Future Tourism Trends and their Significance on Destination Marketing Organizations

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Since 2000, the world has seen a drastic increase in tourist numbers. In 2018, cumulative global international tourist arrivals totaled 1.4 billion – nearly a 1 billion increase from the 682.10 million arrivals in 2000 (Roser, 2017). This figure is predicted to reach 1.8 billion or 1 in 5 persons by 2030 ("World Could See", 2017). This stark increase in tourist numbers will inevitably alter the tourism landscape over the next 20 years. Existing literature has identified 'megatrends' that are likely to influence tourism and tourism destinations in the future; these 'megatrends' are "evolving visitor demand, sustainable tourism growth, enabling technologies, and travel mobility" (OECD, 2018). This paper will discuss the significance of the first three 'megatrends' on destination management organizations (hereafter referred to as DMOs). Travel mobility will not be discussed because it primarily relates to travel infrastructure and government travel regulations, rather than actions applicable to DMOs (OECD, 2018). More specifically, this paper aims to explain the implications of **1) the rise of the global middle-class and changing consumer demographics**, **2) overtourism** and **3) the advent of new technologies** on DMOs and to explore ways in which DMOs can respond to each trend.

1. As mentioned, international tourist arrivals are predicted to reach 1.8 billion persons by 2030. This figure is in part due to the expected expansion of the 'global middle class', which is predicted to reach 5.2 billion people in 2028 (Kharas, 2017). Middle-class growth will be greatest in Asian countries and is forecasted to slow dramatically or stall completely in Western countries, such as in Europe and the U.S. (OECD, 2018). 88% of the next billion entrants of the global middle class are expected to be in India, China, and other Asian countries (Kharas, 2017). For the tourism industry, this expansion will lead to a greater amount of purchasing power from a larger group of people and an increase in demand for tourism (Kharas, 2017; OECD, 2018).

Coinciding with increased tourism demand, tourists' demographics and travel behavior will also evolve over the next 20 years. Notably, the increase in the number of tourists from Asia, and the rise of Millennials (1981-96) and Gen Z (1997-2012) as the dominant tourism source markets will have significant implications for DMOs future marketing efforts. First, DMOs should consider consumer behavior differences that exist between Western and Asian tourists when developing their future marketing plans to ensure they effectively capture the expanding Asian travel market. For example, Chinese consumers predominantly use WeChat for direct messaging, interacting with businesses, and soliciting services (Skift, 2017). This represents an opportunity for DMOs to expand their marketing efforts onto different platforms to reach a key source market in coming years.

Second, DMOs should consider the travel behaviors of Millennials and Gen Z, as they will become increasingly important source markets for global tourism over the next 20 years (OECD, 2018). When traveling, Millennials and Gen Z are primarily interested in consuming unique experiences, such as cooking classes, festivals or recreational sports (Airbnb, 2016; Whitmore, 2019). Both generations are also highly suceptible to marketing messaging that highlights a brand's or destination's story ("Millennials vs. Gen Z", 2019). DMOs can respond to these behaviors via marketing efforts by showcasing the novelty or history of their destination and promoting the destination's experiential offerings.

2.   The predicted increase in tourists over the next 20 years, however, comes with the cost of overtourism. Overtourism is defined as when "hosts or guests, locals or visitors feel that there are too many visitors and that the quality of life in the area, or the quality of the experience has deteriorated unacceptably" (Goodwin, 2016). Unless DMOs alter their marketing strategy to

actively combat the issue, overtourism will become an increasingly greater threat within the next 20 years as tourist volumes increase.

Consequences of overtourism include environmental damage, overburdened infrastructure, alienated local populations, and threats to cultural heritage – all of which have been experienced in top global destinations such as Thailand, Machu Picchu, and Mount Everest. (Regan & Olarn, 2020; Jet, 2018). In Venice, overtourism has resulted in drastic depopulation and threatened the cultural identity of the city. Venice's recent explosion in tourist numbers – approximately 30 million tourists a year – has caused the city's population to shrink to 53,000, down by a third from a generation ago (Barry, 2020). With each departing resident, the city's cultural identity weakens and the threat of Venice being reduced to a "living museum" greatens (Barry, 2020). The COVID-19 pandemic has further echoed the need for sustainable tourism, as the lack of tourists in usually over-crowded areas has exposed the extent to which overtourism has negatively impacted destinations (Koh, 2020).

