

13 Trends That Will Define Travel in 2013

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Skift has paid close attention to everything travel since before our public launch in August 2012. Our mix of original reporting, news from partners, and curated stories from around the world give us an inside edge on developments inside and outside the travel industry. With this insight, we've identified 13 key trends that will shape the coming year.

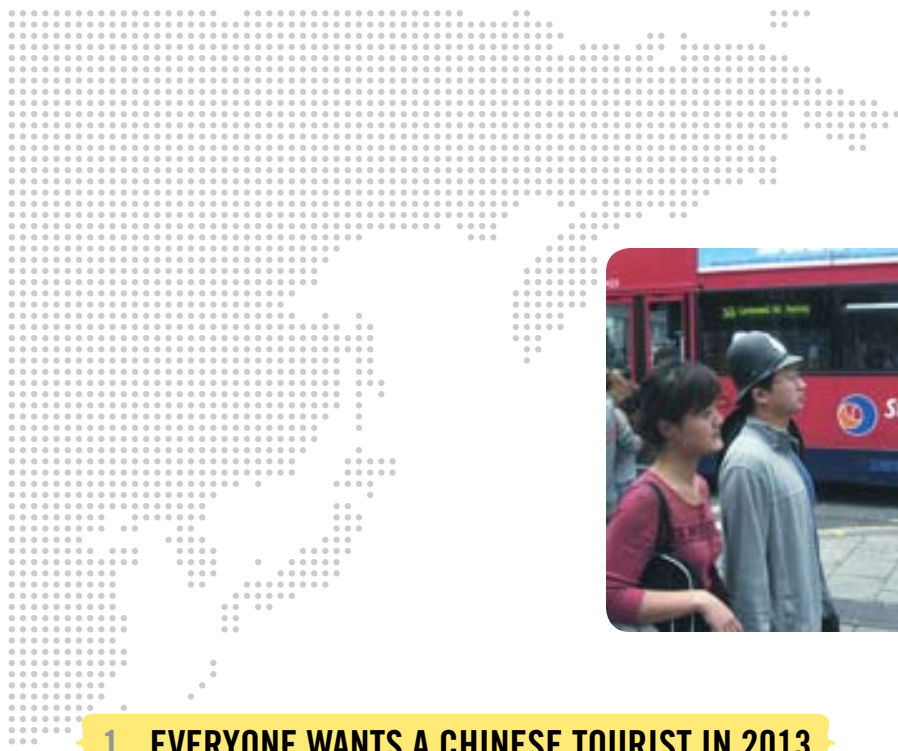
For the first time since the European Renaissance, the locus of travel is moving eastward, and 2013 will continue that inexorable journey. Both consumer and business travel trends are now being defined and tested out in regions other than U.S and Europe, while travel sector here, especially airlines, is in a race to find the best new fee. User experience and its intersection with design is the lens that travel will increasingly be defined by, and regions like Middle East and South East Asia are at the forefront of those trends.

One area where U.S. is still defining trends is technology innovation, especially in mobile. Companies like Airbnb and HotelTonight are redefining the very definition of the hotel and lodging sectors, while larger digital giants like Google, Apple and Nokia have hit reset on the transportation and local transit sectors with their mapping and local information wars.

2012 was also the start of Skift's journey—we launched 5 months ago—and as we prepare to go into 2013, we're defining our coverage areas, our expansive lens of looking at travel as well. We believe these 13 trends, by no means exhaustive, will help define travel and many other interconnected sectors.

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1. EVERYONE WANTS A CHINESE TOURIST IN 2013

A record 1 billion tourists crossed international borders in 2012, and Chinese travelers are becoming a bigger and bigger part of it. Outbound tourists rose from 16.6 million in 2002 to 70.3 million in 2011, and are expected to rise to 82 million this year, up 17 percent. Those numbers are expected to rise to a whopping 200 million by 2020, and the world needs to get ready to absorb that many extra tourists. And especially tourists spending money: UNWTO figures show that year on year, Chinese tourists spent 30 percent more when travelling abroad than previous year.

From hotels, airports, malls and retailers hiring Mandarin speaking concierge services, to countries easing visa norms and doing joint marketing agreements with China, everyone wants the hordes of Chinese travelers spending money, especially the recession and debt crisis beset European and North American countries: U.S., UK and Australia are banking on Chinese visitors to shore up their sputtering economies.

Neighboring destinations like Hong Kong, Macau, Taiwan, Korea, Japan, Singapore, already very popular

with Chinese, are re-architecting their tourism policies wholesale to accommodate these big numbers. Even countries like Gambia, Kazakhstan and Pakistan, not on any mainstream tourism map, are stepping up their marketing efforts to lure the mainland travelers.

