

amadeus

2021

Rebuilding travel together

The background of the entire page is a photograph of four people jumping joyfully on a beach at sunset. The sun is low on the horizon, creating a warm, golden glow. The people are silhouetted against the bright light. At the bottom of the page, there is a large, abstract graphic overlay consisting of several overlapping, curved shapes in shades of purple, blue, and orange, resembling a stylized map or a decorative element.

Why greater collaboration is key to delivering the stress-free traveler experiences that can unlock recovery and growth

APRIL 2021

amadeus

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FOREWORD

Now is the opportunity to rethink the future of travel

More than one year on from the start of the global pandemic, the scale of the challenge facing our industry is evident. Last year, we saw the end of the annual growth and expansion of the travel sector we were accustomed to. Instead, it was replaced by uncertainty and contraction, the impact of which will be felt for several years to come.

As the scale of the challenge is clear, so is our mission. We need to work together to understand what travelers want and look critically at how we, as an industry, can deliver on their requirements. We need to explore the abundant opportunities to modernize our sector and build new foundations for future growth and prosperity.

Following the initial shock of the pandemic and the collapse of global travel volumes, our industry has rapidly adapted. The travel sector is notoriously resilient. There is cause for much optimism. Firstly, because of the fundamental reasons people travel — to see family and friends, explore new cultures and do business — remain. And secondly, because the creativity of our industry will help harness the opportunities as we rebuild travel.

By doing so, we can continue to reshape our industry, ensuring it is responsive to people's needs and fosters increased trust and confidence. As access to information, adhering to hygiene

standards, social distancing and flexibility become important, technology must support travelers and the industry.

To understand the drivers of change ahead, we have spoken to a range of industry leaders and undertaken traveler research at different stages in the last few months. This paper brings together some of the insights that have emerged. For me, travel has always been a source of inspiration, and the findings of this project give me cause for positivity as we work together to rebuild our industry.

Marion Mesnage
Head of Nexwave, Amadeus

INTRODUCTION AND METHODOLOGY

“Travel is not coming back the way it was before. And I hope we can embrace the opportunities to build a more sustainable travel industry.”

Tony Wheeler
Founder, Lonely Planet

In the wake of COVID-19, it is important to focus on how the industry can recover in 2021. Travel has changed, and as restrictions lift, and vaccines continue to be rolled out globally, the industry must maintain its focus on building trust and confidence among travelers.

This year represents an inflection point for the travel industry. As always during crises, new opportunities emerge to redefine and reshape how industries function, how companies operate and how services are delivered. This is the challenge and the opportunity facing everyone who works in travel.

This paper has been developed to explore the changes in traveler behavior that will shape the sector going forward; how the industry can assimilate and adapt to the new normal; and the role of technology in supporting recovery and encouraging travel demand.

Interviews with industry experts – including technologists, forecasters, economists, marketers, consultants — were conducted at the end of 2020. This insight was combined with quantitative traveler research completed late last year, as well as extensive desk research, as the crisis unfolded.

Section 1

How is traveler behavior changing?

- COVID-19 offers an unprecedented opportunity to modernize the traveler experience for the long-term
- Being in control matters, travelers want more options to embrace spontaneity
- The more informed traveler
- Changes in traveler type set to be a feature of the new normal
- Will the democratization of travel come to an end?





COVID-19 offers an unprecedented opportunity to modernize the traveler experience for the long-term

There is no doubt that 2020 was unprecedented for travelers and the industry alike. From borders closing, to the uncertainty surrounding quarantine measures as restrictions eased in certain geographies, COVID-19 has been a true black swan for travel. There is opportunity in all this darkness.

The opportunity now lies in understanding the new requirements and expectations from travelers that have emerged with the pandemic. These include improved health and safety measures; access to up-to-date, reliable and trusted information; to know where they can travel safely; what activities and attractions are open; and journeys that enable them to feel safe and secure.

The concerns expressed by travelers in the early stages of the pandemic¹ found that more than 40% of respondents would choose destinations with higher health and safety measures in place; avoid crowded destinations; and favor airlines, airports and hotels with stricter health and safety standards.

40% of respondents would choose destinations with higher health and safety measures in place





A later survey² conducted at the beginning 2021 — comprised of more than 9,000 respondents across nine markets — saw 41% of travelers expect to book international travel within six weeks of restrictions lifting, demonstrating the appetite to travel remains high. Meanwhile, only five percent said that they didn't have any concerns about traveling in light of COVID-19.

It's encouraging to see that people's appetite to travel remains undiminished. We need to work together as an industry to deliver these needs and expectations from travelers.

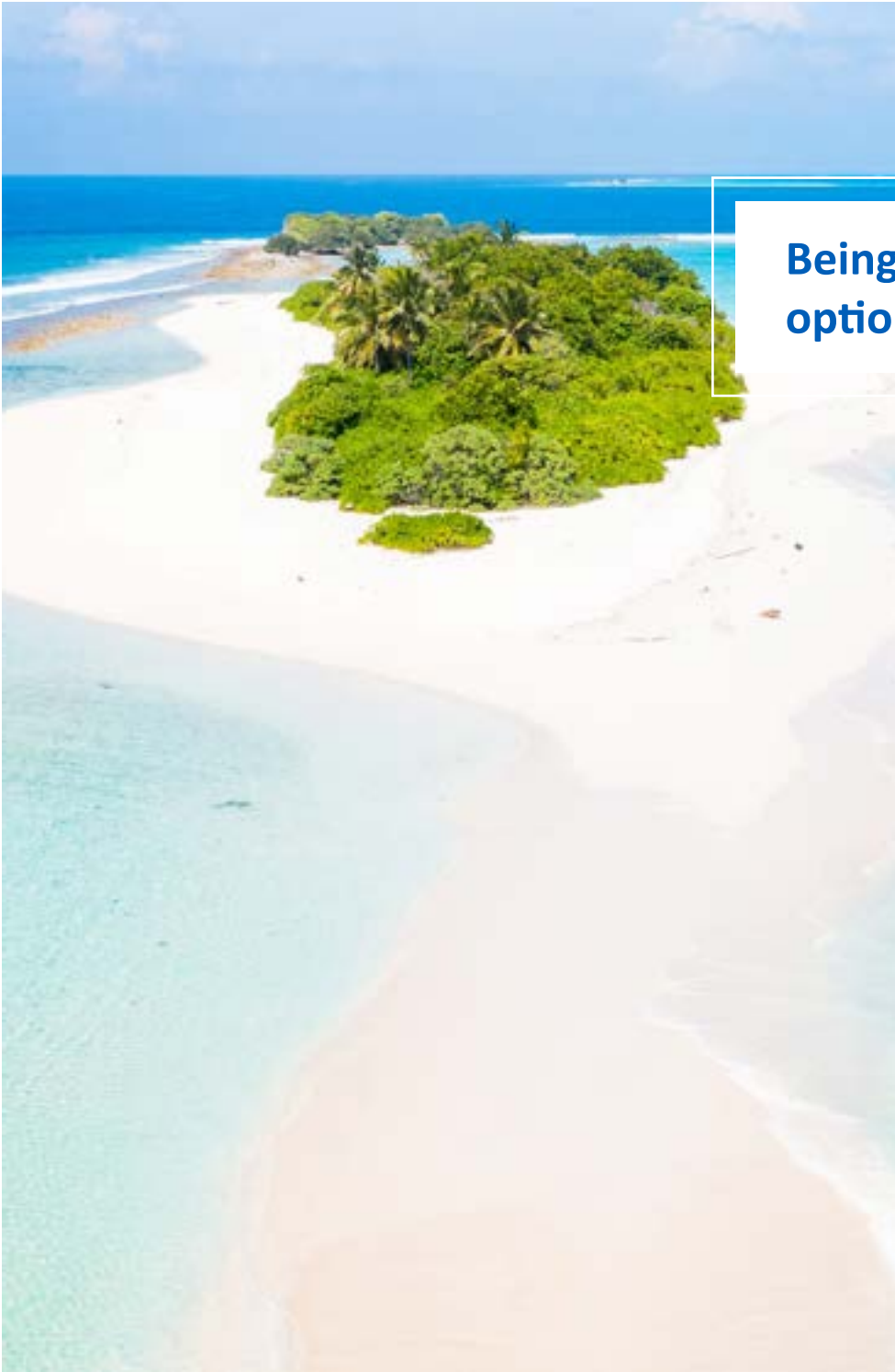
Travelers have always been challenged by stress and pain points at different stages of the journey. When surveying travelers across all regions, more than half cited transfers, at the airport, inflight and airline connections³ as common stress points. Similarly, pre-trip planning and accommodation are key pain points too, especially for Asian travelers⁴.

These are areas where action is also required due to COVID-19. The things that travelers want to see addressed have been well-documented, and many were points of stress for travelers *prior* to COVID-19, which have been accelerated by the pandemic. These include shorter queues and reduced congestion in transport hubs; minimizing face-to-face contact; protecting financial data and personal information;

early notifications of changes; the accuracy of national test, track and trace programs. If the industry is able to address these long-standing stress points and accelerate progress in response to the challenges of COVID-19, it can be successful in building a better, more responsive, more enjoyable experience that will be key to long-term recovery and renewal.

Responding to the challenges of COVID-19 could result in the delivery of better, more responsive travel experiences





Being in control matters, travelers want more options to embrace spontaneity

In an era where change is the only constant, travelers are demanding more control over how and when they travel. This has influenced the rise of more spontaneous booking. As the travel environment continues to be fluid, as restrictions change and alter, often with only a few hours' notice, people are becoming more spontaneous. In the hospitality sector, there has been a significant increase in booking weekend breaks on a Friday when people can be sure they are able to go, rather than booking ahead when they're uncertain about changes in travel guidance.

“Cancellation policies are at the front of leisure travelers' minds right now. People will not make firm travel plans in the way they used to. Even when traveling domestically, they will buy insurance and will keep their options open, possibly booking three options and cancelling two in some cases.”

