consumption; automated check-in).
- v. Technology is changing the product offer (e.g. AirBnB, Uber, Zip Car) enabling the emergence of the sharing economy. This will have a major impact on the industry.
- vi. Technology is changing the travel experience as GPS and ever increasing Smart Phones ownership amongst travelers facilitate "always online" travel
- vii. Winners will integrate the digital world into their business while allowing consumers to drive the travel digital experience that works best for them. (Because engagement with people will remain central to traveler satisfaction)

Lucerne, June 2015/Christopher Rodrigues, Martin Barth



## Impressions









## List of participants

	Last Name	First Name	Function	Company
1	Barth	Martin	General Manager	World Tourism Forum Lucerne (WTFL)
2	Bernhardt	Marcus	COO	Europcar
3	Chon	Kaye	Dean	Hong Kong Polytechnic University
4	Christ	Costas	CEO	beyondgreentravel
5	Egan	Helena	Global Head of Industry Relations	Tripadvisor
6	Elzayat	Elhamy	Chairman	Egyptian Tourism Federation
7	Estermann	René	CEO	myclimate
8	Guevara	Gloria	International Government Relations Advisor	Harvard University
9	Goldin	Ian	Director	University of Oxford – Martin School
10	Griffiths	Paul	CEO	Dubai International Airport
11	Htay	Aung	HE - Union Minister of Hotels and Tourism	Myanmar
12	Lipman	Geoffrey	Creative Disruption Architect	greeneearth.travel
13	Marano	Helen	Vice-President, Government and Industry Relations	World Travel & Tourism Council (WTTC)
14	Mathis	Pascal	Mover&Shaper	Google Switzerland
15	Mendiratta	Anita	Lead Consultant	CACHET Consulting
16	Pearce	Brian	Chief Economist	IATA
17	Poole	Jeff	Director General	CANSO
18	Poonoosamy	Vijay	Vice President International & Public Affairs	Etihad Airways
19	Rifai	Taleb D.	Secretary-General	World Tourism Organization (UNWTO)
20	Rodrigues	Christopher	Chairman	VisitBritain
21	Scanlon	John E.	Secretary-General	CITES
22	Sonderegger	Lars	Founder	Quantonomics
23	Stazicker	Ian	Group Tourism Director	Value Retail
24	Steele	Paul	Vice President, Member and External	Corporate Secretary of IATA
25	Urosevic	Zoritsa	Representative to UNOG	World Tourism Organization (UNWTO)
26	Wittwer	Reto	Chairman	World Tourism Forum Lucerne (WTFL)