

EMERGING TRAVEL TRENDS AND INDUSTRY SHIFTS

October 2024



**UNDERSTAND THE
EMERGING TRAVEL TRENDS
AND INDUSTRY SHIFTS THAT
ARE SHAPING THE TRAVEL
AND TOURISM LANDSCAPE.**

This research aims to provide a comprehensive summary of key traveller-driven trends emerging in the tourism industry, alongside an in-depth analysis of broader industry shifts that are expected to grow in significance in both the near and long term. Each trend or shift is thoroughly examined, the impact is explored and then followed by real-life examples of the trend in action.

By understanding these trends and industry shifts, tourism businesses can strategically adjust their focus, mitigate potential risks, and seize market opportunities effectively.

SUMMARY



Global tourism has charted a rapid return to precovid levels post pandemic, with the industry's contribution to global GDP projected to reach \$11.1 trillion by 2024, surpassing previous records and exceeding most industry expectations. This resurgence highlights the enduring appeal of travel, but also brings renewed challenges, especially in destinations facing overtourism or environmental pressures. The global surge in visitors is putting pressure on local communities, infrastructure, and the environment, emphasising the complex dynamics shaping the industry's future.

This research focuses on identifying the shifts and trends impacting the travel and tourism industry in the Queenstown Lakes region. While addressing current issues, these trends will influence the industry and our communities for decades. The impacts of climate change and regional conflicts are stark reminders of the ongoing challenges tourism faces. Although tourism can drive economic development, create jobs, and strengthen social cohesion, the benefits don't always reach local communities often leading to economic, social, and environmental imbalances.

TRAVELLER TRENDS



GROWTH OF SUSTAINABLE
AND REGENERATIVE
TRAVEL DEMAND



SEEKING CONNECTION
AND AUTHENTIC
EXPERIENCES



CHANGING
DEMOGRAPHIC DYNAMICS
AND ATTITUDES



TRAVELLING CLOSER TO
HOME

INDUSTRY SHIFTS



ESCALATING EFFECTS OF
CLIMATE CHANGE



RESIDENT COMMUNITY
SUPPORT OF TOURISM



GROWING FOCUS ON
DESTINATION
MANAGEMENT



EMBRACING
TECHNOLOGICAL
ADVANCEMENTS



TREND #1

GROWTH OF SUSTAINABLE AND REGENERATIVE TRAVEL DEMAND

THE TREND

Demand for Sustainable and Regenerative Tourism

Travellers are seeking sustainable options when traveling. Research conducted by Booking.com found that travellers feel opting for sustainable choices is important, with 32% wanting to do so because they believe it is the right thing to do (Booking.com, Sustainable Travel Report 2024). The interest in making sustainable choices is led by increased awareness of the environmental impact of travel purchase decisions, with 74% of travellers believing people need to make sustainable choices now to save the planet for future generations (Booking.com, Sustainable Travel Report 2023). Despite positive momentum towards sustainable travel, challenges persist, such as the 'say-do' gap where travellers express sustainable intentions but fail to act (The World Economic Forum, 2022). Factors like a preference for convenience hinder sustainable behaviours and the perception that sustainable travel is more expensive also poses a challenge. Addressing these through sustainable operating models, effective messaging, and education about long-term benefits is crucial.

Shifting Demand and Reducing Overtourism

The travel industry is actively working to mitigate the impact of tourism on overcrowded destinations by promoting travel to less visited locations. These types of strategies aim to preserve popular sites and spread economic benefits more widely. For example, cities like Venice have introduced measures such as a daily visitor fee to try to mitigate impact on cultural and natural assets. Additionally, many travellers are adjusting their schedules to avoid peak seasons, choosing to visit destinations during shoulder seasons when weather and crowd sizes are favourable.

Climate Change & Sustainable Choices

Climate change and the impact of visitor presence on destinations is becoming an increasingly significant consideration in travellers' decision-making processes (Booking.com, 2023). Cities in Northern Europe, such as Oslo and Copenhagen, are leading the way in sustainable travel options where visitors are assured their presence is being managed effectively or they can actively give back to where they visit (Adventure Travel Trade Association, 2024). The increasing frequency of extreme weather events is driving people to seek out destinations less affected by these changes. Cooler destinations such as Iceland, Finland, and Scotland are growing in popularity as travellers look to escape the heat.



GROWTH OF SUSTAINABLE AND REGENERATIVE TRAVEL DEMAND

THE IMPACT

Consumer Expectations are Shifting

Consumers, particularly younger generations, are increasingly expecting sustainable options to be incorporated into experiences. This is pushing travel companies to integrate sustainability into their core strategies and operations. Companies that successfully adopt sustainable practices are likely to attract loyal customers, improve brand and operational resilience, obtain financial cost savings and secure better financial terms.

Despite good intentions, travellers often struggle to identify sustainable options and doubt their impact, especially amid global challenges like climate change. This highlights the need for clear communication, consistent standards, and credible certifications to help travellers make informed and confident decisions.

Enhanced Customer Experiences and Economic Benefits

Sustainable travel options are enhancing customer experiences by offering unique and meaningful travel opportunities. Many travellers recognise that they feel like the best versions of themselves when they travel sustainably and are inspired to adopt more sustainable practices in their daily lives after witnessing them in action.