Marion Mesnage
Head of Nexwave, Amadeus

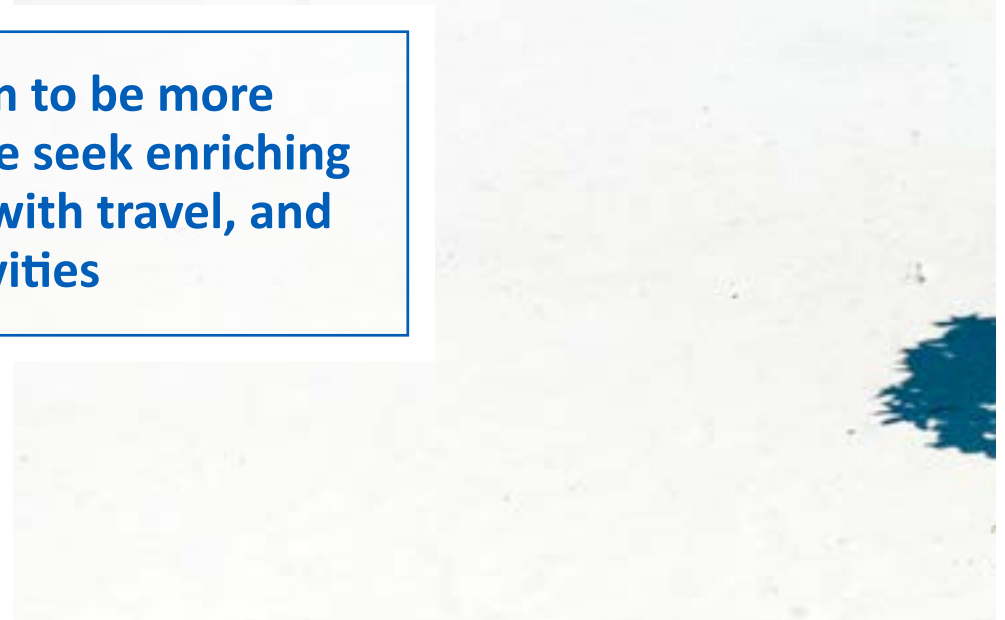
At the same time, the desire for greater spontaneity is twinned with more conscious choices.

Travel choices seem to be more conscious⁵ as people seek enriching experiences, time with family, and more outdoor or nature activities (see below). While spontaneous and conscious travel may seem at odds, the trends suggest that people are booking later, but seeking trips that deliver more meaningful travel experiences.

Tony Wheeler, Founder of Lonely Planet sees the potential reversal of high-frequency travel as people start

to travel again. This focus on more meaningful experiences exists across other sectors such as retail, where Accenture suggests that 2020 will be the 'Decade of the Home'⁶ as people embrace community, gatherings with friends and more conscious consumerism.

Travel choices seem to be more conscious as people seek enriching experiences, time with travel, and more outdoor activities





The more informed traveler

“Travelers demand consistency of procedures wherever they go. They want a similar and trustable end to end experience - testing on arrival / departure, quarantine policies, vaccination certification, the wearing of PPE, use of temperature checks, effective hygiene practices, and adherence to social distancing rules. They want the confidence that consistency brings and do not want to see huge discrepancies in standards and procedures.”

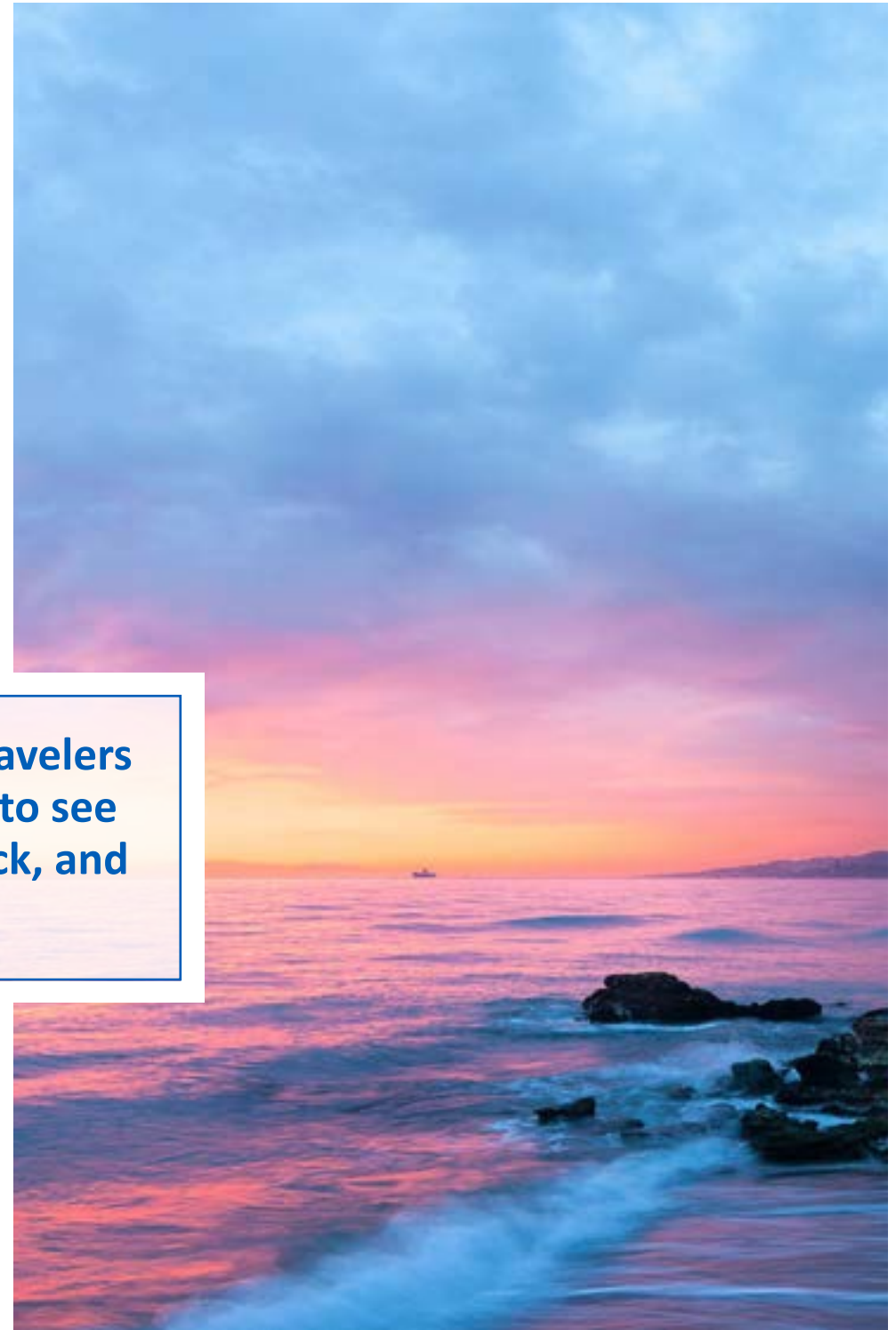
Rohit Talwar
Aviation Futurist, Fast Future

Travelers increasingly are demanding greater clarity around testing, regulations, and prerequisites to travel. More than 91% of travelers⁷ surveyed said they would be comfortable using a digital health passport for future trips.

Traveler awareness of physical touchpoints in transport hubs, aircraft and accommodations has increased too, as people become more conscious of hygiene and sanitization.

Research suggests that removing physical checks and queues when traveling by leveraging technologies such as biometrics, will become increasingly important. More than 90% of travelers now say that technologies will increase their confidence to travel, an increase from 84% in September 2020.

More than 40% of travelers said they would like to see an effective test, track, and trace program



A vertical photograph of a tropical beach. In the foreground, there is a white sandy beach with gentle waves lapping at the shore. The water is a clear, vibrant turquoise color. In the background, there are several palm trees with green fronds against a bright blue sky with a few wispy clouds. The image is partially obscured by a white text box on the right side.

Changes in traveler type set to be a feature of the new normal

The pandemic has brought with it lots of commentary about ‘who’ will travel, or at least who will start to travel more quickly. There is consensus, among the interviewees for this paper, that business travel will be slower to return as organizations and employees have become more used to home working and online collaboration tools. At the same time, corporations are likely to be cautious about business travel as uncertainty in travel restrictions and quarantine rules remain.

“Business travel will look very different for companies have a hybrid or working-from-home culture going forward. Technologies such as Zoom have negated the need to travel for one-day business sessions, especially if internally. I very much doubt conferences will return in the immediate future. However, one can’t ignore the fact that face-to-face interactions will always have a place in business.”

Christian Kramer
General Manager, The Points Guy UK

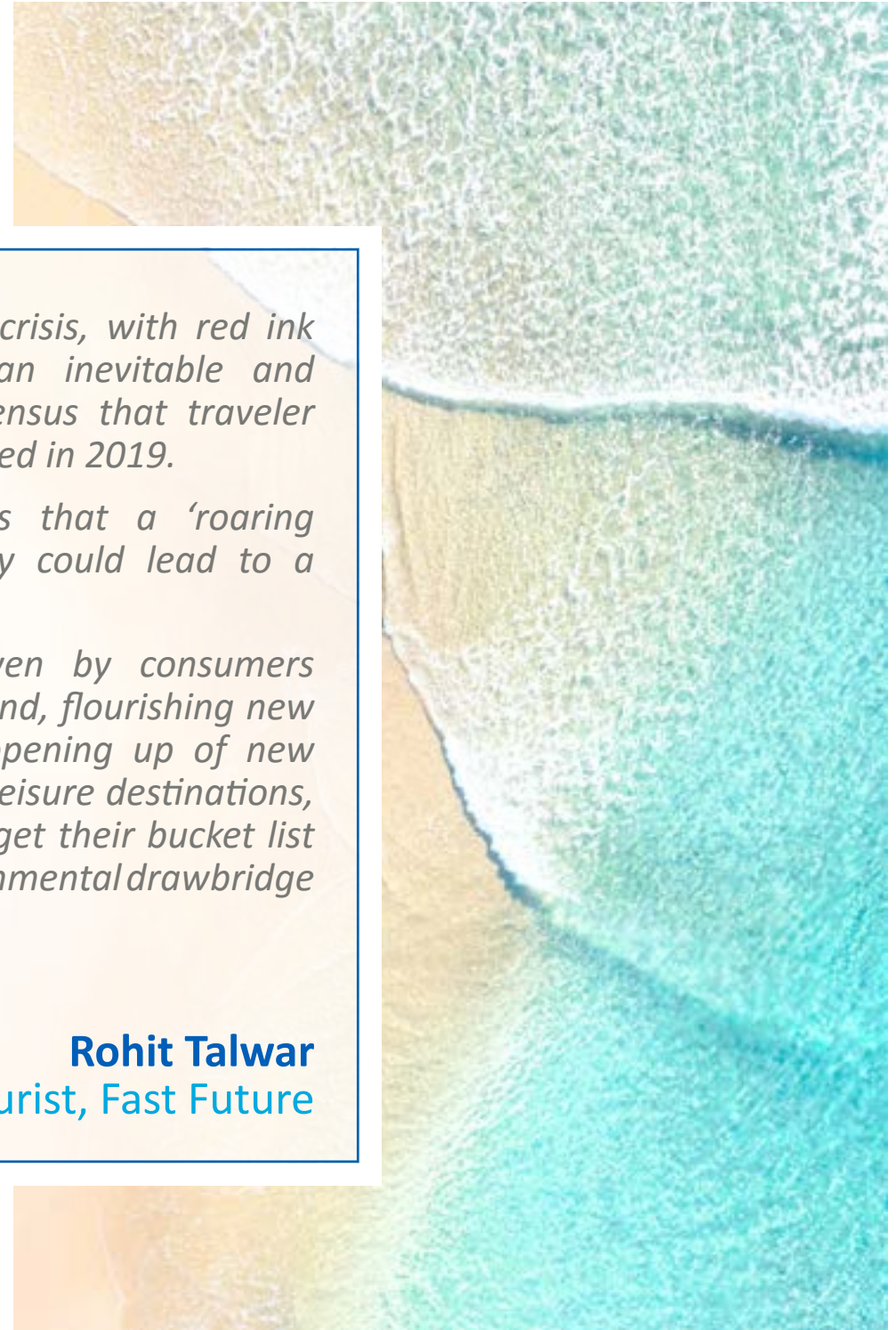
Despite this, there is optimism about the leisure sector, as pent-up demand among other things is likely to fuel recovery in 2021 and beyond. However, there is some debate over whether we will see leisure travel return to the same level as it was in 2019.

