

PREMIUM TRAVEL BAROMETER 2017



June 2017

Author:

Jörn Gieschen

FOREWORD

When we launched the first IE Premium Travel Barometer in 2016, our vision was to provide a tool valuable in the generation of knowledge for the Premium and Prestige travel industries with the potential to become an annual research report of reference for the sector. We present here our second IE Premium Travel Barometer.

This research is based on the insight of experts from the ecosystem of Premium travel. Learnings and insights were taken from international industry experts in various fields of the travel industry, ranging from hospitality to public institutions, operators, shopping, travel retail, culture or services. We are very grateful to the panel of experts who generously shared their insights and expertise into the keys that shape the priorities of Premium travel by answering our questionnaire and also participating in the face-to-face debate.

This work is part of the annual outputs of IE Premium and Prestige Observatory. Started in 2010 with the goal of generating and sharing knowledge about the premium market and industry worldwide, the Observatory has conducted several lines of research among which premium travel is a main pillar. With the support of MasterCard we have done research on the impact of the digital revolution in luxury client behavior and the industry pace of adaptation. We have explored the meaning of memorable experiences and its key drivers as well as key issues for the sector at IE Luxury Barometer. As well as the recently published paper on the role of Millennials in premium and luxury purchases.

Thanks to the author Jörn Gieschen for the rigorous and passionate work and expertise. Thank you to all experts that generously participated in this research sharing their insights, learnings and experience. Thanks to the members of the panel for joining us for the presentation of this paper and to IE team that supported in organizing the event.



Maria Eugenia Girón

Executive Director

IE Premium & Prestige Business Observatory



About the IE Observatory

By generating worthy research & insights in collaboration with industry partners the IE Observatory for the Premium & Prestige Markets aims to be a global reference point and platform for pioneer knowledge for the premium market players in Spain, Europe, and worldwide.



About Jörn Gieschen

The report's author is an experienced international freelance tourism consultant, speaker and IE collaborator. Jörn has been helping cities, countries, and companies around the world with their tourism strategies, marketing plans, innovation approaches, and branding projects.



About Mastercard

The group is a world leader in payment solutions with the vision to use their unique expertise and technology to facilitate services in a world beyond cash. Mastercard launched the unique "priceless cities" program, offering cardholders one-of-a-kind experiences in cities around the globe.

Table of Contents

1. Executive Summary	4
2. Introduction and background	8
3. Methodology	9
4. Research findings	14
Appendix 1 – Complete evaluation	32
Appendix 2 – Questionnaire	34

1. Executive summary

The Premium Travel Barometer has been developed to help better understand the importance of relevant key topics for successful business performance in the premium and luxury travel markets worldwide. In 2016, the IE Premium and Prestige Observatory launched the initial version of the Barometer with the intention to repeat the exercise annually in order to detect trends and changes over time regarding the analyzed industry drivers.

More precisely, the objectives of the Barometer are:

- ❖ Understand the relevance of selected issues for business success for the current and next year.
- ❖ Uncover the major aspects and implications of the key topics on sector development.
- ❖ Detect trends

The study has been conducted in two phases and with two different methods. In Phase 1, over 60 international premium travel market experts have been asked to rate online 25 selected key topics moving the sector, allowing for ranking of the most important ones.

In Phase 2, a smaller group of premium travel experts was invited to interpret the results of the survey during an event at IE, discuss different aspects of the top ranked topics, and identify possible impacts and actionable items.

The 25 topics to choose from have been identified in internal discussions among the Barometer collaborators, aiming to create a list representative of the most important factors influencing business success. Learnings from the 2016 edition were taken into account in order to improve the relevance and formulation of topics in 2017 while keeping the list as stable as possible to be able to compare results over time and detect tendencies.

Different categories of topics were chosen in order to cover the most important aspects of business across sectors, business types, and regions.

The Top 10 industry topics 2017

Personalization of services and Experience design & management remain Top 3 topics, with Personalization now being the highest voted topic, even receiving a significantly higher rating than last year. Expert discussions on these two key topics nowadays often focus on finding the right combination of hi-tech and hi touch approaches.

New on ranks 3 and 4 are Food & Beverage/gastronomy concepts and “Small is beautiful”, both have been Top 10 topics before, but seem to keep gaining importance for deciders as they climbed up a few ranks compared to 2016. Together with Quality management they complete the global Top 5 industry topics 2017.

The Top 10 premium travel industry topics in 2017, ranked in order, are:

Premium Travel Top Topics 2017

1. Personalization of services
2. Experience design & management
3. Food & Beverage/gastronomy concepts
4. "Small is beautiful"
5. Quality Management
6. Customer segmentation
7. Online connectivity
8. Social Media Marketing
9. Innovation management
10. Recruiting & HR development

Key aspect of the Top 10 topics

1. Personalization of services

Personalization of services was ranked 2nd in 2016 already, but ended with a significantly higher rating in 2017. Especially the use and non-use of technology in personalizing premium services is a key topic controversially discussed along different elements of the customer journey. As service & experience options for premium travelers seem endless, a key personal service seems to be the smart scanning and shortlisting of individually relevant options.