Sustainable travel practices also bring economic and environmental benefits. For instance, Iceland's tourism levy helps manage the impacts of visitors on sensitive landscapes, and sustainable practices can reduce business costs associated with energy, water, and resource consumption.

Regenerative Tourism and Evolving Business Models

There is a growing shift from sustainable to regenerative tourism, especially in regions like Asia Pacific. New business models are emerging that aim to have a net positive impact on the environment, society, culture and the economy. This approach goes beyond minimising harm, aiming to actively contribute to the regeneration of environments and communities. By focusing on these regenerative practices, the tourism industry is beginning to recognise the importance of not only preserving but also enhancing the places that attract visitors.

Future Proofing Destinations

Sustainable and regenerative travel relies on collaboration and education among travellers, governments, businesses, communities and businesses. Educating consumers bridges the gap between intention and action, ensuring destinations remain viable for future generations. By focusing on sustainable transport and practices, the travel industry can thrive while supporting the planet and communities. This unified approach preserves resources, protects local communities, and balances tourism growth with environmental regeneration.

GROWTH OF SUSTAINABLE AND REGENERATIVE TRAVEL DEMAND

THE TREND IN ACTION

Providing Financial and in-kind Support to Restore Nature and Regenerate Destinations | The Intrepid Foundation

Achieving Nature Positive Tourism means ensuring activities have a net benefit, including restoring nature. The Intrepid Foundation supports biodiversity projects in Australia, like the Blue Carbon Lab's work on blue carbon ecosystems in Victoria. These projects involve local communities and volunteers. At Avalon, the Wadawurrung Traditional Owners Aboriginal Corporation helps protect cultural heritage sites. Greening Australia addresses environmental challenges through large-scale restoration.



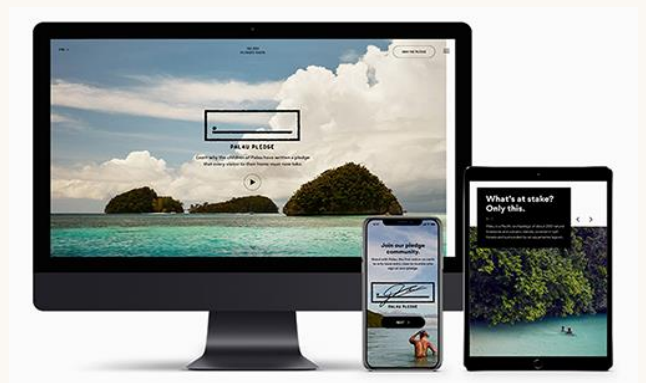
Creation of Visitor Fees to Shift Traveller Behaviours | Global

Destinations like Amsterdam, Venice, Bali and Croatia vary visitor taxes and fees by season or travel type to influence tourism outcomes. Studies like “Funding Futures” (2021) and “Tourism Taxation by Design” (2020) provide examples of outcome-based pricing in tourism taxes and visitor fees, outlining various collection methods and potential uses.



Unlocking Experiences Through Visitor Interaction with Sustainability | Palau

Ol'au Palau is the first initiative to unlock experiences through sustainable actions in 2022. The app awards visitors points for engaging with sustainable initiatives, like signing the Palau Pledge or tracking their carbon footprint, which can be used to unlock unique experiences.





TREND #2

SEEKING CONNECTION AND AUTHENTIC EXPERIENCES

THE TREND

Increased Demand for Authentic Experiences

The travel and tourism industry has witnessed a significant shift towards travellers demanding authentic experiences, driven by a broader trend of seeking connection and genuine interactions (McKinsey, 2024). Travellers are increasingly prioritising immersive and meaningful experiences over traditional sightseeing and the mentality of ticking off the bucket list. This trend is characterised by a desire to engage deeply with local cultures, traditions, and communities. Travellers are opting for activities and experiences that allow them to understand local communities, such as participating in traditional crafts, local recreation and sporting interests, or cultural festivals and events.

Personalised Travel Experiences

The demand for personalised travel experiences is another key aspect of this trend. Travellers are increasingly seeking unique, tailor-made trips that cater to their specific interests and desires. 89% of travel providers have observed a growing demand for experiential travel, where visitors seek off-the-beaten-path adventures that offer a more intimate connection with their destination (Flywire, 2023). This shift is driven by the desire for authenticity and the need to create meaningful memories, rather than just ticking off popular visitor spots.

Slow Travel

Slow travel, which emphasises fully immersing oneself in the culture and environment of a destination, is gaining traction among travellers (Adventure.com, 2023). This approach encourages longer stays and a deeper engagement with the local community, allowing travellers to experience a destination in a more relaxed and meaningful way. 72% of travellers have shown increased interest in slow travel, and 84% of travel providers expect this trend to continue growing (Booking.com, Sustainable Travel Report 2024). Slow travel aligns with the broader shift towards sustainability and responsible tourism, as it often involves supporting local businesses and reducing the environmental impact of travel.