“In the middle of the crisis, with red ink everywhere there is an inevitable and growing industry consensus that traveler volumes may have peaked in 2019.

An alternative view is that a ‘roaring twenties’ style recovery could lead to a global travel boom.

Growth could be driven by consumers releasing pent up demand, flourishing new business sectors, the opening up of new economic markets and leisure destinations, and travelers trying to get their bucket list trips in before the environmental drawbridge comes down.”

Rohit Talwar
Aviation Futurist, Fast Future



Experts see a number of trends in traveler typologies.

One potential shift is the rise in multi-generational travel. Firstly, there is safety in numbers. A larger, multi-generational group will most likely be able to have a more personalized and tailored experience. Transfers to and from the airport and visiting attractions could be conducted in one vehicle, such as a minivan, rather than using public or shared forms of transportation. This would help to preserve the

integrity of the group bubble and reduce interactions with those not in the cohort. Secondly, there was consensus among those interviewed that the economic impact of the pandemic would be felt most acutely among younger generations. Therefore, this could drive interest in multigenerational travel, as Generation Z and Millennials holiday with wider family members to help reduce costs but still enjoy the experience.



The growth of domestic and regional tourism, which reduced the need for air transport and allowed people to easily return home if restrictions changed at short notice, helped bolster this trend.

Domestic tourism was a driver of UK travel spending last year and is expected to be £61.7 billion in 2021 (as of December 2020's predictions), 67% of the 2019 figure but still significant⁸. The trend exists in other markets, including the US, where 46% of travelers⁹ believed that camping was the safest type of holiday. In Asia, domestic and regional tourism boomed in 2020, with regional searches for destinations like Vietnam rising four-fold compared to 2019¹⁰.

“We are seeing an increase in domestic travel within the German market, especially self-drive holidays to surrounding countries. There is also an increased desire for outdoor activities such as hiking and cycling. Those activities that take travelers away from the crowds. This also fits with the trend seen in the summer of 2020 towards self-service apartments and rental homes.”

Nina Wittkamp
Partner, McKinsey & Company



Interviewees were united in their view that business travel is likely to be changed forever. As companies, predominantly in the services sector, have embraced remote working and accelerated the adoption of online collaboration tools and video conferencing, the scale of business travel has been reduced significantly.

“The future of travel and the future of work are inextricably linked. As many people recognize that they can work from anywhere, we’re likely to see the acceleration of people staying in places away from home for longer, as they can continue to work at the same time as exploring new places and new cultures.”

Arjan Dijk
Chief Marketing Officer, Booking.com



It seems that the future of business travel is likely to be reshaped by the future of work. Many large organizations permanently embedded remote working, and this is likely to change the way in which people travel for business.

Emily Weiss, Global Travel Industry Lead at Accenture, feels that a new type of traveler will emerge, the nomadic traveler, which was echoed by Arjan Dijk from Booking.com. As the future of work changes, many office-based employees are in a position to make different choices about how they travel. No longer constrained by office location, there is potential for people to combine a holiday with work. This trend is likely to be accelerated as people crave a different environment given that the home and work environment

are becoming increasingly blurred. And for those with children, there is the added appeal of staying in hotels or resorts where activities are abundant, while parents are working.

For those who are less able to combine work and leisure travel longer, we are also seeing other adaptations in business travel. As home working becomes the norm, hotel brands, such as Marriott are offering services that enable people to work away from home shorter-term, breaking up the monotony that many people experience, especially in cities, when domestic and work lives collide.





Will the democratization of travel come to an end?

A fear expressed by some of the expert contributors was that the pandemic will herald the end of the democratization of travel, which has seen more people travel than ever before as travel has become more accessible.

Rohit Talwar and Tony Wheeler both expressed the belief that the economic impact of the downturn will lead to travel, which is often a discretionary item, being less affordable to more people in the next couple of years than in 2019. This is due both to the increasing costs associated with travel as a result of the pandemic, including testing and certification, and the likely deterioration in consumer spending power as job losses and pay rises are felt.

“There have been countless travel crises, but the psyche of the traveler is pretty resilient, and we will continue to see it bounce back. The things that motivate travel — experience, being with family and friends, meeting for business — will drive recovery, with the added fuel of pent-up demand.”

Adam Sacks
President, Tourism Economics

However, what all interviewees agreed on is that the underlying motivation for people to travel is likely to remain unaffected. And this provides significant cause for optimism, as expressed by Adam Sacks, as vaccines rollout across key markets, and pent-up demand for travel encourages people to think about where they want to go.

“People will still make wish lists. They will still want to visit popular destinations such as New York, Paris and Venice. And alongside those — particularly in light of the work from home trend which is further fueling our need to travel — they are also craving new experiences, especially those that will immerse them in nature.”

Arjan Dijk
Chief Marketing Officer, [Booking.com](https://www.booking.com)



To capitalize on this demand for travel, the industry and governments must identify ways to encourage people to start traveling again, comforted by the knowledge that it is safe, and that they are in control.

When it comes to traveler behavior and expectations, it is apparent that in 2021 and beyond, things will not be the same as 2019. This is why it is important to rebuild travel in a way that recognizes these changes. One such area is around the growing appetite for sustainable travel options. Almost 40% of leisure travelers expressed a desire for a user-friendly method of identifying these options and a mechanism to reduce carbon emissions when they travel. This is explored in further detail in the next section.

Without understanding shifts in traveler preferences, behaviors and expectations, it's difficult for the industry to rebuild in a way that delivers the confidence and trust needed to spur demand. Despite the challenges of the new normal, there is the opportunity to connect with travelers in a way that is more personal and more responsive.

It's important to rebuild travel in a way that recognizes how traveler behavior and expectations have changed since 2019



Section 2

What will it take to rebuild back travel better?

- Greater collaboration can unlock travel demand and spur recovery
- Increased modernization is needed to transform how travel operates
- More sustainable travel will become a key pillar of the new normal





How can the new normal in travel be more collaborative, forward-thinking, and sustainable?

The pandemic presents a once-in-a-generation opportunity for the industry to think about how to build a travel sector that better serves its customers, and one that is more resilient and responsive.

The situation isn't unique to travel. All sectors — whether retail, financial services, entertainment, or others — need to think imaginatively about how they can use 2021 to build back better. For travel, one of the significant contributors to global economic prosperity, building back better can take many forms. In this section, we examine how the new normal in travel can be more collaborative, forward-thinking and sustainable.



Greater collaboration can unlock travel demand and spur recovery

The travel industry is, and has been for many years, fragmented. Whether it is the divide between travel providers and sellers, or different segments, systems and platforms across the industry have all contributed to fragmentation. Who owns the ‘traveler’ has often led to a reluctance to collaborate across the different segments and stages of the traveler journey.

The crisis has highlighted the need to address industry fragmentation. When the pandemic first hit, and disruption became a daily challenge, it exposed the lack of integration across the sector.

Not only must the industry have better communication between segments, working together with governments and public authorities is also vital.

“We are likely to see the rise in health and immunity certificates become a bigger and more important part of the picture.”

Tony Wheeler
Founder, Lonely Planet

Against a backdrop of social anxiety and weakened global economic conditions, there are two areas where collaboration needs to be focused.

Firstly, around health and immunity certificates. The suppression of the virus will be patchy as different countries take different measures to control its spread, vaccine rollout varies, and subsequent waves and further new strains emerge.

This patchwork of suppression and containment will mean that health and immunity certificates will become an important tool in facilitating the recovery of travel. Therefore, the industry must work hand-in-hand with industry organizations such as IATA, national governments and public health authorities so that there is a workable, transparent and consistent approach to health and immunity protocols to open up travel.



Once agreements are reached on the role and application of certificates, it is equally important that adoption and compliance across the industry is made easy. And this is where technology can play a role, cutting through the complexity for travelers and making operational deployment as easy as possible, something we explore in the following section. This is not only essential for recovery, but people are demanding it. More than 9 in 10 (91%) travelers surveyed said they would be comfortable using a digital health passport for future trips, with 7 in 10 (72%) willing to store their travel health data electronically if it enabled them to travel to more destinations.

Secondly, there needs to be greater collaboration across the industry itself and a renewed focus on the connected end-to-end traveler journey. One of the unfortunate aspects of the pandemic has been increased disruption and uncertainty. In the medium-term, this is likely to be a feature of travel until vaccines are rolled out widely across all markets.