2. Experience design & management

Personalization is a key element also in the design and marketing of activities and experiences. Here the integration of local experts and aficionados has become a vital success factor. e-Marketing of experiences for the premium traveler is not yet well-established and asks for better targeted, more exclusive platforms than the big names of the experience-selling platform goldrush currently can provide.

3. Food & Beverage/gastronomy concepts

F&B/gastronomy has become a more and more powerful factor in travel in general, and especially premium travel. One aspect is the (re-)invention and fusion of food and cuisines, but ever more focus is on theming, ambience, side-experiences, learning, and complementary services around F&B. Pre-booking options often still fall short in this aspect and should be further developed and marketed.

4. "Small is beautiful"

Tourism, especially on destination level, is driven mainly by SMEs, also in the premium sector. A small unit size can be turned into a competitive personalization advantage. Also large companies can apply SiB by paying attention to personal details and transmitting that personally, e.g. through the concierge. Breaking up massive concepts, e.g. festivals, into more personal in-event-events is another trend.

5. Quality management

The basic quality management, also in the premium sectors, has been widely achieved. Still we see all too often a lacking attitude in the sector to constantly question the concept of quality, a lacking intrinsic motivation to improve and further develop the quality delivered. This is especially a challenge in the many seasonal destinations with delicate working conditions for many employees.

6. Customer segmentation

Lifestage segmentation is key for many premium travel players, but it's not enough. More and better data analysis, even though often hard to get in the premium business, allows for customized actions all along the customer journey. Due to often exclusive and small product portfolios, untargeted customer "takeovers" can happen, when all focus should be on product and service optimization rather than marketing.

7. Online connectivity

The steep drop from 1st to 7th rank indicates that online connectivity in destinations, sites, attractions, transport or retail, for example, is further improving. It remains a critical aspect, though, as especially Millennial premium travelers are heavy sharers of travel content on the go. As HD pictures and videos take over, not only accessibility, but also quality of networks is a critical challenge.

8. Social Media Marketing

That improved online connectivity is a must, is proven by the ever-increasing importance of Social Media Marketing, not only prior and post-trip but always more during the trip. Great care must be applied as one part of the premium travel market is as actively "showing off" as the other is worried about their peace and privacy.

9. Innovation management

As there has been a boom in experience marketing, truly creative and knowledgeable experts are needed more than ever to keep coming up with novel, exclusive, unique and personal experiences. Innovation is also key with regards to mastering the balance between the application of sophisticated IT and its visibility, and the often still required human touch in premium travel.

10. Recruitment & professional development

As technology is taking over and often outperforming traditional solutions or opening new service horizons, like with AI and CI, many tourism companies, especially SMEs, face the difficulty of handling the increased options and complexity due to lack of knowledge and talent. Education and training processes, both on private and public level, need to be reengineered.

Changes vs. 2016 results

Although the global online expert panel of the Barometer composition has somewhat changed from 2016 to 2017, a factor which will be less and less relevant over the coming years as the panel composition becomes more stable, certain changes in topic ratings cannot be just explained by the addition of some new members and the dropping-out of others.

The strongest changes with regards to the evaluation of key topics were noted as follows.

Customer segmentation, Social Media Marketing, and Innovation Management all moved up quite a few ranks, while the winner Personalization of services received an even significantly higher rating than

last year. On the other hand, three “digital” topics from 2016’s Top 10 were among those topics receiving notably lower votings than last year: online connectivity fell from 1st to 7th rank, and both Online booking of activities & experiences and Mobile booking and payment solutions left the Top 10 ranks this year.

International Markets vs. Spain

Around 40% of the experts on the Global Barometer Online Panel are from Spain, one of the world’s largest tourist destinations and home of the IE Business School and its Prime and Premium Observatory with its many attached business partners. Therefore, the study also sheds light on the truly significant differences between the Spanish and the International view on the 25 key topics.

Among the Top 10 topics, there are especially 2 big differences between the Spanish and the International ranking: “Small is beautiful” is the second most important topic on international level, while it only takes rank 18 among the Spanish experts. On the other hand, “Online connectivity” is still a top topic in Spain (rank 3) while it ranks only 19th among the international experts. Other significant differences are the notably higher importance of Recruiting and HR development in Spain and the significantly lower relevance of “Innovation management” for the Spanish experts.

2. Introduction and background

Personalization of services and Experience design & management remained in the Top 3 of this year's Premium Travel Barometer. While it is clearly understood that these are two of the most crucial topics to master in order to have success in the premium travel markets, there is a widespread insecurity among industry players regarding the use of high-tech vs. high touch in order to increase personalization, customize and enhance experiences, and in general all along the different key points of the customer journey.