SEEKING CONNECTION AND AUTHENTIC EXPERIENCES

THE IMPACT

Authentic Experiences

The demand for authentic travel experiences is reshaping the travel and tourism industry. This shift encourages deeper connections with destinations, promoting responsible tourism. As a result, travel businesses are creating experiences that are not only enjoyable but also respectful and enriching for both travellers and the local communities and environment they operate in. This trend is driving a more immersive and responsible approach to tourism, influencing how services are marketed and delivered.

Community Involvement and Hyperlocal Experiences

Involving local community leaders in decision-making and storytelling ensures that travel experiences are genuine and respectful of local cultures. This approach provides economic benefits to communities and enhances the authenticity of the offerings. The focus on hyperlocal experiences, such as culinary tours and cultural workshops, allows travellers to engage directly with local traditions. This fosters a deeper understanding and appreciation of the destination, making the travel experience more immersive and meaningful.

Cultural Preservation

Authentic travel experiences contribute to the preservation of cultural heritage. By educating travellers about local customs and encouraging respectful interactions, travel companies play a crucial role in protecting and promoting cultural traditions. This not only enriches the traveller's experience but also helps maintain the cultural integrity of the destinations.

Adventure, Nature Tours, and Eco-conscious Experience

The growing interest in outdoor and active experiences, such as nature tours, biking, skiing, hiking and camping, reflects a desire to connect with the natural environment. This trend towards nature-based tourism allows travellers to escape the built environment and immerse themselves in natural beauty. Concurrently, the rise in eco-conscious accommodation, including homes and eco-hotels, cater to travellers seeking a deeper connection with their destination. These lodgings offer opportunities for visitors to live like locals and reduce their environmental footprint, enhancing their overall travel experience.

SEEKING CONNECTION AND AUTHENTIC EXPERIENCES

THE TREND IN ACTION

Ride Oregon | Oregon, USA

Travel Oregon leverages the state's natural landscapes, culture, and history to offer authentic experiences. The 'Ride Oregon' initiative provides cyclists with designated routes across roads, mountains, gravel paths and coastal areas, showcasing Oregon's natural beauty and rich cultural offering. This approach utilises the area's existing infrastructure into its tourism offerings, enhancing appeal for travellers seeking meaningful and immersive adventures and encourages travellers to slow down through a slower method of transportation.



Rooting Strategy in Culture – The New Zealand Story | New Zealand

The New Zealand Story is a strategic initiative aiming to protect, enhance and promote brand New Zealand to expand NZ's reputation and value internationally. The New Zealand Story is built on three pillars: integrity, resourcefulness, and 'kaitiaki,' a Māori concept meaning 'custodian.' Authenticity is key, and the Māori language is interwoven throughout government and branding communications, reflecting a deep commitment to cultural preservation.



Exploring Lesser-Known Neighborhoods and Connecting with Local Way of Life | Austria

Exploring lesser-known neighborhoods offers travellers a unique opportunity to connect with local way of life. Heartbeat Streets guide visitors through vibrant, lesser-known areas to experience local markets, taste regional delicacies, and interact with residents. Rebel Tours Vienna offers personalised tours revealing hidden courtyards, secret bars, and unique local eateries. These experiences allow travellers to step off the beaten path and discover the true essence of Vienna, fostering a deeper connection with the city's culture and its people.



A photograph of three hikers (two women and one man) walking along a dirt path in a dense forest. They are wearing backpacks and casual hiking attire. Sunlight filters through the trees, creating a dappled light effect on the path and foliage.

TREND #3

CHANGING DEMOGRAPHIC DYNAMICS AND ATTITUDES

THE TREND

The Influence of Younger Generations'

Younger, more globally minded travellers, are set to dominate the travel scene soon. This generation are likely to have global families which will contribute to more frequent and diverse travel patterns (McKinsey, 2024). They are well-informed and seek clear outcomes from their travel experiences, often avoiding unnecessary risks. Younger generations are keen to explore, often spending a significant portion of their income on new experiences. They are adept at finding unique international destinations and value travel that offers both adventure, opportunities to better understand the places they visit and positively give back and cultural immersion.

Transformative Experiences

The impact of the pandemic has reshaped travellers' priorities, with a noticeable shift towards meaningful experiences that allow for personal growth (Booking.com, Sustainable Travel Report 2023). As travelers move away from the bucket list approach to tourism - simply visiting popular sites or engaging in superficial leisure activities—they are instead seeking more profound, meaningful experiences that resonate on a deeper level. People are increasingly seeking activities that blend excitement with self-discovery, such as visiting cultural and pilgrimage sites or purpose driven adventures.

Remote Work and Hybrid Arrangements

The transition to remote and hybrid work models has opened up new possibilities for travel. With more people having the flexibility to work remotely, there is a growing trend of combining work with leisure trips (Deloitte, 2024). Many travellers now plan to work during their extended holidays, leading to an increase in both short getaways and longer stays. This shift has also prompted a demand for appealing workspaces and local activities that enhance the overall travel experience.

A photograph of three hikers (two women and one man) walking along a dirt path in a lush, mossy forest. They are wearing backpacks and outdoor gear. The scene is sunlit with dappled light on the forest floor.