More than a third of travelers want a universal digital traveler identification on their phone

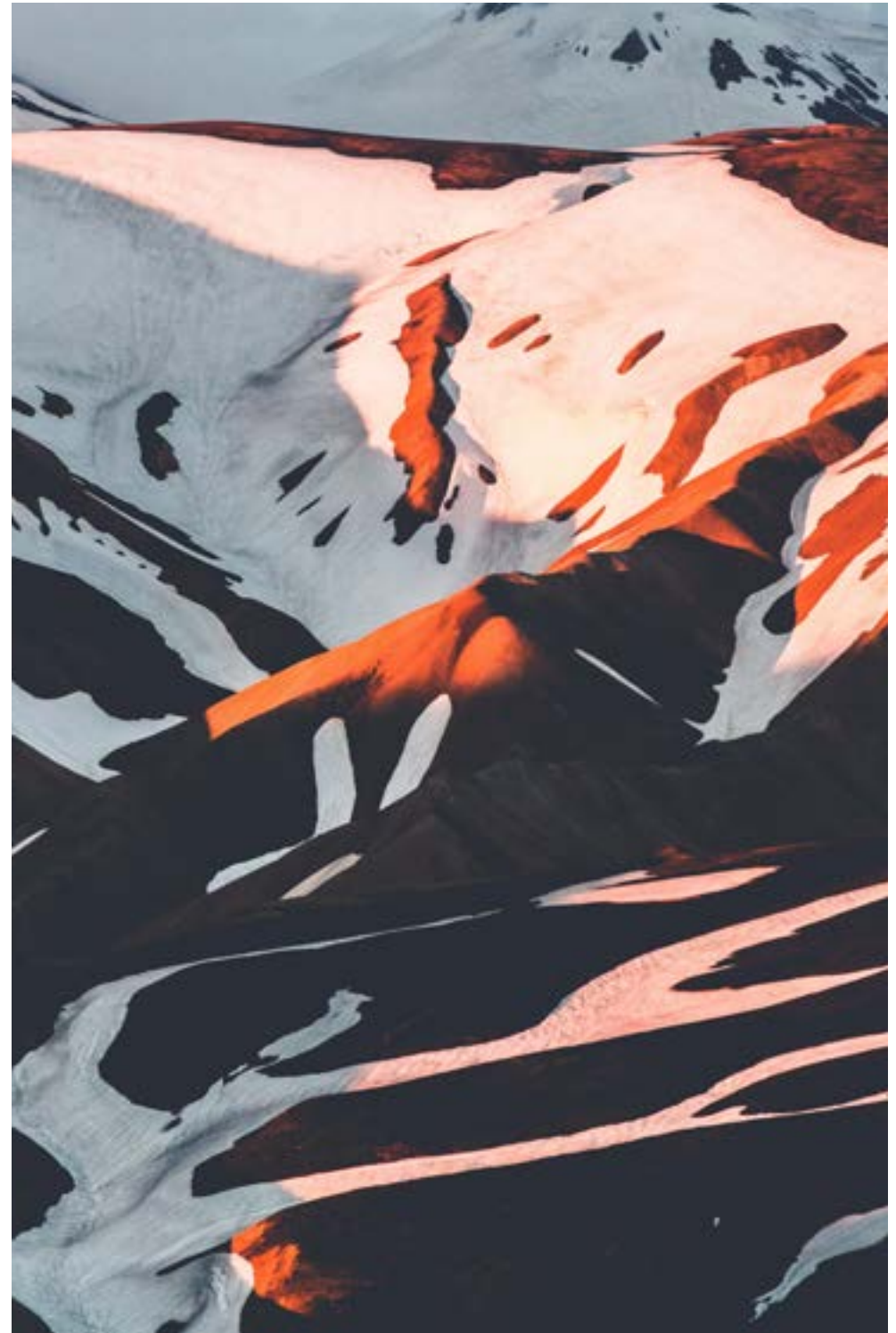
Therefore, more focus is needed on the connected journey, requiring all industry segments to work together to ensure a seamless traveler experience. And where disruptions occur, it needs to be managed proactively in a way that is invisible to the traveler.

For example, if someone books an Uber or equivalent ground transport to the airport, the airport authority could know their estimated time of arrival to optimize queuing times. The airline might then be able to calculate the best time to board passenger groups to avoid congestion and crowding at the gate. Upon arrival at their destination airport, to

avoid the need for physical contact, the immunity and passport status might be automatically recognized before travelers are guided to their chosen transfer option through a mobile app.

This scenario is possible today with greater collaboration between all stakeholders involved in travel.

The crisis has provided the incentive to make this a reality. At the same time, this requires the careful and secure handling of data, and the consent of travelers to share their personal information.





Increased modernization is needed to transform how travel operates

The industry standards of 2019 will be replaced with a different set of norms. As travelers evolve the operating environment changes, economic landscapes shift and technology adoption accelerates.

“The travel industry will be transformed fundamentally within the next two to five years. This is going to be a learning process which requires the sector to adapt using very different strategies. Hence, travel sector players need to use the current period of lower activity to think long and hard about the next wave of business models, products, and services, and to experiment with radically different ideas as they search for differentiation, profitability, sustainability, and growth.”

Rohit Talwar
Aviation Futurist, Fast Future

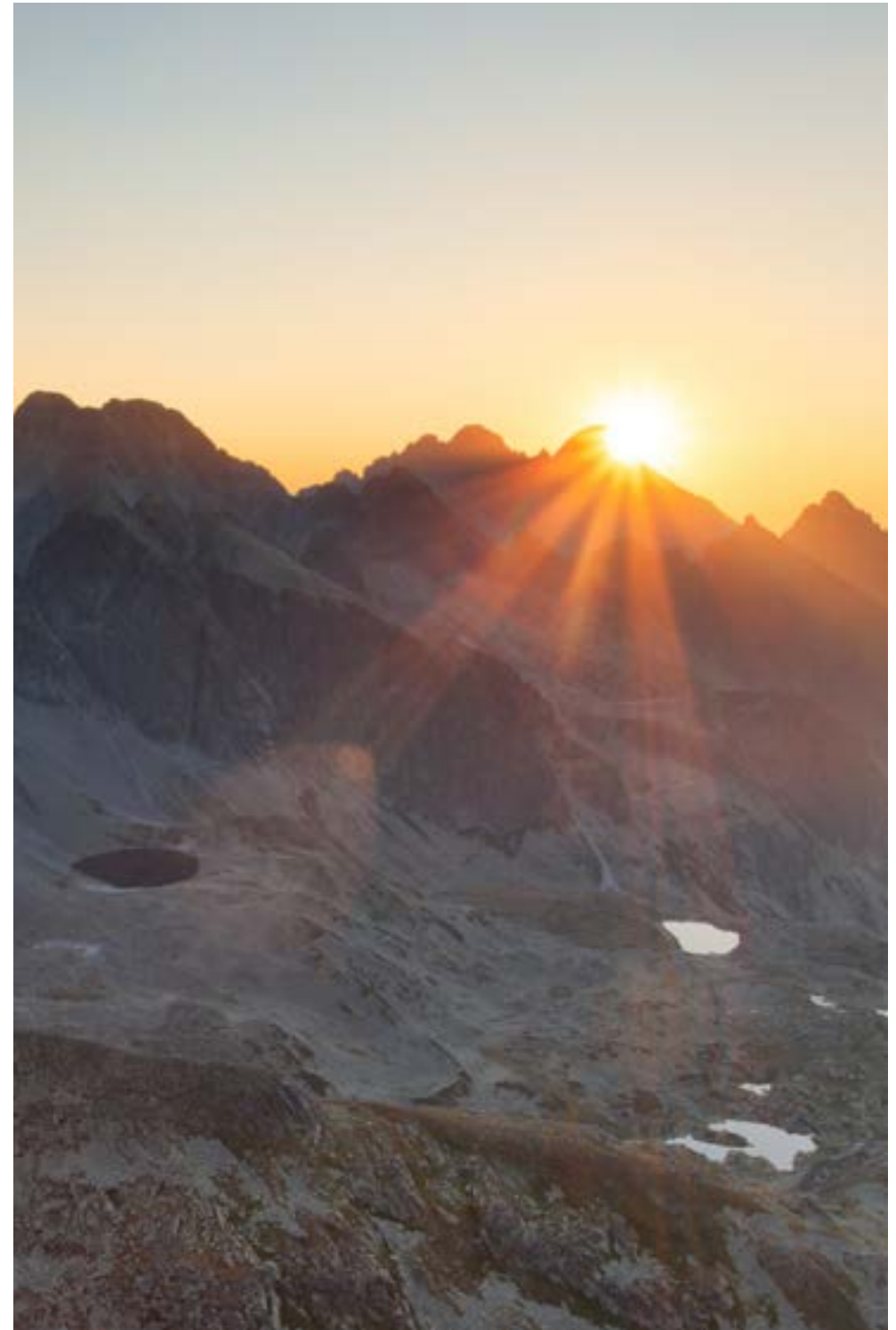
In the new normal, no one company has all the answers. Co-creation and co-innovation will become more prevalent, as the shared industry interest in securing recovery and growth usurps narrow commercial self-interest.

This will accelerate open and collaborative approaches to innovation that can be found in other sectors. Inspiration for rebuilding travel will come from many different quarters, whether it is from within the industry or beyond. This will require fewer proprietary ways of working, more open networks and increasingly agile platforms so that the industry can evolve quickly.

Travel should learn from other sectors that have gone through periods of major disruption, whether

that be entertainment or financial services. There is no longer room for traditional mindsets. As we saw the music, TV, and film industries evolve ten years ago towards a subscription and platform-based model, the travel sector will need to think and experiment in an equally creative manner.

What travelers valued in 2019 may be very different from what they will value in 2021 and beyond. This opens up the possibility of new products, new service delivery models, and new revenue opportunities.



The subscription model, which is particularly popular among the Millennial generation, offers the potential for companies to drive loyalty and maintain revenues during times of crisis. For some contributors, including Nina Wittkamp at McKinsey & Company, there is the potential that the continual downward pressure on price might ease post-pandemic. As travelers demand more transparency, greater levels of reassurance, and increased personalization, they may be willing to pay for things such as additional cleaning, private transfers, and contactless experiences.

A modern, personalized, retailing mindset that understands where the value lies for the traveler has the potential to help the industry adapt. This is already taking place in the destination marketing space, as countries compete for a smaller pool of travelers. For example, more creative and focused campaigns, conducted on newer digital platforms, offer the potential to drive brand awareness for lower levels of investment than more traditional channels.





More sustainable travel will become a key pillar of the new normal

For several years, there has been increased focus on the greening of the travel sector. While it is accepted that travel is a force for good in terms of social and economic development, we know that it can also harm the environment, whether due to over-tourism, increasing carbon emissions or being harmful to biodiversity.

One outcome from the pandemic, and the resulting slowdown in global economic activity, has been the regeneration of nature. We have seen the return of animals to places that they had vacated, people embracing nature more fully as life slowed down, cleaner skies as air transport ground to a halt, and better air quality as people stayed at home. However, this comes at a cost economically, not just to travel but to all sectors.

The consensus among contributors to this report is that the travel industry that emerges over the next few years will be more sustainable and greener. The drivers behind this shift are likely to be three-fold: consumer pressure for more sustainable travel options; economic incentives as a result of government support packages; and the acceleration of innovation to improve operations.