According to a Google Travel Research, search queries for luxury tourism, especially on mobiles, have increased nearly 50% from September 2014 to September 2016. While the majority of these searches are related to destinations and hotels, only few are related to experiences and activities yet. This is not aligned with the general market trend of scanning and pre-booking activities and experiences as offered by Airbnb, Viator, Musement & Co. While on all these platforms also luxury experiences are present, it seems there is no clearly targeted, exclusive premium experiences platform yet.

Other related key questions are: how quickly will Artificial and Cognitive Intelligence complement and take over human intelligence when it comes to premium travel experiences? How many premium travelers will agree to share personal data in order to achieve help regarding travel bookings and experiences? The opinions of our experts suggest, that the digital "travolution" will be slower in certain premium segments and for various key points of the customer journey, and it may be faster for selected other aspects or segments. The highly intensive use of Social Media among Millennial premium travelers is one example of the latter.

The 2017 Premium Travel Barometer helps to shed a bit of light on some of the above-mentioned questions and others. For the first time, we can also see which of the topics seem to gain importance and which not. For the digital arena, we can clearly see that online connectivity remains a critical topic, but not as much as a year ago, while the use of Social Media in premium travel has gained importance.

Once more, the Barometer shows where the industry currently sees the biggest challenges and opportunities, enabling deciders to contrast their own position and reflect upon own strategic and tactical decisions. In addition, the Barometer is "food for thought", especially thanks to the enriching comments from our Premium Travel Expert Panel.

3. Methodology

3.1 Research objectives

The key objectives of the Barometer are the following:

- ❖ Understand the relevance of 25 strategic key topics for business success in the current and next year.
- ❖ Uncover a number of crucial aspects and implications of the key topics on sector development.
- ❖ Detect trends

Ultimately, the results are food for thought for deciders in the premium travel sector, helping in the prioritization of strategic and tactic approaches aiming to increase the competitiveness of the business.

3.2 From Experts to Experts

In order to identify, evaluate, and interpret the key topics for premium travel market deciders, we based the Barometer on primary qualitative research methods and a balanced selection of international experts in the premium travel markets and related businesses. Experts were consulted at two different stages of the research, a survey and an expert panel (see methodology in 3.4). The experts invited to the panel in stage 2 also took the survey in stage 1.

Experts were selected from within and outside Spain in order to have a global view, but also a national one as Spain is one of the world's largest tourism destinations. Also, the IE Business School is based in Madrid and has many affiliated Spanish partner businesses in the premium travel sector. A balanced approach was important, around 60% of experts were from abroad (worldwide), while 40% were Spanish.

A diversity of backgrounds was another aim achieved regarding the selection of the expert portfolio. The range of different professional backgrounds was broad:

- Consulting
- Hospitality
- Academics
- Outbound tour operating
- Inbound tour operating
- Media
- Aviation, Gastronomy / F&B, Cruise, Cultural site & attraction management, Activities, Government/tourism authority, NGO, Industry association, Investment, Luxury goods & services, etc.

3.3 Definition of topics

The initial definition of key topics to rate back in 2016 was a crucial exercise and the result of a careful internal process of selection, reflection, and filtering. Industry news and reports were scanned, travel industry experts consulted until finally narrowing down the choice to the final list of 25 topics.

The topics have to fulfill the criteria of being “manageable”, meaning business people can take advantage of them, solve or manage related problems and challenges, and by doing so gain competitive advantage over other players in their respective field of business.

In order to be able to track changes over times and even trends, the key topic list must remain relatively stable over time. Some optimizations regarding topic formulation have been applied in 2017, but to a minor degree only in order to not dilute the comparability of results between 2016 and 2017.

Some topics are related with others. A categorization approach helped to make sure different aspects are covered on the one hand and certain results from the same category could be compared on the other hand.

Categories were:

- Products and service design
- Digital evolution
- Consumer trends to watch
- Corporate management
- Segment and market development

The final list of key topics for 2017:

- | | | |
|---|-----------------------------|---|
| 1 | Online connectivity | Cheap and omnipresent mobile internet coverage at destination, attraction and business level with helpful service apps and webs |
| 2 | Personalization of services | Concierge services, lifestyle managers, local experts, "go-to-persons" along the customer journey, etc. |
| 3 | Quality management | Product & service quality control, quality label & certification systems, customer satisfaction measure- and management, etc. |
| 4 | Experience design | Careful design & management of meaningful, memorable, or even transforming activities & experiences, etc. |
| 5 | “Back to nature” | Natural design, hotels/places connected to nature, organic food + products, nature retreats & experiences, etc. |
| 6 | “Small is beautiful” | Small personal accommodation & service, local & individual restaurants, shops & experiences, etc. |