Measures to combat overtourism that have already been established in popular destinations, such as the Netherlands, can provide insight for DMOs' future actions on how to mitigate this issue. Because of heavy overtourism in Amsterdam, NBTC Holland Marketing (the official DMO of the Netherlands) began to embrace destination *management* alongside destination *promotion* in order to balance the positive and negative effects of tourism (Sheivachman, 2019). Destination management aims to improve the tourist experience, both for the tourist and for local residents, by prioritizing the quality of the tourist experience over the quantity of tourists and better managing the effects of tourism on a destination through strategic planning with tourism stakeholders (i.e., residents, tourists, and businesses) ("Policy and Destination Management", n.d.; Jainchill, 2019). For instance, the Netherland's 'Perspective

2030' is a 10-year plan that aims to re-envision tourism in the country by regulating the flow and capacity of tourists in different areas of the region. This plan also intends to prioritize local residents interests, which are often marginalized at the expense of tourism development, by including them in the co-creation of tourism policies and activities ("Perspective 2030", 2019).

NBTC Holland Marketing's shift from destination *promotion* to destination *management* provides a possible marketing strategy that DMOs can adopt to combat overtourism. The threatening trend of overtourism will only advance within the next 20 years as tourist numbers continue to increase unless DMOs respond to the threat via their marketing efforts. Parallelling the Netherland's efforts of 'Perspective 2030', DMOs should consider focusing on destination management rather than destination promotion. Destination management efforts may include capacity limitations, prioritizing local resident's needs, regulating the flow of tourists in the area, and working with government agencies towards the common goal of establishing a sustainable tourism model for the destination.

3. Mirroring past developments in the tourism landscape, the industry's next 20 years will again be marked by the innovation and integration of new technologies. From 2000 to present, the advent of online booking systems (e.g OTA), introduction of mobile smartphones, and development of the sharing economy (i.e. ride sharing, accommodation sharing) have all impacted consumer purchasing and travel behavior (OECD, 2020; Travelport Digital, 2019). Influenced by these technologies, the 'phono sapien' has emerged as a mobile-first individual who supports the digitization of analog travel information to online platforms and the digital economy (Travelport Digital, 2019; OECD, 2020). Digitalization, which refers to the ways in which technologies transform our social and economic systems, is driven in part by the consumption patterns of Millennials and Gen Z (OECD, 2020). As the market share of these two

generations is expected to increase in the next 20 years, they will continue to influence the way technology is used in the tourism industry. When planning a trip, these generations primarily search for source information on online sources or mobile platforms. While at the destination, they have a proclivity to "stay connected/online", share their experiences in real time, use e-commerce payment methods, and participate in the sharing economy (OECD, 2020).

To capture the attention of these generations and remain competitive in the industry, DMOs should leverage their use of digitalized travel information. Examples of this type of digitalization include enhancing interactions between subsectors (e.g. accommodation, transport, attractions), and collaborating with other DMOs or small and medium enterprises (SME) to increase the amount and quality of information available to the consumer (Dredge et al., 2018). Another application of digitalization would be utilizing virtual reality (VR) in destination marketing, which has been accelerated by the COVID-19 pandemic (Debusmann, 2020). With VR, destinations can deliver its users rich content, such as 360° views of an attraction/hotel/etc., and create unique experiences for users (Immersion VR, n.d.). By incorporating such examples in their marketing trends, DMOs will be better able to capture the attention of the younger traveller and remain competitive in the evolving tourism technology landscape.

Over the next 20 years, DMOs must utilize marketing efforts to respond to the 3 'megatrends' of "evolving visitor demand, sustainable tourism growth [and] enabling technologies" (OECD, 2018). This paper details a specificitiy of each 'megatrend' (travel demand and consumer demographics, overtourism and developments in tourism technologies, respectively) and outlines ways in which DMOs can respond via their markeing efforts. By doing so, DMOs can support the future tourism success of their destination and aid in the sustainable development of tourism.

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