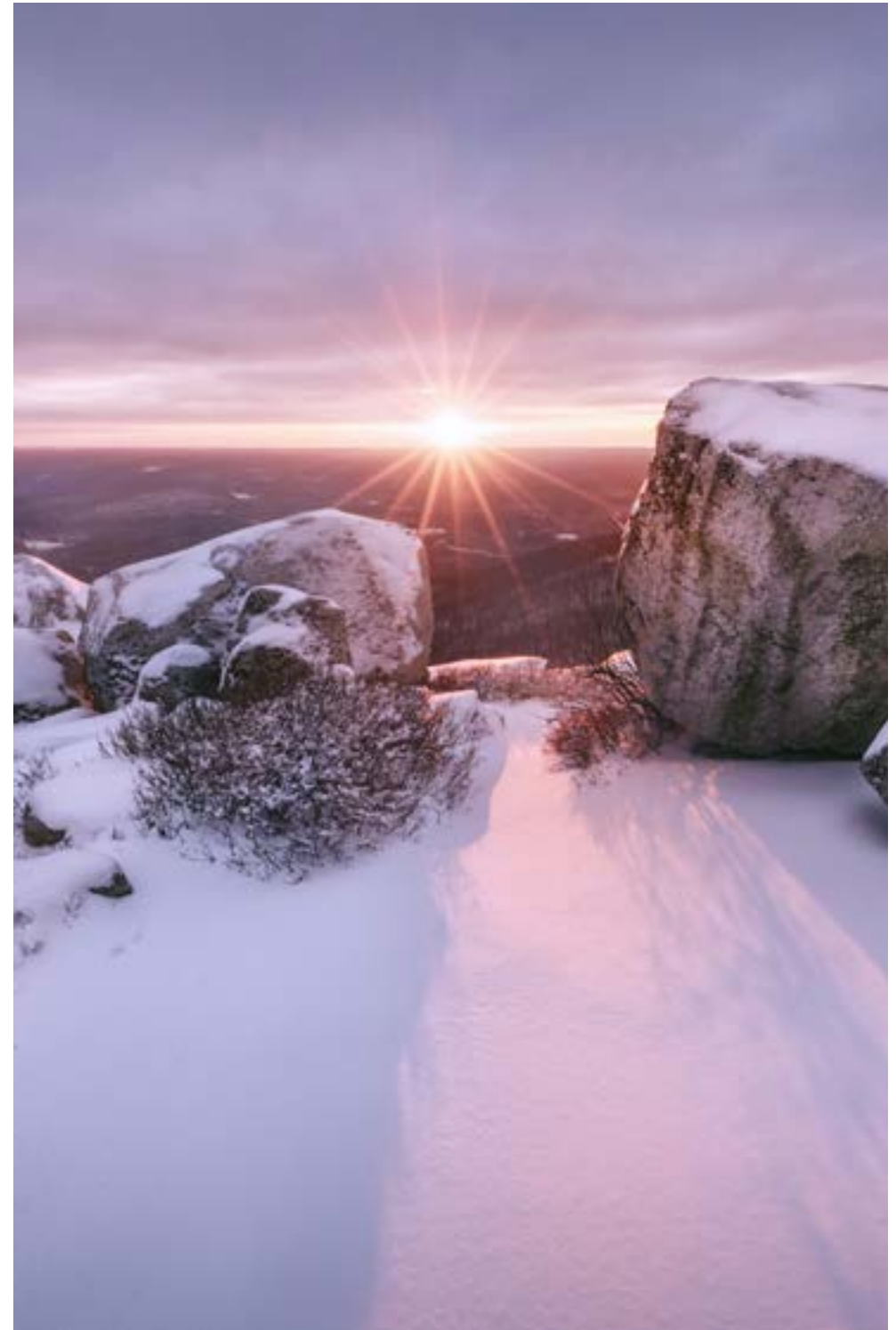
“I am hopeful that people will make more conscious choices about their travel, think more holistically about its impact and be mindful of over-tourism. It is true that travel is a force for good. If you look at Africa, tourism is key to the preservation of species. I am optimistic that we will see more choice for travelers to minimize their environmental impact.”

Tony Wheeler
Founder, Lonely Planet



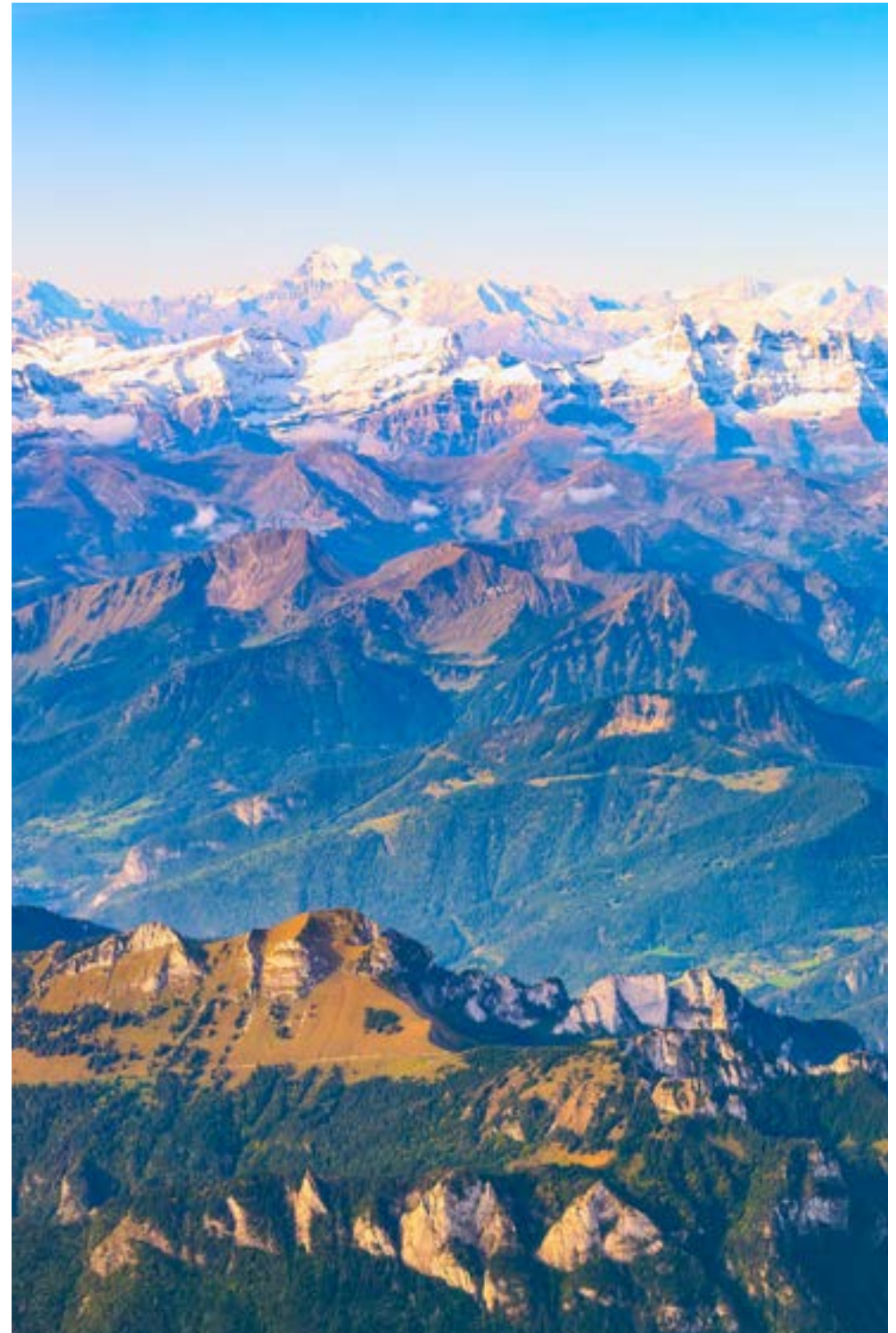
One sign that the greening of the industry will continue is that traveler demand for more sustainable travel options is holding steady across all demographics and markets. Our Rethink Travel survey, conducted in Q4 of 2020, revealed that one-third of Millennials, and almost 40% of Indian travelers, wanted to see more availability of sustainable travel options and ways to reduce their carbon emissions when traveling. This was a high priority for one in four travelers across all six markets and demographics¹¹. This is likely to act as an incentive for all travel players to think about how their products and services can be differentiated in the new normal.

In addition to traveler demand, the industry has seen increased government support for many industries, including air travel. There is also a growing demand for the industry to reduce carbon emissions and build back greener. The French government's support for Air France has been dependent on its willingness to reduce domestic flights in favor of rail links, and on an agreement to working towards becoming the world's most environmentally friendly airline. This type of support and intervention is likely to be a driver for the greening of the industry.



Finally, there has been the coming together of environmental and economic incentives. Many airlines have used the reduction in passenger numbers to upgrade fleets to more fuel-efficient aircraft. While experts believe this is a step in the right direction, they agree that more steps are needed to birth a greener industry. For example, we will likely

see more investment and innovation around eco-fuels and electric flying. Likewise, the hospitality industry recognizes that moving towards a more sustainable approach requires budgeting in areas like cleaning, which is ultimately cost-effective and a point of differentiation.