CHANGING DEMOGRAPHIC DYNAMICS AND ATTITUDES

THE IMPACT

Increased Demand for Personalised Experiences

As demographics shift, particularly with the growing influence of younger generations, there is a rising demand for personalised travel experiences. Travellers are increasingly looking for trips that cater to their specific interests, whether that's adventure, wellness, culture, or food. This has led to travel companies offering more tailored packages and experiences, moving away from one-size-fits-all tours.

Emergence of New Travel Niches

Changes in values and priorities are giving rise to new travel niches. For instance, wellness tourism has grown substantially as people prioritise health and well-being. Similarly, there's an increasing interest in slow travel, where the focus is on fully immersing in the local culture and environment, rather than rushing through multiple destinations. These niches are becoming important segments within the broader travel market.

Shift Towards Experiential and Transformative Travel

Modern travellers are prioritising experiences that are immersive and transformative over traditional sightseeing. This shift is leading to the rise of experiential travel, where travellers seek deeper connections with the places they visit, whether through cultural immersion, explorative activities, or spiritual retreats. The industry is responding by developing offerings that provide more meaningful and impactful travel experiences.

Digitalisation and the need for Seamless Travel Experiences

The demographic shift towards younger, tech-savvy travellers is driving the demand for digitalised travel experiences. There is a growing expectation for seamless, tech-driven interactions throughout the travel journey, from booking to in-destination experiences. This has led to the widespread adoption of mobile apps, online booking systems, digital check-ins, and other technologies that enhance convenience and personalisation.

CHANGING DEMOGRAPHIC DYNAMICS AND ATTITUDES

THE TREND IN ACTION


Selina

Selina is a hospitality brand that combines accommodation, co-working spaces, and wellness activities. It caters to digital nomads and younger travellers who seek a blend of work and leisure, often referred to as “workcations.” Selina properties are located in unique destinations worldwide and emphasises creating a holistic experience by offering a variety of amenities and activities. Selina often hosts cultural events, workshops, and social gatherings, fostering a sense of community and belonging.

Cowork

Meet Selina Cowork, the global home for thousands of digital nomads, creatives, change-makers, and entrepreneurs from around the world. Experience our diverse and international community, refresh your thinking, and tap into a brand new level of productivity at our comfortable workspaces complete with high-speed WiFi, unlimited coffee, phone booths, and inspiring design.

[Read more](#)

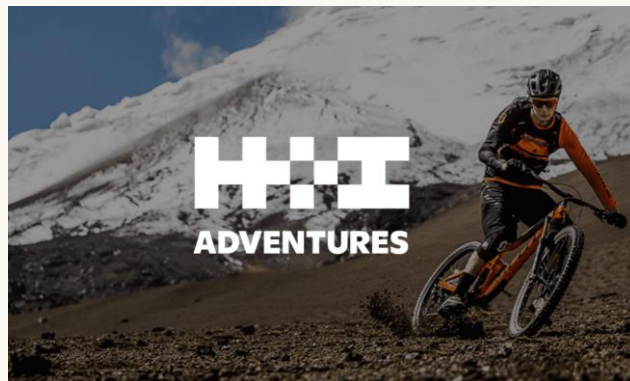


Daily Hot Desk

Starting from **USD 10**

H+I Adventure Tours

H+I Mountain Bike Tours offer global mountain biking adventures, embodying the belief that “adventure shapes us and makes us who we are.” This aligns with the tourism trend of Changing Demographic Dynamics and Attitudes by catering to a diverse and evolving traveler demographic. As more people seek meaningful and transformative travel experiences, H+I’s focus on life-affirming adventures resonates with a growing desire for personal growth and connection with nature.



National Geographic Journeys with G Adventures

National Geographic trips are meticulously crafted to provide deep cultural insights and transformative experiences, aligning perfectly with the tourism trend of Changing Demographic Dynamics and Attitudes. As the global travel landscape evolves, there is a growing demand for experiences that go beyond traditional sightseeing. National Geographic caters to this shift by offering expeditions led by experts, which include unique activities such as archaeological digs, wildlife conservation projects, and cultural exchanges. These trips attract a diverse range of travellers, from young adventurers seeking educational experiences to older individuals looking for meaningful engagement with different cultures and environments.





TREND #4

TRAVELLING CLOSER TO HOME

THE TREND

Environmental and Financial Drivers

Environmental concerns are driving the trend toward closer-to-home travel (The World Economic Forum, 2023). With increased awareness of the carbon emissions associated with long-haul flights, travellers are choosing destinations that are accessible by shorter flights or land travel. Shorter-distance trips contribute significantly less to carbon emissions, aligning with the global push towards more sustainable travel practices.

Financially, travelling closer to home is also seen as a more viable option for many, especially in the face of rising fuel costs, inflation and increasing regulations (McKinsey, 2024). The increasing cost of long-distance travel, coupled with economic uncertainties, has led travellers to seek more affordable options that do not compromise the quality of their experiences.

Impact of the Pandemic

The COVID-19 pandemic significantly altered global travel, leading to closed borders and challenges in long-haul travel. Consequently, many people turned to domestic travel, exploring previously overlooked local destinations. While initially a response to the pandemic, this shift towards domestic travel shows signs of becoming a lasting trend. Domestic travel has become a significant portion of global travel spending, and it is expected that domestic travel will represent around 70% of global travel spending by 2030 (McKinsey, 2024).