If you're in travel anywhere in the world and don't have an evolved and nuanced China strategy, you aren't a serious player in 2013.

Further Reading:
Chinese outbound tourism growing rapidly via SCMP

Chinese and Russian visitors led the way for busiest year of tourism in planet's history via Skift

Chinese tourists are set to become the world's biggest overseas spenders via Skift





2. ANCILLARY FEES ARE THE NEW NORMAL

The travel industry has been completely upended by the unbundling of fees, with airlines leading the charge. Airlines have gone far beyond checked bag fees and are now dreaming up new paid services, including bag delivery and pre-ordered gourmet meals on board. As airlines are expected to pocket \$36 billion in fees in 2012, other travel sectors are quickly getting into the act, too. Hotels are building new spas to build on these ancillary services and

fees, and turning once-included services into a la carte ones in order to charge extra for additional housekeeping services, bathroom amenities, or even television.

Expect more demands from consumers for transparency with all the new fees being added on (the U.S. Federal Trade Commission will be knocking on more doors for sure), as well as a host of startups and solutions to manage and navigate around these fees.

Further Reading:

22.6 billion reasons why airlines can't wean themselves off fees via Skift

Hotel industry finds its big ancillary revenue driver: spas via Skift

Opt out may lead to drip pricing via Hotel News Now





3. LAST-MINUTE MOBILE HOTEL BOOKING

HotelTonight is a very well-funded app built to do one thing and one thing only: Book last-minute, same-day hotels in the city you are in. Every day at noon local time the app gives you deeply discounted rates at five hotels available in your chosen city. The innovation is not just on the simple curation concept, but also on UI and design: gorgeous dark tones and a simple one-

click to book using your stored your credit card info. The app fills a real need in the market, especially for business travelers, and no wonder it is growing like a weed. Expect more such curated single-function startups to crop up. In reaction to HotelTonight, Priceline already launched Tonight-Only hotel deals, and expect further challenges from other established players.

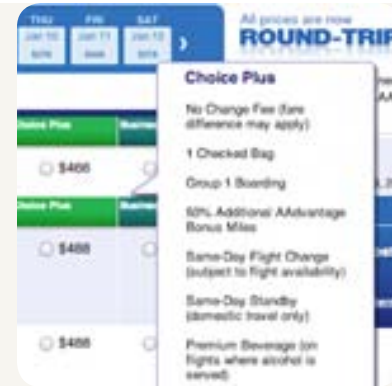
Further Reading:

HotelTonight expands in Europe and Mexico with localized language capabilities via Skift

Hotel Tonight lets users add whimsy back into their urban escapes via Skift

HotelTonight adds personalized offers and user ratings for greater choice via Skift





4. THE RISE OF PRICE TRANSPARENCY

Tingo, part of the giant TripAdvisor family, is intent on bringing transparency to hotel travel pricing. With Tingo, consumers book a hotel room at the lowest available refundable rate and the service automatically re-books the reservation in the future if the rate drops. No extra work is involved from the user's side, and they get notified about the new lower price until 24 or 48 hours before check-in, when the final price is set.

Long term, the macro trends are clear: price transparency will become norm, and expect it to come to airlines and other parts of travel ecosystem as well. While it's a real benefit to travelers, hotels can use the fluctuation in their prices to upsell consumers on goods like a room upgrade, a drink at the bar, or spa services (see "Ancillary fees are the new normal").

Further Reading:

[Save money even after you book via BBC Travel](#)

[TripAdvisor's Tingo refunds if rates drop before your stay via USA Today](#)

[Will the Hospitality Industry Tango with Tingo? via Hotel News Resource](#)





5. TRAVELERS ARE HUNGRY FOR FOOD TOURISM

Food tourism is one of the fastest growing sectors for the discerning traveler, and now Whole Foods has launched a new venture to capitalize on the trend. Called *Whole Journeys*, it offers worldwide tours focused on the production and consumption of food. It's a clever brand extension for Whole Foods: The company

already has a massive following of dedicated, wealthy, and discerning consumers who are likely to salivate at the news and become the venture's first customers. Expect more such efforts from larger consumer brands as they try to build on their "authentic" cred in various sectors, especially retail.