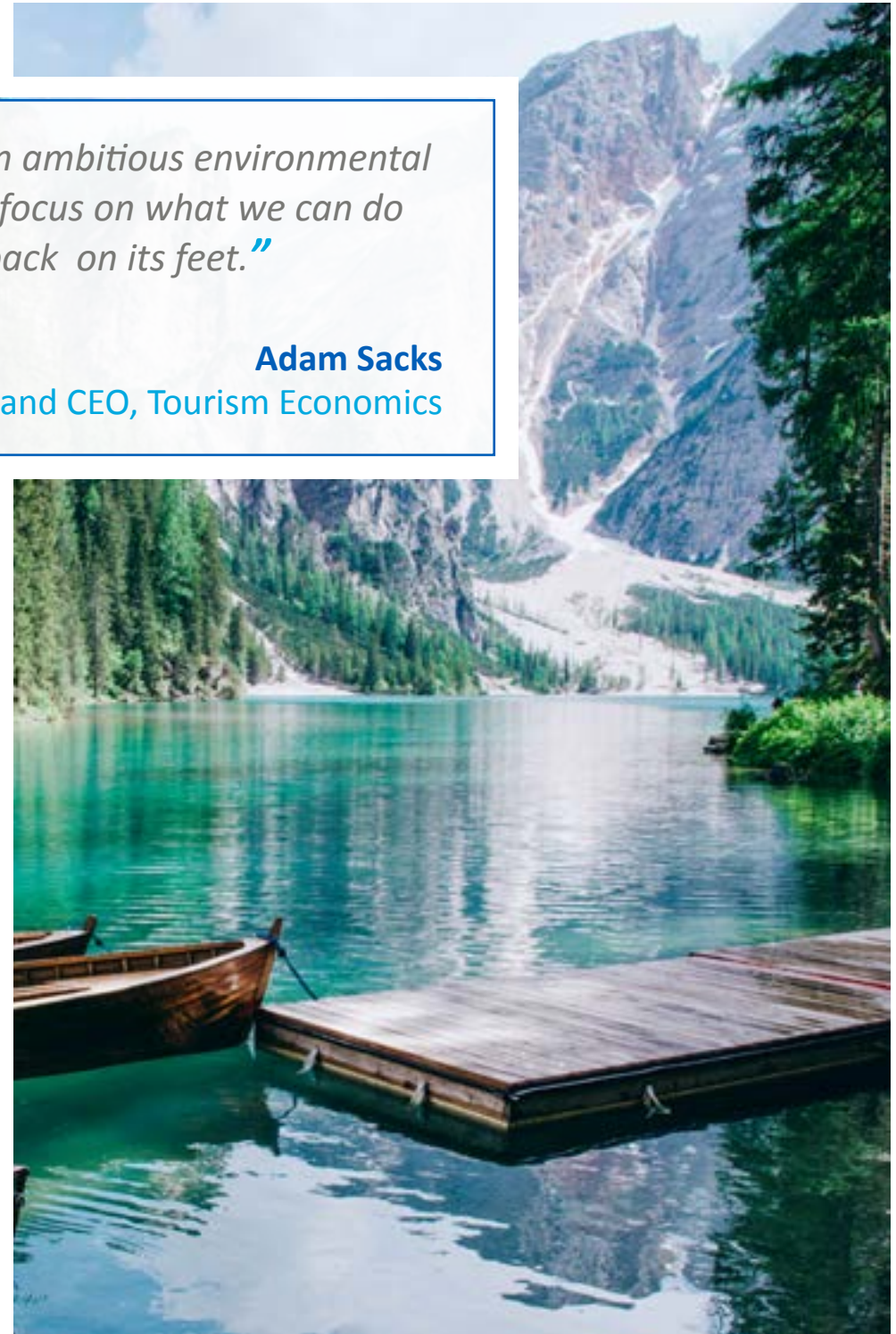


“It is hardly the time for an ambitious environmental agenda, when we need to focus on what we can do to get the travel industry back on its feet.”

Adam Sacks
President and CEO, Tourism Economics

Adam Sacks suggests that green incentives are inherently costly and will put too much pressure on an already weakened travel industry. He sees two conflicting policy agendas — economic recovery and climate change. However, he predicts the economic recovery agenda will win out in the near term, as travel has been so badly hit by job losses and financial losses.

If the travel industry wants to deliver on consumer appetite for more sustainability options, and meet the requirements of global environmental targets, it must examine where the economic and environmental dividends converge. A challenge not just for travel, but one that is felt across many sectors.



Section 3

How can technology help the industry evolve?

- Delivering reliable, trusted information when and where it is needed
- Contactless and touchless experiences are needed to reassure travelers
- Technology to enhance the travel experience
- Cloud as an enabler for greater digitalization and innovation





“The pace of technology enablement of the travel industry will accelerate. Over the next five years we will see a much more integrated, personalized, and transparent passenger experience.”

Technologies such as machine learning, AI, cloud computing, 5G, and the Internet of Things will allow the industry to deliver the kind of intelligent, seamless, and dynamically managed journey that industry visionaries have dreamed about for over a decade.”

Rohit Talwar
Chief Executive, Fast Future



More than four in five (84%) believe that technology would increase their confidence to travel in the next 12 months.

The pandemic has highlighted existing pain points but also revealed new sources of stress. Today's traveler demands up-to-date information, less physical contact and less time in crowded environments. They also seek reassurance around cleaning and hygiene protocols and confidence that their financial interests will be protected.

Against this backdrop, technology has an important role to play. Travelers are clear about this, with more than 9 in 10 (91%)¹² asserting that technology would increase their confidence to travel in the next 12 months.

A different approach is required when delivering technology as best-of-breed makes way for a more platform-based approach. Travel companies — providers and sellers — must adopt solutions that can help deliver trusted information to travelers, enable more contactless and touchless experiences throughout the journey, and enhance the enjoyment of travel.

“If we take hotels as an example, they are asking ‘how can I create value by connecting my systems together?’

As an industry we need to move towards an open platform-based model, allowing companies to better manage guests and business operations by drawing on the solutions they need, when they need them.

By leveraging our platform capabilities and then working together with industry partners, we can give customers greater flexibility and choice.”

Michael Yeomans

Head of Strategy and Transformation Hospitality,
Amadeus





Delivering reliable, trusted information when and where it is needed

Access to reliable and trusted information is one of the biggest concerns of travelers today. This could be information on destinations that are open and details on up-to-date travel restrictions and requirements. It might also be transparency around hygiene and cleaning protocols at all stages of journeys and information about change and cancellation policies and payment terms.

“It really is all about restoring trust and transparency. Right now, there is no single platform providing up-to-date information on prerequisites to travel, from pre-flight and post-flight tests to quarantine restrictions. Travelers need easy access to information, whether it is online, using apps, that will help them make informed decisions about travel.”

Emily Weiss
Global Travel Industry Lead, Accenture

Concerns surrounding last-minute disruption and fears of being stranded in-destination have bolstered travelers' need for trusted information. More than four in ten travelers wanted access to information via their mobile¹³. Access to information using mobile notifications and alerts, especially in light of localized COVID-19 outbreaks or changes in government guidance, was the most highly rated technology.

While experts agree that the mobile interface is the best platform to interact with the end-user, developing the underlying systems to deliver this information

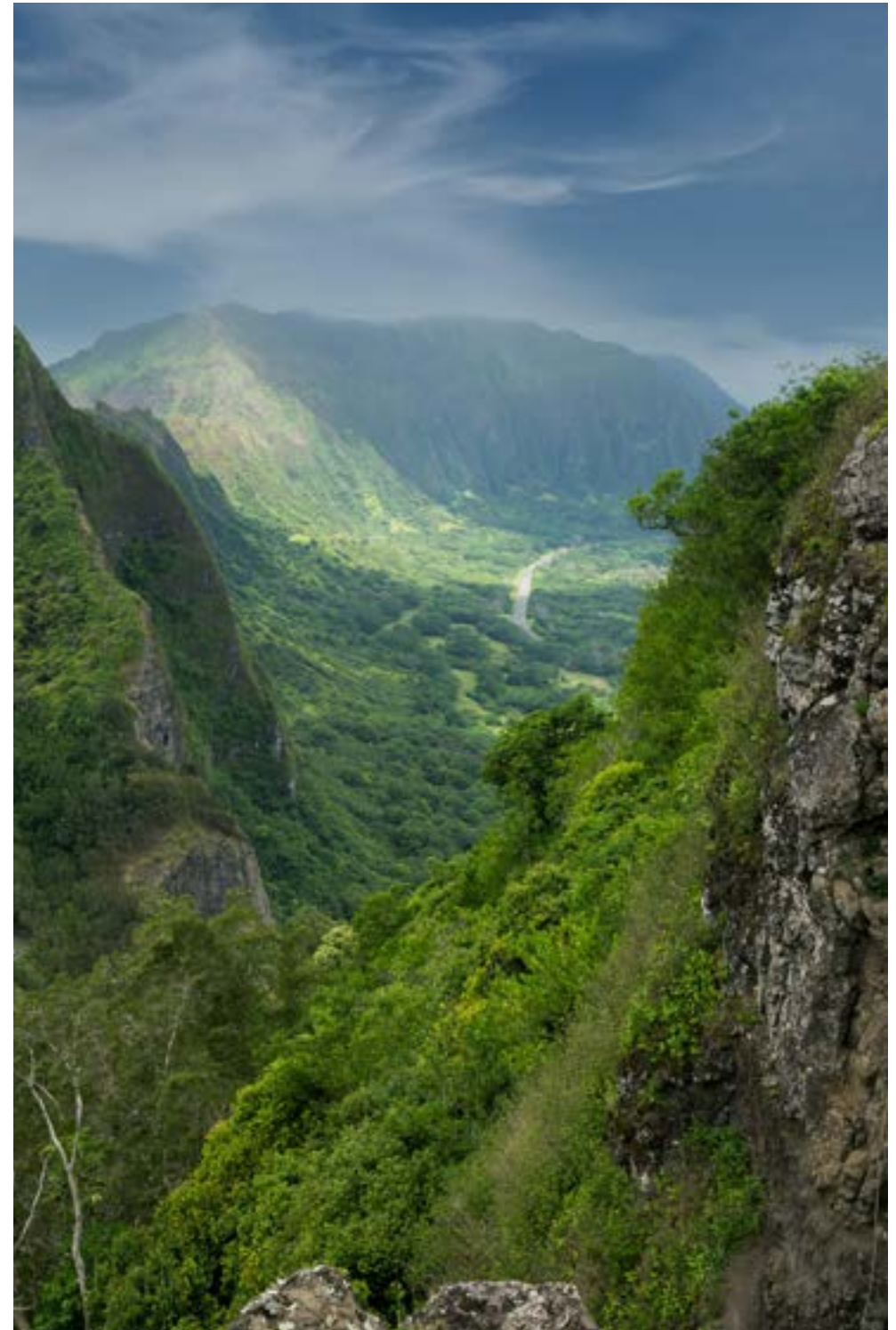
is a challenge. It will require a more connected approach between the industry, governments and public health bodies. As Marion Mesnage, Head of Nexwave at Amadeus, suggests, the only way that such information can be made available to travelers is through the sharing of data between all stakeholders. This must be achieved in a way that protects personal privacy, but also gives travelers what they need at each stage of their journey.



As Artificial Intelligence (AI) becomes more commonly used across the sector, we can look forward to receiving more predictive information that anticipates needs. We can expect to see disruptions dealt with and managed before travelers are aware of them. We can be inspired by the experiences and attractions that we want when in-destination.

To deliver this requires the industry to challenge itself to share information more widely, between different segments, and with the traveler. Research conducted over

the last few months demonstrates that the preferred method of accessing this information is via mobile or messaging platforms. So, we are likely to see the consolidation of information into easy to access, easy to navigate apps – or further integration with travelers' preferred messaging platforms, which allow them greater control of their journeys.





Contactless and touchless experiences are needed to reassure travelers

The future of travel is contactless. To reduce congestion in public spaces and minimize face-to-face interactions, we will continue to see industry-wide implementation of contactless and touchless technologies in transport hubs, attractions, and accommodation.

While promoting a safer and more hygienic traveler experience, these innovations should also improve operational efficiency. Biometric, self-service, and auto-bag drop technologies help the sector to adapt to the current traveler needs as we live alongside COVID-19 and enhance the traveler experience.

Consumers are already used to biometrics when accessing mobile apps, verifying bank transactions and sometimes accessing secure areas of their office and home. The scale of adoption in the airport environment in the last few months has been impressive. Airports across the world have wasted little time in implementing low-touch interfaces to minimize physical touchpoints. What was a vision two or three years ago will be a reality for many travelers in 2021. Passengers can walk up to an automated device to check-in and drop off bags if they have not already done so beforehand. Biometric devices will scan their face on approach and register their details. No physical touch is required beyond placing the bag onto the automated

bag drop unit, allowing them to pass security, through boarding gates, or even enter an airport lounge.