Cultural and Regional Travel Preferences

Travellers are increasingly seeking authentic, local experiences often found in lesser-known regional destinations, which often can be closer to home (Adventure Travel Trade Association, 2024). This preference for community-based tourism aligns with a broader desire to support local economies and engage more deeply with the culture and environment of a region. This shift has not only satisfied the desire for new experiences but also helped to distribute the economic benefits of tourism more evenly across different regions. When travellers do venture abroad, they often stay close to home. Europe and Asia have strong and growing intraregional travel markets. 90% of European travellers' international trips stay within the Europe region (Statista, 2024). Similarly, Asia's intraregional travel market is expected to grow, benefiting from diminishing visa barriers and the development of a low-cost regional transportation network.

TRAVELLING CLOSER TO HOME



THE IMPACT

Diversification of Visitor Markets to increase Resilience

The rise in domestic and regional travel will lead to a more resilient tourism industry by reducing reliance on international visitors on a global scale. This shift will help local tourism economies recover more quickly from global disruptions, ensuring a steadier flow of revenue throughout the year. This trend is expected to contribute to a more sustainable tourism model. By attracting a diverse range of visitors, destinations can mitigate the risks associated with over-dependence on any single market. As visitors choose to travel shorter distances, they will reduce their carbon footprint, aligning with the growing demand for environmentally responsible travel options.

Enhancing Economic Resilience and Alleviating Overtourism

By encouraging travellers to explore lesser-known areas, tourism revenue will be more evenly distributed, benefiting regions that may have previously been overlooked. This redistribution will ease the pressure on overburdened visitor sites and foster economic growth in emerging destinations. Additionally, reliance on local and domestic visitors will enhance economic resilience, as these markets will be less susceptible to global travel disruptions. As a result, communities will experience a more stable and sustainable flow of tourism income, leading to long-term economic health and development across a broader range of regions.

Increased understanding and preservation of local cultures and customs

The increase in domestic visitation should lead to a deeper understanding and preservation of local cultures and customs. As more people explore their own backyard, they engage more closely with the unique traditions and practices of different regions. This heightened interest fosters a greater appreciation for local heritage, encouraging communities to protect and promote their cultural identity. The influx of domestic visitors also provides economic support, allowing for the continuation and revitalisation of cultural events, crafts, and customs, ensuring they are passed down to future generations.

Spreading the Visitor Economies Impact through the Year

Promoting off-peak travel seasons can significantly benefit tourism destinations by alleviating overtourism, ensuring a balanced visitor flow throughout the year. This often is appealing to domestic markets that are more open to traveling during these times. This approach helps to distribute the economic benefits of tourism more evenly, reducing the strain on infrastructure and natural resources during peak periods. It also provides a more enjoyable experience for visitors, who can explore attractions without the crowds. Additionally, local businesses can achieve more consistent revenue streams, enhancing economic resilience. By spreading visitation across different seasons, destinations can maintain their appeal and sustainability, fostering long-term growth and preserving the quality of life for local communities.

TRAVELLING CLOSER TO HOME



THE TREND IN ACTION

Eurail Pass

The Eurail Pass allows travelers to explore multiple European countries by train, significantly reducing their carbon footprint compared to air travel. It's popular among travellers who prefer sustainable and scenic travel options. This trend aligns with the growing desire to travel closer to home, offering a flexible and convenient way to experience Europe's landscapes and cultures without flying.



IATA Analysis of Airline Costs

An IATA analysis delves into the largest costs for airlines, and the largest single cost is Aircraft fuel and oil, accounting for 28.7% of costs, the next closest category is flight crew salaries accounting for 8.6%. IATA is expecting that the cost of flying is likely to go up due to the increased costs of Aviation Fuel, competition for sustainable aviation fuel and inflation (The Guardian, 2024).



United States National Parks Network

The United States is the world's largest domestic travel market at \$1 trillion in annual spending. Sixty-eight percent of all trips that start in the United States remain within its borders. While domestic demand has softened slightly with the relaxing of travel international restrictions, tourism players with the right offerings are thriving: five national parks broke attendance records in 2023, including Joshua Tree National Park, which capitalised on growing interest from stargazers indulging in "dark sky" tourism.





INDUSTRY SHIFT #1

ESCALATING EFFECTS OF CLIMATE CHANGE

THE SHIFT

Systemic Nature of Climate Change

Climate change is a global challenge that touches every aspect of our lives, including the travel and tourism industry (World Travel and Tourism Council, 2024). As temperatures rise and extreme weather events become more common, there's a growing urgency to reduce reliance on fossil fuels. The Tourism Panel on Climate Change reported tourism is currently falling far short of its targets and "a paradigm shift" is required to scale up the necessary action to meet tourism's climate emissions goals in line with the 1.5°C pathway (Tourism Panel on Climate Change, 2023). This transition, while challenging, presents an opportunity for innovation, especially in sectors like air transportation and electrifying operations.