7	Mobile booking and payment solutions	Mobile optimized booking systems, mobile payment at restaurants, shops, attractions, etc.
8	De-connection from “it all” and re-connection to self	Digital detox, spiritual or personal growth, mental health & wellness, meditation, peace of place and peace of mind, etc.
9	Food & Beverage/ Gastronomy concepts	New gastronomy concepts, local specialties, food travel/packages, cooking & market experiences, etc.
10	Online booking of activities and experiences	Pre-travel booking just like flight & hotel, experience booking platforms like viator, sales of activities & experiences through online travel agencies, hotel & airline websites, etc.
11	Responsible business	Eco-resorts, organic, fair, and/or local food, causes and local project support, climate friendly solutions, green chic, etc.
12	Connection with locals and other travelers	Enabling authentic, eye-level encounters with local peers or experts, connecting single travelers or people sharing a certain passion, etc.
13	Mobile destination companionship	Mobile destination guidance, apps, on-the-spot offers, augmented reality, iBeacons, artificial & cognitive intelligence solutions, etc.
14	Customer segmentation	Better differentiation of products & services & targeted marketing according to life stage, psychographics, micro-segmentation, etc.
15	“Bleisure” - mixing business and leisure travel	Leisure offers for business travelers, work places for leisure travelers, Bleisure packages, promotions, etc.
16	Connection with family and friends	Multi-generation family travel offers, family or friends reunion travel, special activities, spaces, settings, and offers, etc.
17	Innovation management	Corporate innovation culture and management, out-of-the-box thinking, error tolerance, high tech, cross-industry collaboration, etc.
18	Social media marketing	Social media marketing strategy, online reputation management, big data analysis, online customer service, etc.
19	Recruiting and training	Talent scouting, executive and staff recruiting, training, motivation, participation, leadership, retention, etc.
20	Established markets stimulation	CRM, loyalty management, repeat visit strategies, product innovation, new segments development in established geo-markets, etc.
21	New geo-market development	Research and marketing in "new" geo-markets with good potential but insufficient strategic coverage so far

22	Big city destination development	Development of city packages, smart cities, city clusters, city transport, offer of culture, shopping, dining, etc.
23	Sharing economy management	Smart management of sharing economy, Airbnb & Co., luxury and premium flats, serviced apartments, Uber, P2P experiences, etc.
24	In-destination shopping	Shopping travel, duty-free, shopping zones & clusters, shopping guides, tourist-friendly malls & outlets, local products, etc.
25	Big brand power	Attraction of intl. premium brands (e.g. hotels, F&B, retail, products, etc.), premium brand shopping zones/malls/experiences, etc.

3.4 Primary research methodology

Two phases of qualitative research were conducted, both primary and using a selected sample population of experts.

Phase 1 – Rating of topics by online questionnaire

a. Timing

During the time of mid April 2017 to beginning of June 2017

b. Rating system

Experts rated the importance of each and every topic on a scale from 1 (not important) to 10 (extremely important).

c. Sample

61 experts from all around the world answered, 25 of them from Spain and 36 from abroad, enabling us to contrast the “Spanish view” with the “global view”. (insert graphic)

d. Topic presentation

Topics were presented with a title plus some explanatory terms and explanations (see above), helping to rate based on a similar understanding of the topics. Still, and this was mentioned and very important, an “etc.” at the end of each term explanation left room for own interpretation of the topics. The expert panel later on further exploited and interpreted each topic within a given frame.

Automatic order rotation of topics was enabled in order to avoid answers biased on initial ratings.

Finally, three options to add own topics were given.

e. Rating instructions

Two vital instructions were given in order to ensure a common way of rating each issue:

1. Do not think of the relevance for your company only, but of the premium travel sector in general.
2. Relate to the relevance of the key topics for the business years 2017 and 2018.

Phase 2 – Interpretation of results by expert panel

a. Time & Place

May 4th, 2017 at IE Business School, Madrid/Spain

b. Participation

14 experts from the premium travel, products, and services sectors participated. In order to achieve a broad and diversified feedback on the top topics, also selected experts from sectors like shopping or travel tech were invited. The participants (in alphabetical order) were:

- Javier Alonso Cases, Luxury Travel HR Expert
- Ana María Camps, Head of Market Research, CEHAT (Spanish Confederation of Hotels & Tourist Accommodation)
- Alvaro Carrillo de Albornoz, MD at ITH (Spanish Hotel Technology Institute)
- Ignacio de Córdoba, Director Red Skios, AI & CI specialist
- Carlos Delso, Luxury Market Advisor & Business Angel
- Ramón Estalella Halffter, Secretary General, CEHAT (Spanish Confederation of Hotels & Tourist Accommodation)
- Antonio López de Ávila, IE Director Corporate Relations Tech & Lifestyle
- Carlota Lorenzana, Luxury accommodation & gastronomy entrepreneur
- Javier Plazas, Luxury trends & brands researcher, consultant, lecturer
- Yolanda Regodón, IE Associate Director of Communications
- Verónica Rodríguez, Director Bespoke Travel Advisors, Destination Management & Marketing
- Eva Ruiz Cendón, Director Marketing Spain & Portugal, Mastercard

c. Panel systematic

The preliminary Top 10 topics were presented one by one, each one discussed with the panelists. The moderated session was guided according to 2 key objectives shared with the group:

1. Interpret the topics with their different aspects mentioned and not mentioned in the questionnaire
2. Discuss tendencies, impacts, challenges and possible management approaches for each topic

4. Research findings

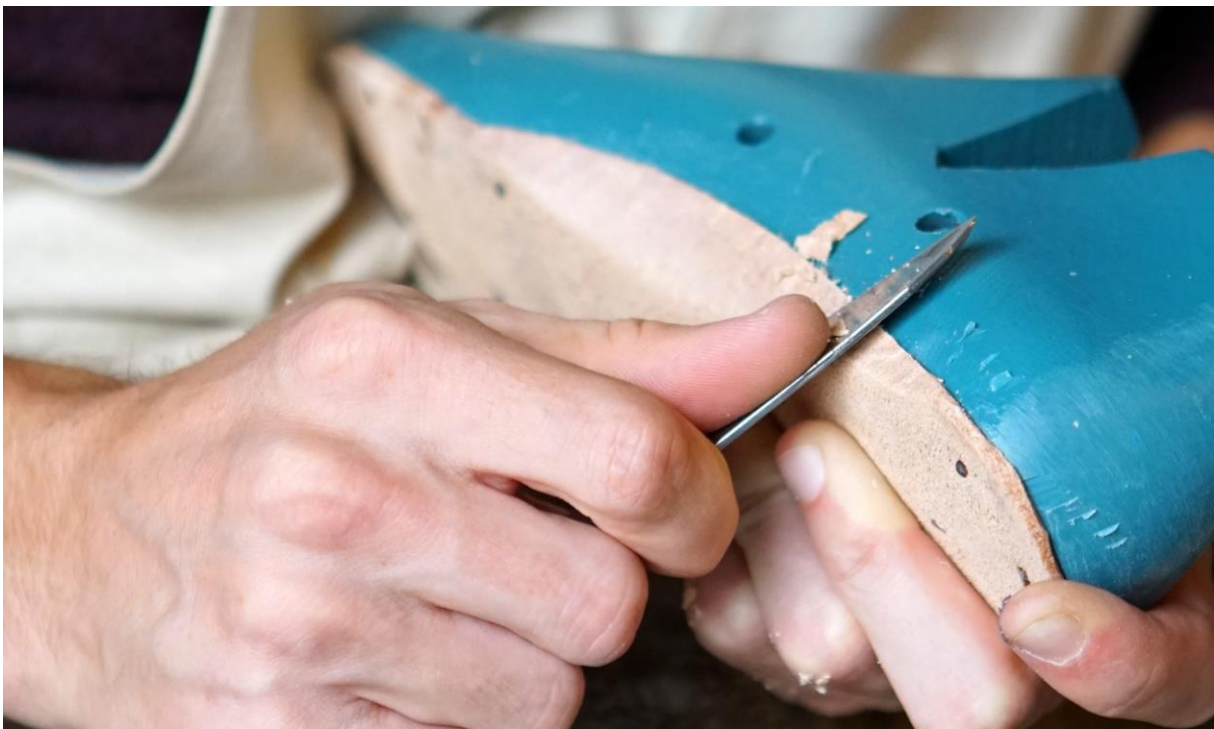
4.1 The Top 10 industry topics 2017

The Top 10 topics will be presented ranked according to their average rating received in Phase 1 of the research. The additional insights and remarks gathered in research Phase 2, resulting from the expert panel, will enrich each topic presented. Quotes from the experts will be used in order to underline the additional input.

Rank 1/25 (ranked 2nd in 2016)

Personalization of services

Concierge services, lifestyle managers, local experts, "go-to-persons" along the customer journey, etc.



Personalization of services took the first place this year with a significant increase of its average rating received. Our experts see this area as the most important for achieving success in premium travel.

The most discussed aspect of personalization among the Barometer experts was the use of technology for defining and delivering strongly personalized services and experiences.

This starts with searching the most attractive trips and services for each individual client. While technology can take over this job better and better, it also depends on getting access to the premium travelers' data. The more data shared, the better the results. A key challenge here is the lacking willingness of many affluent travelers to share personal data with apps or websites. While some experts argue that also premium travelers will increasingly value the growing benefits of smart hi-tech "option scanning" for them, others say many will stay sceptic about sharing personal data online. With the sheer endless amount of travel & travel service options nowadays, this would call for more human touch, personal experts like travel consultants, lifestyle managers, or concierges to help shaping the perfect holidays.