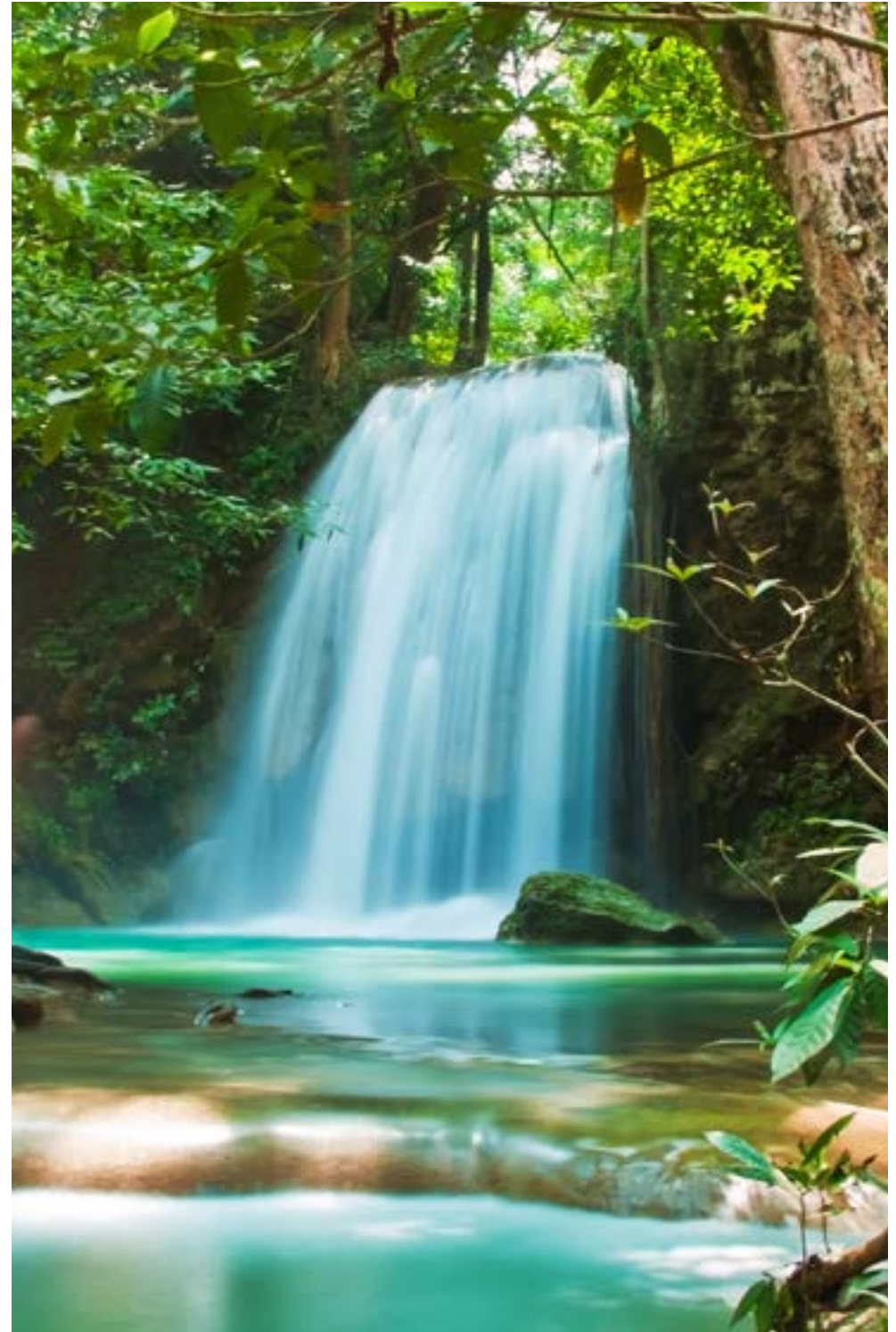
“Awareness of physical touchpoints will continue to influence how people feel about travel. New habits are forming in this area. People recognize the importance of social distancing and appreciate the emergence of contactless technologies that protect them. These systems eventually make the travel experience more pleasant and friction-free, while reducing costs for the industry in the long-term.”

Suzanna Chiu
Head of Amadeus Ventures, Amadeus



Norway is one country which is taking this seriously. Last summer, Avinor, the firm operating Norway's 44 state-owned airports, rolled out an ambitious end-to-end touchless travel program to tackle the impact of COVID-19 and help restore traveler confidence. Passengers can now check-in, drop their bags, pass through security, and board the aircraft without interpersonal contact, or the need to touch physical machines, thanks to new social distancing processes and technology.

And while biometric-enabled and contactless travel is increasingly present in the airport environment, it is rapidly expanding to the payments arena and hospitality environment. The pandemic has seen many retailers move to contactless payments only and this is being seen across travel, as travelers want to see global acceptance of contactless payments to avoid the need to handle physical cards or cash when traveling.



For quite some time, travelers have faced inefficient ways to pay for ancillary services like extra baggage or lounge access at the airport. The experience is often the same in the hospitality and destination sectors. Contactless payments overcome these pain points. For example, technology allows airlines to accept a wide range of payment methods with full contactless capabilities, meaning travelers can easily add new services

for their trips and pay for them however they choose. Lufthansa is one airline that has rolled out this capability across 170 of its airports globally, and hubs such as Stuttgart and Dubai are enabling this for their airline customers.

Technology allows airlines to accept a wide range of payment methods with full contactless capabilities





Technology to enhance the travel experience

The crucial focus in 2020 was on technologies that increase traveler confidence and trust around physical distancing, safety, and hygiene. In 2021, here is also a significant opportunity to harness technology to enhance the experience of travel itself.

Several contributors felt that virtual and augmented reality could be used in a variety of ways to help the industry to modernize and adapt how it delivers service.

According to Emily Weiss at Accenture, virtual reality (VR) could be used as a differentiator, especially in the hospitality sector, to reassure travelers before they book that cleaning and hygiene protocols have been met. She suggests that travelers can also leverage VR to showcase meeting room designs and set-up options. However, with a greater emphasis on hygiene and sanitization, travel players are likely to look at innovative and more visual ways to demonstrate how they approach cleaning to help drive up trust and confidence.

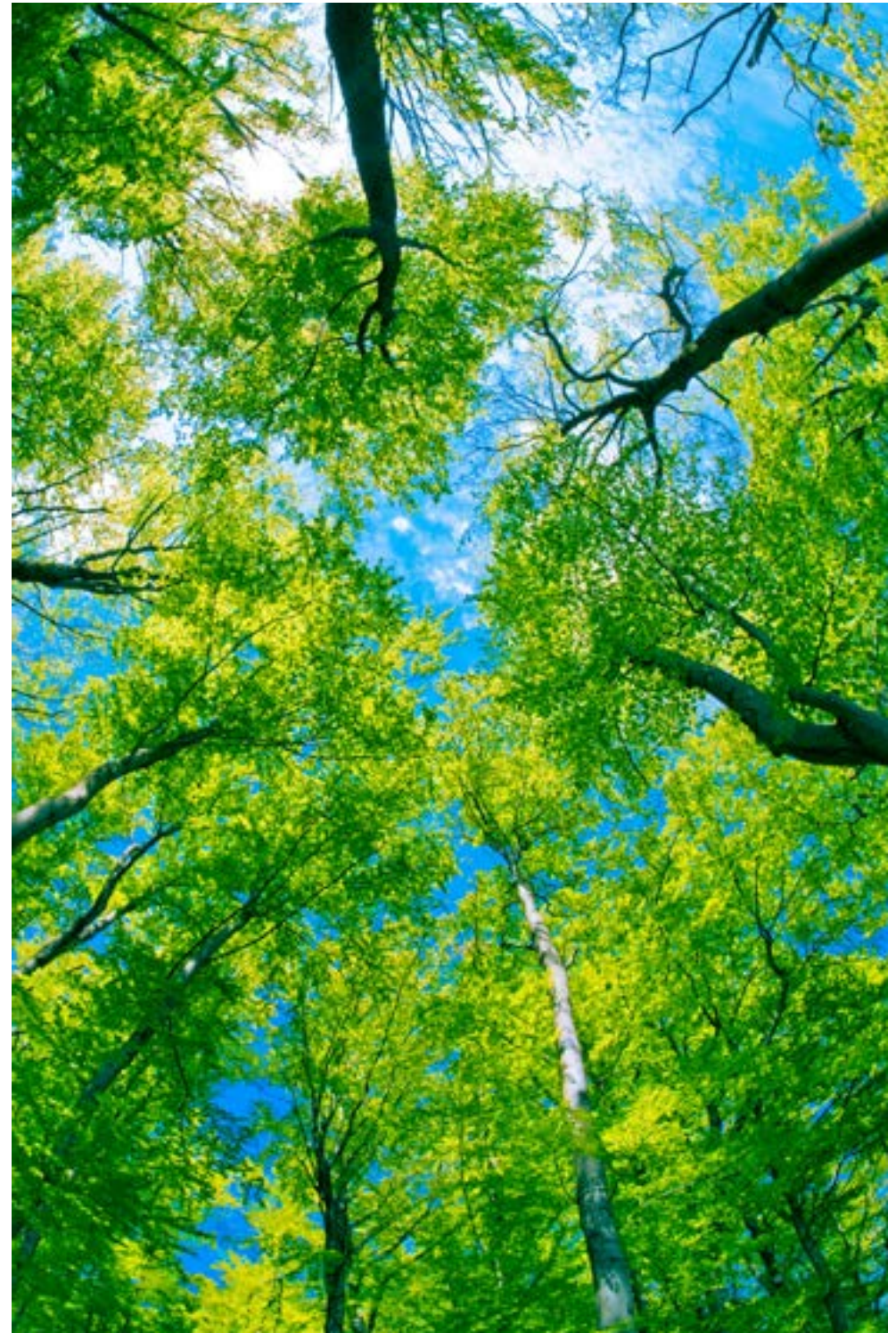
Concurrently, there are significant developments in augmented reality, digital projection and 4D motion graphics that could be harnessed by attractions and destinations. As physical distancing may limit the number of people that can visit attractions such as the Louvre, the Empire State Building and the Sydney Opera House, there is the potential to offer parallel tours in those cities through either virtual, augmented reality or digital projection.