Rising Temperatures and Extreme Weather Events

The impacts of climate change are already being felt across the globe, with rising temperatures reducing labour productivity and threatening food security (World Economic Forum, 2024). Extreme weather events such as wildfires, droughts, and floods are not only more frequent but also more severe, leading to widespread social disruption and exacerbating geopolitical tensions. These events are reshaping the landscape of the travel and tourism industry, with businesses needing to adapt to new realities where operational disruptions and increased costs from aspects like insurance and trip cancellations are becoming the norm.

Consumer Skepticism and Regulatory Pressures in the Travel Industry

As consumers become more environmentally conscious, there is a growing demand for businesses to provide concrete evidence of their sustainability efforts, driven by a phenomenon known as "Greenwashed Out," where skepticism towards superficial environmental claims is on the rise (Adventure Travel Trade Association, 2024). In response, governments around the globe are introducing stricter regulations to combat greenwashing and ensure businesses are held accountable for their environmental impact. These regulatory pressures are adding to the already mounting challenges faced by businesses in the travel and tourism industry, forcing them to take ownership of their carbon footprints and demonstrate real, measurable progress in reducing emissions (World Travel and Tourism Council, 2024).



ESCALATING EFFECTS OF CLIMATE CHANGE

THE IMPACT

Operational Disruptions

One of the most immediate impacts of climate change on tourism is operational disruption. Extreme weather events, such as hurricanes, floods, and heatwaves, are becoming more frequent and severe, leading to the closure of airports, cancellations of flights, and damage to critical infrastructure (World Economic Forum). Winter destinations are exposed as well due to shorter ski seasons (The Aotearoa Circle, 2023). These events can cause significant financial losses for businesses and inconvenience for travellers. Major tourism hubs are particularly vulnerable, and the cascading effects of such disruptions can ripple through the entire industry.

Economic Implications

The economic impact of climate change on tourism is far-reaching. The industry must implement sustainable practices, such as improving energy efficiency, reducing waste, and adopting renewable energy sources, to mitigate these effects (Deloitte and Travel Weekly, 2024). The broader economic impacts of climate change, such as reduced labour productivity and increased food insecurity, also have indirect effects on tourism.

Impact on Destinations


Climate change is altering the attractiveness of traditional travel destinations. Warmer winters are shortening ski seasons, and heatwaves are making some destinations less appealing during peak travel periods (The Aotearoa Circle, 2023). Destinations must adapt by adjusting their offerings, promoting sustainable tourism practices, and investing in climate-resilient infrastructure. The ability to adapt will be crucial for maintaining tourism revenues and ensuring the long-term viability of these destinations.

Energy Transition Opportunities

The shift towards sustainability in the travel and tourism industry is both necessary and costly. Beyond aviation, this transition includes switching vehicle fleets to electric or hybrid options and reducing reliance on fossil-fuelled boilers in accommodations (World Travel and Tourism Council, 2024). These broader decarbonisation efforts require substantial financial investment. While sustainable aviation fuels are crucial for reducing the industry's carbon footprint, they are currently limited and expensive, with costs likely passed on to consumers, impacting the affordability of air travel. New Zealand, with its largely renewable energy supply, is uniquely positioned to adopt emerging electrical solutions across the industry and capture financial cost savings and increase resilience through transitioning away from fossil fuels (The Aotearoa Circle, 2023).

Regulatory Compliance

Regulatory pressure is mounting on the travel and tourism industry to reduce its carbon emissions and adopt sustainable practices (World Travel and Tourism Council, 2024). Governments are implementing a range of measures to reduce emissions inline with Paris Agreement and emissions related pledges, including mandatory climate related disclosures, emissions reduction targets, and emissions trading schemes (ETS). Compliance with these regulations when they come into effect will be essential not only to avoid penalties but also to maintain consumer trust. As carbon offset prices rise, the financial burden on companies will increase, affecting profitability and potentially leading to higher costs for travellers.



INDUSTRY SHIFT #2

RESIDENT COMMUNITY SUPPORT OF TOURISM

THE SHIFT

Importance of Social License

Social license in tourism, which is the informal, ongoing acceptance and approval of tourism activities by local communities and stakeholders (McKinsey, 2024), relies on trust and relationships, making it essential for sustainable and ethical tourism development. As destinations face challenges such as natural disasters, cultural disruption, economic inequality and environmental degradation, it is becoming increasingly important to integrate community views and needs into tourism planning becomes increasingly important. Involving residents in tourism management enhances the social license of the tourism industry and ensures tourism contributes positively to the community's social, cultural, and economic well-being. Transparent and inclusive management practices that prioritise continuous engagement with the community lay the foundation for sustainable tourism, leading to destination plans and strategies. This improve residents' quality of life, enhance the resilience of tourism destinations, and ensure a more equitable distribution of tourism's economic benefits.

Economic Inequality and the Importance of Community Empowerment

Tourism has long been recognised as a powerful driver of economic growth, creating jobs and financial opportunities (The World Travel and Tourism Council, 2023). However, unchecked growth has also highlighted significant disparities, including economic inequality and financial leakage, where the benefits of tourism do not adequately reach the local communities. The pandemic has provided an opportunity to rethink tourism practices, emphasising social and cultural well-being alongside economic and environmental benefits. A more inclusive approach to tourism empowers local communities, supports the development of local attractions, and promotes the equitable distribution of tourism benefits, ensuring that the industry contributes to the long-term sustainability of the destinations.