Still, high tech can complement the high touch approach and help those experts proposing the best matching trips and services. For some, being affluent also means that they can pay an expert to handle complicated technology and complex decision-making for them.

A similar conflict arises once in the destination, where increasingly potent apps and web solutions help to customize sightseeing and experiencing. Artificial and Cognitive Intelligence solutions begin to pop up in certain destinations, Augmented Reality gets better and better, and iBeacons help to connect travelers with sites, attractions, and places in astonishing ways. Again, to really have personalized guidance and experiencing, data access is crucial and thus a critical aspect still.

The majority of experts agrees, though, that especially younger affluent travelers will be less and less skeptical about data sharing and more and more familiar with the benefits and handling of digital travel solutions.

Selected quotes from the expert panel:

“The marketing of many personalized services requires an intervention of experts deeply understanding the different customer journeys in the premium segments.” (Ruiz)

“Technology always better “understands” customers of all kinds and will help us to gradually improve the personalization of many services along with significant cost increases.” (Carrillo)

“Especially for travelers with higher budgets, options of activities & services have become endless. They choose personalization also in order to have someone scan all the options and make the smartest choices for them.” (Estalella)

“Exactly this part of personalization, making the best decisions based on enormous amounts of options, information, data, will be best solved by technology, not only, but also in the premium travel segments.” (Lopez de Ávila)

“Currently, many apps trying to help with personalization face the problem of lacking access to truly personal data, especially among high value travelers who even more than others try to avoid personal information sharing. In the end, this leads to still mainly generic and not incredibly personalized tech-based recommendations.” (de Cordoba)

“Depending on different cultures/backgrounds of premium travelers, not only the services themselves, but also the timing of personalized service marketing must be adapted. North American travelers, for example, often want everything organized 6 months before the trip.” (Rodriguez)

“In the end, the traveler values the quality and personalization of the services, not the sophistication of the background processes. Technology is not the most decisive factor here, it is one of various important tools in the process of service design and marketing.” (Estalella)

“Big data analysis plays a key role in the personalization of services. The technology is there, but at the time being there is a lack of experts executing the human factor in the process of generating intelligent decision from big data.” (Regodón)

Rank 2/25 (ranked 2nd in 2016, together with Personalization)

Experience design & management

Careful design & management of meaningful, memorable, or even transforming activities & experiences, etc.



Personalization is a crucial component in the design and marketing of meaningful premium travel activities and experiences. All, design, management and marketing of high value experiences requires skilled experts. In the recent past, though, two additional factors are gaining importance in the activity and experience arena: technology and knowledgeable locals and aficionados.

The travel demand is just learning to look for the best activities and experiences online and book them before or during the trip. Experience selling platforms like Viator, Airbnb, Musement & Co. also list high-end activities like private access and tours for 500 € and more, but they only make up for a fraction of the offer, while it is estimated that every 8th Euro spent in international travel is spent by affluent travelers. Some experts say, the moment an experience is placed on a platform accessible for anyone it loses its exclusivity and therefore appeal for many high value travelers. Maybe it is time for more private and exclusive platforms offering premium activities and experiences. Others argue that luxury also means not having to reserve and to plan ahead, but to simply have someone mount a personal experience from one day to the next.

A factor that is of high relevance also in the premium sector is the contact to local insiders and aficionados. It is a call for authenticity, for discovering places, sites, cultures off the beaten path. Local experts in this sense can be local chefs, entrepreneurs, artists or anyone being a local expert in an area of interest for a certain micro-segment, say Jazz music or Urban gardening, to name a few examples. These locals lead certain experiences, often not as their main business, and often for premium clients as one-on-one or private group activities and experiences.

Selected quotes from the expert panel:

“There is a strong correlation between the quality and the degree of perceived personalization of an experience.” (Delso)

“A shop is no longer all about shopping, it is more and more about the experiences lived there. In order to create high value, we need to take this approach to many key touristic places like airports, sites, etc.” (Lopez de Ávila)

“As high value experiences should be different and personal every time, the integration of local experts and aficionados has become a key factor in transmitting powerful destination experiences.” (Rodriguez)

“The marketing & sales of premium experiences can be done via e-platforms, but more selective and exclusive platforms as those currently in the market.” (Ruiz)

“A key challenge is that the moment an exclusive experience is being published, it loses much of its exclusivity and, therefore, attraction for many high value travelers.” (Rodriguez)

Rank 3/25 (ranked 8th in 2016)

Food & Beverage/Gastronomy concepts

New gastronomy concepts, local specialties, food travel/packages, cooking & market experiences, etc.



Food & Beverage/gastronomy concepts is one of the big winners in 2017 and moved up 5 ranks.

Certain regions have re-defined their entire destination positioning based on culinary experiences, attracting new target segments, often premium, achieving high per-capita spending, decreasing seasonality, supporting local quality agriculture and jobs, stimulating food exports, and tremendously upgrading the travel experiences of people. This often happens on regional level, the Basque Country or Catalonia are such regions in Spain, Istria in Croatia is another in Europe, Lima in Latin America.