While the focus in the coming months is likely to be on the role of technology in helping to deliver safer experiences, the industry must embrace innovations that enhance the joy of travel too. Rohit Talwar from Fast Future provided a visionary scenario where in the coming years travelers would be able to access an array of supportive, adaptive, and immersive technologies when traveling. Key features could include instantaneous two-way translation, 3D printed clothing waiting for them on hotel arrival, and digital wallpaper that turns the guest room into a customized environment such as a beach or film set. Dreams might also be induced to enhance sleep, and driverless vehicles could

be turned into cable cars or horse-drawn carriages relevant to their location. The traveler's personal AI would liaise with all the players in the travel ecosystem to ensure a personalized end to end experience. This could include security screening, immigration clearance, and health passport checks on the way to the airport, through to pre-selection of the food in the mini bar and the information and augmented reality overlays provided at points of interest.

Contributors agreed that the industry must continue to think creatively about the role of technology to surprise, excite and inspire.





Cloud as an enabler for greater digitalization and innovation

“Cloud, cloud, cloud. I can’t overestimate how important this enabling foundation is to powering digital transformation in the sector. Many segments and travel players are at different stages on their cloud journey, but it is vital to accelerate its adoption to drive the modernization we need to see.”

Emily Weiss
Global Travel Industry Lead, Accenture

The travel industry must embark upon a surge of innovation as part of its response to the global crisis of 2020. To harness the benefits of technologies such as AI, analytics, and the Internet of Things (IOT), all of which are critical to alleviating many of the concerns that travelers express, the industry needs to accelerate its move to the cloud.

The cloud provides a foundation upon which many innovations in biometrics, information exchange, and high-performance computing rely. It is evident that information needs to be shared more widely across the sector, and that a more standardized approach to biometrics, identification, and health and immunity passports is needed.

It is a priority that technology deployment be accelerated, scaled up, and adapted quickly to changing circumstances.

Legacy and proprietary systems hold back progress in each of these areas. Whether it is airlines building more personalized retailing platforms; airports rolling out biometric check-in, boarding and immigration; or hotels implementing modern property management systems, the cloud offers potential for faster and more dynamic implementation.



The cloud grants the industry the ability to modernize operations. Alongside governments and sectors such as financial services and retail, the industry must think about how best to transition to the cloud. It shouldn't be viewed as another technology investment,

but rather as a vital component of infrastructure that can unlock better travel experiences, as well as greater efficiency, both now and in the long-term.



Concluding thoughts

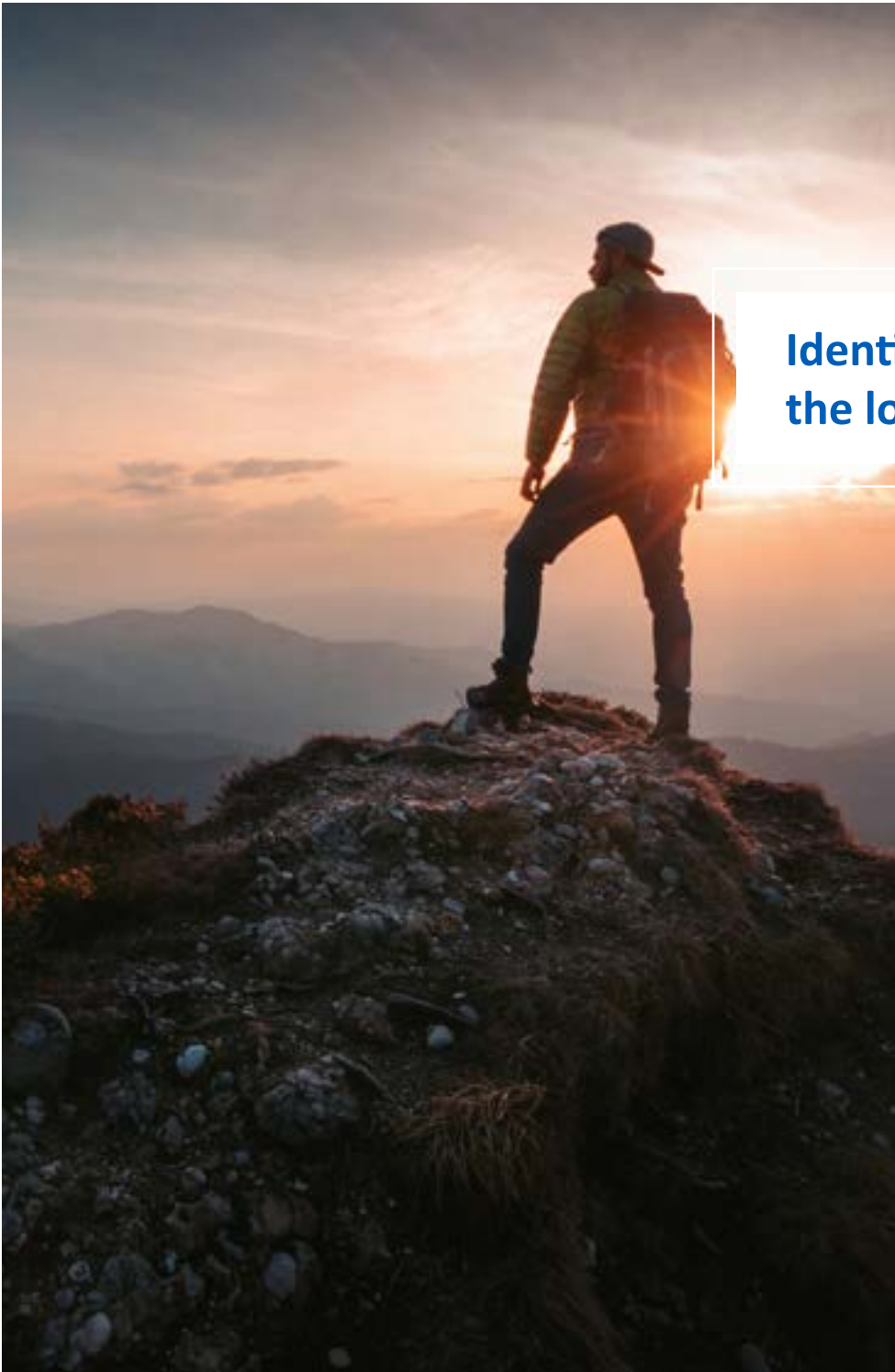
- Identify opportunities to remove stress points in the long-term
- Collaborate to innovate
- Focus on the connected journey by shifting mindset





The travel industry is at an inflection point. It is clear from the insights, which have emerged from the research, that the sector needs to understand how traveler behavior has and is changing. It must adapt accordingly and think about how best to accelerate adoption of available technology.

Many of the insights will not only help to secure recovery and renewal of the industry but help to put in place the foundations for growth and prosperity in the long-term.



Identify opportunities to remove stress points in the long-term

Despite the pandemic, there is an opportunity for the industry to use this period to address many of the stress points in the traveler journey that have persisted for many years. The pandemic has accelerated the adoption of biometrics and contactless technologies in the airport environment. While this helps with social distancing and reducing transmission risk, it also benefits the traveler in the long-term, addressing the friction points they have complained about for too long. At the same time, it helps airports to improve their operational efficiency. These are the areas that the industry needs to focus on to succeed in building back better post-pandemic.



Collaborate to innovate

Industry fragmentation has often held back innovation in the travel sector. Concerns about customer ownership, the disruption of long-standing ways of doing things and personal privacy have often been reasons to maintain a siloed approach. However, one thing the pandemic has thrown into focus, is that the pathway to recovery is through collaboration.

As all stakeholders — whether travel companies, governments, public bodies, travelers themselves — recognize that recovery is only possible by working together, it has incentivized greater collaboration. Whether it's health and immunity passports, a common traveler identification, biometric profiling, progress can only be achieved by working across the travel ecosystem, which is increasingly not just about working in harness with different segments, but with government authorities and public bodies too.

A woman with a backpack is seen from behind, looking out at a sunset over a city. She is standing on a balcony or walkway, with her hands resting on a railing. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The city below is visible in silhouette.

Focus on the connected journey by shifting mindset

Traveler journeys have always been complex. From the moment of inspiration, through to search, booking, the journey itself, and in-destination experiences. Across each stage, there are multiple travel brands involved, and it is rare for any one of them to have the complete picture.

As a result, friction and frustration are often part of the traveler experience. The industry needs to move from a provider-centric mindset to a traveler-centric way of thinking, building fully integrated, end-to-end experiences that remove friction points. Travelers that experience stress-free journeys tend to take trips regularly, are part of loyalty programs, pay for luxury, and have used concierge services to knit their journeys together.



The opportunity for the industry is to democratize this type of experience, so that all travelers can experience this connected journey. With digitalization it is possible to empower the traveler with the right information and share data across providers so they can anticipate and not just respond to traveler requirements. It also helps facilitate the automation of processes such as check-in at airports and hotels and personalize notifications that alert them to any disruptions or inspire them with new offers and attractions.

The future of the travel industry is bright. However, the journey towards full recovery will not be linear. But the pathway ahead is to build an industry that is smarter, more responsive, more resilient and more sustainable than the industry in 2019. By doing so, we can find optimism and hope in the legacy of 2020.

2021

Rebuilding travel together

CONTRIBUTORS

We would like to thank all contributors to this report including:

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1 Amadeus Global Traveler Survey (May 22 - June 15, 2020) conducted with 4400 travelers

2 Rebuild Travel survey, conducted by Censuswide in February 2021 with 9,055 travelers in France, Spain, Germany, India, UAE, Russia, Singapore, UK and US.

3 Overall, airport and inflight experience are the among the most painful steps of the journey for almost 60% of the respondents, according to the Amadeus Global Traveler Survey (May 22 - June 15, 2020)

4 For Asian respondents pre-trip arrangements (59%), lodging (48%) and activities at destination (45%) were major sources of stress, according to the Amadeus Global Traveler Survey (May 22 - June 15, 2020)

5 <https://amadeus.com/en/insights/blog/how-can-we-make-travel-more-sustainable>

6 Accenture 'Decade of the Home', <https://newsroom.accenture.com/news/covid-19-likely-to-usher-in-decade-of-the-home-according-to-accenture-survey-research.htm>

7 Rebuild Travel survey, conducted by Censuswide in February 2021, across nine markets, including UK, Spain, Germany, Russia, UAE, France, India, Singapore.

8 www.visitbritain.org/2020-tourism-forecast

9 www.statista.com/statistics/1155374/safest-type-of-travel-after-coronavirus-north-america/

10 www.ttgasia.com/2020/08/13/domestic-tourism-is-reigning-in-apac/

11 Rethink Travel survey, conducted by Censuswide in September 2020 with 6074 travelers across France, Germany, India, Singapore, UK and US.

12 Rebuild Travel survey, conducted by Censuswide in February 2021 with 9,055 travelers in France, Spain, Germany, India, UAE, Russia, Singapore, UK and US.

13 Rethink Travel survey, conducted by Censuswide in September 2020 with 6074 travelers across France, Germany, India, Singapore, UK and US. Over 42.5% of respondents wanted mobile notifications and alerts, especially when on-trip.