Further Reading:

[Foodies' dreams come true with launch of a new travel venture by Whole Foods via Skift](#)

[Whole Journeys: Whole Foods Market's New Travel Venture via The Adventure Post](#)

[Gastronomy and the hunt for authentic experiences: the future of food tourism via Skift](#)





6. AIRPORTS AS DESTINATIONS

As the airline experience continues to deteriorate and fragment—at least in the Western world—airports are seeing a buzz of activity and are reinventing themselves around user experience and design. The new normal as exemplified by Incheon International Airport in Seoul, Madrid’s Barajas Airport, or Singapore’s Changi Airport, are centered around innovations like airy, light-filled primary spaces, less-intimidating security and baggage claim areas, simple

signage, solutions to satiate our need to be connected (free Wi-Fi!), and more shopping and dining options near gates. The more successful ones have become places where people want to spend time and have experiences and not just pass through. Whether it is Chicago’s O’Hare newly launched farmer’s market inside the terminal, or Munich’s onsite brewery, the airports are becoming more inspirational, aspirational, and nurturing. Imagine that.

Further Reading:

[The Airport Of The Future Is About More Than Takeoff And Landing via Fast Company Co.Exist](#)

[Are airports the new malls for holiday shopping? via Skift](#)

[Airports are becoming activity hubs to take advantage of listless flyers via Skift](#)





7. DESTINATION BRANDING THROUGH MOVIES

Starring in a film has become a surefire way to boost tourism for a destination. Tourism in New Zealand boomed following the *Lord of Rings* trilogy and the country's tourism board has every intention of that happening again with the release of *The Hobbit*. A huge marketing campaign aimed to make the country synonymous with "middle-earth" included aircraft livery and in-flight videos. VisitBritain similarly integrated tourism marketing efforts with the Bond film *Skyfall* just as the U.S. state of

Virginia began touting itself as the site of Lincoln's filming and North Carolina turned *Hunger Games* into an advertisement for its outdoors. Now destination marketing organizations are realizing the trend and looking to convert international attention a destination can draw from a movie into travel bookings. Expect to see the trend pick up in 2013 with more planned campaigns and bids to become the venue—beyond tax break incentives—for highly anticipated movies.

Further Reading:

James Bond and his latest movie lends a helping hand to UK tourism via Skift

EU-backed attempt to boost movie-inspired tourism across Europe kicks off two-year effort via Skift

Hobbit habits: New Zealand is ready this time for Tolkien tourism via Skift





8. DIGITAL MAPS ARE ONE OF TRAVEL'S KEY BATTLEFIELDS

Now that smartphones are at the center of our lives, navigation, in all senses of the word, makes up a large part of our digital experience. Apple realized this, and booted Google Maps off the iOS ecosystem. That move, along with Apple's subsequent missteps in its own mapping effort, touched off a wave of activity in the mapping world. The new Google Maps app for iOS 6, launched in early December, is creating waves and Apple is scrambling to catch up.

Giants like Nokia, Microsoft, AOL's Mapquest and startups such as Waze and Lumatic are building, launching and innovating. Even the incumbent giant Google is launching new functions—incorporating content from Zagat and Frommer's into results—as it races to differentiate itself against Apple on all fronts. Expect public transport, walking directions and offline viewing to be a big push for next year, as well as the acquisition or downfall of content and location players like Yelp, Lonely Planet, and Foursquare.

Further Reading:

Our long national nightmare is over: Google Maps app for iPhone is now live via Skift

Foursquare's founder argues maps aren't about mapping anymore — they're about everything via Skift

How Google and Apple are changing the face of mapping forever via Skift





9. PERSONAL IN-FLIGHT ENTERTAINMENT THROUGH MOBILE DEVICES

This year saw many airlines experimenting with digital devices as the in-flight media consumption platform, or digital-enabled delivery of content services, on to users' own devices. Tons of new investment is going into this undoubtedly transitory phase, from large incumbents to startups to even roll-up shops taking up the charge on the delivery side. Forward-looking airlines are rolling out Wi-Fi across short- and long-haul

routes like there's no tomorrow. The content-in-air consumption patterns are beginning to look much like on-the-ground habits: A mix of open-Web content-plus-services mixed with on-demand entertainment as well as live television channels. And while consumer BYO trends work in airlines' favor with these moves, it also helps cut thousands of pounds from each aircraft and cut fuel costs, something that goes directly to an airline's bottom line.