While mentioning these regional success cases, our experts highlighted that it is not only, often not even primarily, about innovative high-quality food, but also about the experiences around food: staged dining, farm visits and agritourism, courses and workshops with local chefs and manufacturers, creative dining concepts mixing food and arts, themed experiences, meeting decorated manufacturers, producing own variations of local food, etc.

Orientation and reservation systems for restaurants and other culinary experiences can still be improved, both for direct use through the travelers and B2B for concierges, travel consultants, etc. Too many great restaurants and above all specific gastro-experiences are still too hard to locate and book.

Selected quotes from the expert panel:

“Also in F&B, tourists love discovering new experiences, not only with regards to innovative food & beverages, but also to enjoying gastronomy in new ways regarding service, ambience, side experiences.” (Lorenzana)

“This development of innovative F&B experiences often primarily takes place in certain hubs, places, certain big cities or regions only, rather than on national level. An example is the Basque Country here in Spain.” (Delso)

“Many great gastronomic businesses are still not easy to find, because touristic and gastronomic information is in different channels and not intelligently linked with each other.” (Estalella)

“The facilitation of pre-booking options of the complementary offer like restaurants and bars, for example, can still be improved very much to upgrade both user experience and business professionalization.” (Carrillo)

Rank 4/25 (ranked 7th in 2016)

“Small is beautiful”

Small personal accommodation & service, local & individual restaurants, shops & experiences, etc.



Not only in Spain, but around the world, Tourism, especially on destination level, is driven mainly by SMEs, also in the premium sector. Worldwide around 50% of the tourism workforce is employed in MSMEs with 10 or less employees, around 75% in companies of up to 50 people. While there are giant tour operators, hotel chains, and booking platforms for the mass markets, especially specialist and premium operators, hotels, and experience providers are mostly small size firms. Many premium travelers do not want to be associated with massive corporations as this contradicts their desire for a more exclusive and personalized travel style.

As our experts laid out, small firms have an inherent competitive advantage in this regard, as they overlook a smaller customer base and usually have a more personal and individual guest approach, allowing for better relationship building and greater personalization. Still, the experts feel the lacking access to certain key assets as research, high-tech, and top talents, is a competitive disadvantage. Better regional, national, and above all international collaboration between premium travel SMEs could help to overturn this disadvantage to a large degree. Associations, industry events, or investment in umbrella brands like Small Leading Hotels of the World, for example, are recommended approaches.

The other way around, “Small is beautiful” is not entirely reserved for SMEs. Also big brands can apply this concept by optimizing their CRM, paying attention to little details and transmitting them in a personal way, e.g. through a hotel director or concierge.

Another interesting aspect mentioned was the breaking up of traditionally massive concepts, e.g. music festivals, into more personal in-event-events and experience units. This could include art workshops, meditation rounds, fine outdoor-dining, different accommodation concepts from glamping to pod hotels, mini-concerts, VIP artist meetings, etc.

Selected quotes from the expert panel:

“Even big hotels can play “small is beautiful” by paying much attention to little details that make every guest feel special and transmitting them in a personal way, e.g. through the concierge.” (Camps)

“Tourism keeps being mainly SME business, especially on destination level, a great base for the development & management of boutique products which we can exploit even more in Spain.” (Rodriguez)

“Events like festivals have more and more success among affluent travelers by providing smaller in-event-events, often highly creative experiences, sites, and services.” (Plazas)

Rank 5/25 (ranked 4th in 2016)

Quality Management

Product & service quality control, quality label & certification systems, customer satisfaction measure-and management, etc.



Quality management maintains a Top 5 topic. Many experts state that the basic quality management is widely achieved and a standard process by now. On the other hand, and this is mainly a Spanish perspective, there is great (self-)criticism of a lacking attitude to daily question the overall concept and different aspects and details of quality. Others join in by stating they miss an intrinsic motivation to improve and further develop quality on a day-to-day basis. It is dangerous to lean back and believe to have understood the rules of the “quality game”, especially when considering the highly dynamic and complex global business environment we’re acting in.

Also in quality management, the many SMEs would benefit from stronger association and collaboration initiatives, especially through knowledge exchange and common technology access and use. Often, this works better in smaller, regional clusters, rather than on national or even international level.

Customer online reviews clearly show, especially in premium travel, that all aspects of general quality are expected to be covered flawlessly. The companies job, thus, is to design the extraordinary while perfectly managing the high expectations regarding “premium commodity” services and products. And, yes, premium travelers do write and read quality reviews online. Quality management also means managing these reviews, albeit especially in premium they are only one important forum as word-of-mouth is also incredibly important.