Protecting Cultural Heritage and Natural Environment

A key component of effective destination management is the protection of cultural heritage and the natural environment (United Nations Tourism, 2022). This requires the early involvement of local communities in decision-making processes to ensure that tourism initiatives are authentic and non-intrusive. By doing so, destinations can offer visitors an opportunity to enjoy and learn about local practices while preserving the cultural and natural heritage that makes these destinations unique. The rapid growth of tourism has, in some cases, led to the over-commercialisation of traditional cultural practices, putting strain on communities and diluting the authenticity of local experiences. Sustainable tourism development should aim to benefit local communities economically, ecologically, and socially, without compromising their cultural integrity.



RESIDENT COMMUNITY SUPPORT OF TOURISM

THE IMPACT

Economic and Social Impacts

Tourism can boost economic growth and create jobs, but its benefits are often unevenly distributed. Larger businesses and popular attractions usually gain the most, leaving smaller local enterprises and communities with fewer opportunities, which can lead to resident dissatisfaction. To address these disparities, there is a growing focus on supporting local attractions, developing local skills, and empowering small and medium-sized enterprises (SMEs). This approach aims to distribute the economic benefits of tourism more equitably and ensure that local communities are actively involved in and benefit from tourism activities.

Environmental and Cultural Challenges

The environmental impact of tourism is significant, especially in destinations where it strains local resources and ecosystems. Over-tourism can deplete natural resources, increase pollution, and destroy habitats, causing lasting harm to the environment and local communities.


Culturally, tourism can also have negative effects. The commercialisation of traditional practices and the displacement of local residents due to rising housing costs are just a few of the issues that have emerged. In some destinations, the influx of visitors has transformed vibrant communities into "theme parks" that primarily serve visitors, leading to a loss of cultural authenticity and social cohesion.

Measuring Resident Sentiment

As part of these efforts, some countries have introduced measures to assess and monitor social license and community sentiment toward tourism. Surveys and other tools are used to gauge residents' attitudes and well-being, helping destination managers identify potential areas of conflict and address concerns before they escalate. Understanding the social and cultural impacts of tourism allows destinations to develop policies and practices that foster positive relationships between visitors and local communities. This not only enhances the overall travel experience but also ensures that tourism contributes to the long-term sustainability of the destination.

Strategies for well managed destinations

Destinations are adopting strategies to manage tourism more effectively, such as regulating visitor numbers, promoting off-peak travel, and encouraging exploration of less crowded areas. These efforts help disperse tourism activities, reduce pressure on popular sites, and distribute benefits more evenly. Additionally, destinations are focusing on building resilient, inclusive tourism economies that prioritize residents' well-being, protect cultural and natural heritage, and adhere to sustainability and social responsibility principles.



INDUSTRY SHIFT #3

GROWING FOCUS ON DESTINATION MANAGEMENT

THE SHIFT

Rapid Return to Business as Usual

As global activity resumes post-COVID, an increasing number of destinations are focusing on destination management due to demands from residents, visitors, and government mandates (McKinsey, 2024). COVID highlighted the extractive nature of tourism and allowed some of the adversely impacted aspects of destination communities and environments to recover temporarily. In 2020, there was shared sentiment to rethink how the industry functioned and to avoid returning to unmanaged and damaging practices. Fast forward to 2024 and a pent-up-desire to travel has left destinations struggling to implement destination management effectively. Some destinations are grappling with over-tourism which results in frustrated communities, and strained infrastructure and degradation of the natural environment.

Role of Destination Management Plans (DMP)

Throughout the world the travel and tourism industry has shifted to formalise frameworks that balances economic benefits with environmental and social sustainability (World Travel and Tourism Council, 2024). These strategies are designed to responsibly manage resources, minimise adverse impacts, and ensure that economic benefits remain within the local community. DMPs aim to achieve a quality visitor experience in conjunction with balancing quality of life for residents and care for the environment and economy. DMPs are not static and require ongoing evolution, confronting persistent challenges, pre-empting and addressing future risks, they consider the current scenario, climate change impacts and future technological availability. In New Zealand's tourism industry, showcasing our pristine environment, welcoming all people, and a commitment to quality and safety is crucial, making it essential to protect our environmental, cultural, and economic stakeholders to futureproof the country as an attractive destination.

Importance of Host Communities in Destination Management

DMPs are changing the way the tourism industry is managed, by bringing together different stakeholders to achieve a collective goal. A driving force among DMPs globally is balancing the social license to operate from the resident community. Residents recognise the benefits of the tourism industry such as employment opportunities and business ownership. However, they also recognise the adverse impacts which put pressures on sanctity of living. Traffic congestion and crowding are just a few of the many examples where local quality of life is adversely impacted.



GROWING FOCUS ON DESTINATION MANAGEMENT

THE IMPACT

Enhanced Visitor Experience

By planning and managing tourism activities, DMPs help create a more enjoyable and organised experience for visitors. This includes improving infrastructure, providing accurate information, and offering activities that meet visitors' expectations. To a visitor, a destination with a DMP can be trusted to have thought through how they will be welcomed and received within the host community, how the impacts they make are mitigated and how they have a higher quality, authentic experience.