Further Reading:

Westjet to allow passengers to bring own portable media and ditch seat-back systems via Skift

The Year of the WISP via MondoWindow

Smart airlines are turning to iPads instead of expensive seat-back in-flight entertainment via Skift





10. AFFORDABLE DESIGN AT HOTELS

A new breed of hotels popped up in Europe this year and is slowly making its way around the world. These so-called budget or smart luxury hotels feature clean, bright designs and rooms that cost less than the high-end design hotels that emerged in the late 1990s and spread through the early 2000s. Designed with young, tech-savvy travelers in mind the concept includes large community spaces, compact rooms, free Wi-Fi, and lots of outlets. The most well-known is CitizenM, which cuts its costs by designing and

assembling identical rooms that are then stacked into a finished product. A similar hotel The Superbude 2 in Hamburg, Germany took the award for European Hotel Design Of The Year.

As established hotel brands look to renovate and redesign their older properties, they'll likely pull components from these smartly designed, fledgling brands. They can also take a cue from Carlson's value Park Inn brand, which is rolling out more than five dozen new properties

across Europe and Asia and has revamped bland, older structures into bright, modern spots like Park Inn Antwerp.

Further Reading:

CitizenM: Pre-fab luxe hotel chain runs with the Ikea model via Skift

Hamburg hotel created for 'next generation' travelers wins European design award via Skift

The Daniel Hotel in Vienna via yatzler





11. BLURRING OF BUSINESS AND LEISURE TRAVEL

The boundary between business and leisure traveler is blurring as “rogue” business travelers find their way outside the corporate walls. The arrival of online travel more than a decade ago and the mobile revolution today led to what the corporate travel types call “leakage.” Business travelers have rebelled against their stodgy corporate booking tools and want to access the deals and tools that are readily available to them when they travel for leisure. Millennials raised on intuitive, leisure-oriented travel experiences

have come to expect more from corporate travel.

With a majority of business travelers working for companies that don’t have managed travel programs, they can take advantage of deals on everything from Airbnb to HotelTonight, as well as low cost carriers. Travel and expense firm Concur is trying to help companies handle their booking rebels with an Open Booking solution that enables employees to make their travel plans directly on these

consumer sites. Expect better user experience, design and flexibility for business travelers going ahead.

Further Reading:

[Airbnb’s busiest night reveals its new secret weapon: business travel via Skift](#)

[Next gen blurs lines of corporate, leisure via Hotel News Now](#)

[Rogue travelers present new avenue for demand via Hotel News Now](#)





12. CEMENTING OF GULF AS THE NEXT GREAT GLOBAL AVIATION HUB

The spectacular rise of the triumvirate of Emirates, Etihad and Qatar airlines mirrors the geopolitical rise of these tiny state actors onto the world stage, riding on a wave of sovereign oil wealth. All the airlines' activity also means huge airport hubs, and new ones being built almost overnight. The airports Emirates and Etihad call home are undergoing significant expansions, while Qatar Airways is preparing to move to a brand-new airport any day now.

Add to that, 2012 saw these airlines acquiring strategic stakes

in low-cost carriers and national carriers around the world and entering into codeshares and airline alliances. Qatar's entry into the oneworld alliance and Emirates' deal with Qantas are typical of their movements and demonstrate that these airlines are not rogue actors on the scene but the new establishment, as the center of gravity of long-haul aviation settles in the Gulf region. At the same time, Europe's ongoing debt crisis has left it powerless to take the bold actions necessary to prevent it from slipping in the great aviation race. Expect even

more frenzied activity in 2013 as the three Gulf carriers look to expand into North America and Africa, both directly and indirectly through partnerships.

Further Reading:

[How Middle East airlines soar and European ones don't via Skift](#)

[How Gulf airlines will change everything about international air travel via Skift](#)

[Gulf's airlines expanding global network, thanks to sovereign wealth via Skift](#)





13. LURE OF THE LAST UNKNOWN: THE RISE OF MYANMAR

The opening-up and the rise of Myanmar over the last year has been breathtaking in scope, and its travel sector is the one to watch for the next year. The country has always had a small-but-well-worn backpacker trail and tours available to wealthy visitors, but packaged travel arrived in earnest for the first time in 2012, lured by the marketing of Burmese exotica.

It is now on every top travel destination list for 2013; Yangon, the former capital and main

gateway, is the fastest growing hotel market in the world, and the current hotel capacity was sold out for most of 2012. It is the hottest new airline route on the circuit, with local and global Asian airlines starting new flights to it. The total tourist count will cross 1 million mark in 2012, its highest ever. On the travel infrastructure side, it will continue to struggle with demand, which also means tons of new opportunities for investors in all sectors of travel.

Further Reading:

Yangon, Myanmar is one the fastest growing hotel markets in the world via Skift

Obama's visit to Myanmar further boosts tourism to the world's newest travel hot spot via Skift

Burma tourism hits the 1 million mark via Mizzima News