Sense of Place

A strong sense of place promotes preservation of local identity, values and welcoming engagement. This establishes community pride, retention of cultural and natural heritage, encourages local spending and attracts entrepreneurship. Tourism business owners, employees or residents alike are all impacted by a DMPs shift in strategic marketing that attracts the ideal visitor for that specific destination.

Integration of Regenerative Practices

DMPs support the implementation of regenerative or sustainable practices to mitigate the adverse impacts of tourism. By integrating sustainable initiatives and managing visitor numbers, DMPs aim to support the preservation of natural and built environments and distribute the tourist load evenly. These efforts ensure the destination remains attractive and viable for future generations, maintaining its natural beauty and cultural heritage. Additionally, sustainable practices often foster a positive relationship between tourists and the local community, as both work together to protect and enhance the destination. This holistic approach benefits the environment and supports the long-term economic and social well-being of the destination.

Competitive Advantage

Destinations leading in destination management create market competitiveness and incentive through point of difference. A well-managed and progressive destination attracts a higher contributing visitor and encourages resident to live and work towards a common understanding and respect for a destination. There is a growing sentiment that people want to be in a harmonious, well managed place and a destination's regenerative or sustainable leadership can attract entrepreneurial thinkers, business investment and higher contribution per visitor.

Strategic Marketing Approach

Destination Management Plans employ targeted marketing strategies to attract visitors who appreciate and respect the destination's unique qualities. By conducting detailed market research, DMPs can create campaigns that resonate with specific visitor segments, highlighting the destination's cultural heritage, natural beauty, and distinctive local experiences. This approach helps build a loyal visitor base, as these visitors are more likely to return and recommend the destination to others.



INDUSTRY SHIFT #4

EMBRACING TECHNOLOGICAL ADVANCEMENTS

THE SHIFT

Generative AI and Chatbots

Generative AI has swiftly become a pivotal force in the travel and tourism sector (Adventure Travel Trade Association, 2024). Tools like ChatGPT are revolutionising travel planning and management by enabling users to easily generate content and boosting productivity and creativity, allowing travellers to efficiently plan trips and handle customer service interactions. AI-powered chatbots and virtual assistants on travel websites enhance user experience by answering questions, offering personalised recommendations, and creating customised itineraries, making the travel industry more responsive and customer-centric.

Super Apps and VR/AR

Super apps are emerging as a significant trend in the travel industry, providing an all-in-one solution that combines various functionalities into a single platform (World Travel and Tourism Council, 2024). These apps simplify the travel process by offering booking, payments, and other services in one place. However, they face challenges in building consumer trust and overcoming preferences for more specialised tools. Virtual Reality (VR) and Augmented Reality (AR) are also becoming valuable tools in the travel industry. They allow travellers to virtually preview destinations before booking, helping them make more informed decisions. These technologies enhance on-ground experiences by providing immersive, interactive elements that make trips more engaging and memorable. The adoption of VR and AR is set to transform how travellers explore and experience destinations.

Digital Payment Methods

The travel industry is also embracing new digital payment methods, including cryptocurrency, subscription models, and facial recognition systems (PhocusWire, 2024). These methods aim to simplify transactions and improve the overall customer experience, making it easier for travellers to make purchases and manage bookings. As these technologies become more widespread, they are expected to further transform the travel industry by offering more convenient and secure payment options.



EMBRACING TECHNOLOGICAL ADVANCEMENTS

THE IMPACT

Enhanced Customer Experience

Generative AI and chatbots are revolutionising customer service in the travel industry by offering personalised recommendations and efficient support. These technologies enable travel companies to provide tailored experiences, which in turn boost customer satisfaction and loyalty. By using AI to understand and anticipate customer preferences, companies can create more engaging and customised travel experiences, making it easier for travellers to plan and enjoy their trips.

Improved Efficiency and Cost Savings

AI-driven predictive maintenance and automation are significantly enhancing efficiency within the travel industry. For example, airlines can now use AI to predict when maintenance is required for aircraft, reducing the risk of delays and cancellations. This not only ensures smoother operations but also leads to substantial cost savings by minimising downtime and optimizing resource allocation. Additionally, automated processes in various areas, such as check-in and customer inquiries, reduce the need for staff, allowing companies to reallocate human resources to more complex tasks.

Shifting Buying Cycles

The integration of digital payment methods has drastically shortened the buying cycle in the travel industry. Travellers can now make purchases instantly through their mobile devices, which reduces the time and effort needed to book trips. This convenience has led to increased spending and revenue for travel providers, as the streamlined purchasing process encourages more spontaneous bookings and reduces the barriers to completing transactions.

METHODOLOGY AND SOURCES

Methodology

Emerging Travel Trends and Industry Shifts research utilised secondary sources that are widely recognised and respected within the industry. All data and information referenced in this study were obtained from reputable publications and reports to ensure the accuracy and reliability of the findings. The information provided aims to inform about general trends and industry shifts based on the data available at the time of the study. It is not intended to substitute for professional advice or more rigorous, specific analysis. The insights may not apply to an organisation's specific situation and should not be used or viewed in isolation. DQ assumes no liability for any actions taken based on the information or insights provided.

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