Selected quotes from the expert panel:

“Quality is simply expected on all levels nowadays, and quality management has much to do with not failing to stand up to these expectations at every single moment of the customer journey.” (López de Ávila)

“Rankings and reviews do not only matter a lot also in premium travel, they matter even more than in other segments.” (Cases)

“Rankings and reviews are important in premium travel, but in addition excellent word-of-mouth is needed for premium business success.” (Regodón)

“There is a danger in believing that we know how to manage general quality aspects by now and focus only on personalization and other management topics. Quality is challenged over and over again and always in new ways.” (Ruiz)

“In Spain, we do manage the basic quality very well, but I sometimes miss this intrinsic motivation to always question, improve and further develop the quality delivered.” (Carrillo)

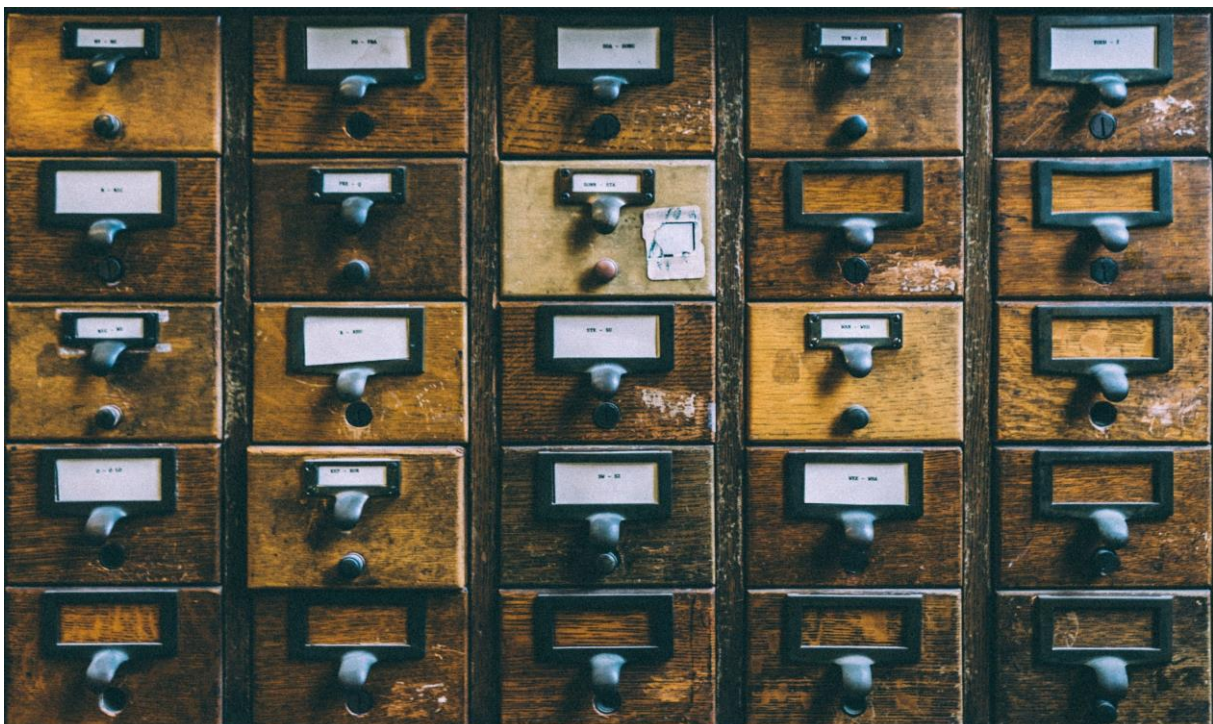
“Especially in the many seasonal destinations, quality management is a huge challenge as here the retention and ongoing development of talents is difficult.” (Plazas)

“Quality management sometimes develops its own powerful dynamics on regional level, often through combined private and public sector initiatives, for example in Canary Islands.” (de Córdoba)

Rank 6/25 (*ranked 11th in 2016*)

Customer Segmentation

Better differentiation of products & services & targeted marketing according to life stage, psychographics, micro-segmentation, etc.



Customer segmentation is one of the winner topics of 2017, moving up 5 ranks compared to last year. Especially in the cosmopolitan international premium traveler segments, segmentation by nationality, income or age fail all too often. The experts agree that lifestage segmentation is one of the more valid approaches. As activities and experiences more and more define the holidays chosen, segmentation according to passions/interests or type of experiences preferred (e.g. discovery vs. indulgence) is another valid approach.

The experts mention, that it is absolutely crucial to apply the segmentation approach with great care along all stages of the customer journey, pre- and post-travel as well as during the trip. Collecting as many data as possible from travelers is key in order to achieve micro-segmentation and truly customized marketing and service approaches. Data gathering during the trip is absolutely crucial in order to create loyalty and because pre-purchase data is often very hard to get in the premium segments. This also means that the segmentation process never ends and that initial clustering must be dynamic and react to new data gathered as the guest-relation continues.

A specific phenomenon mentioned was the untargeted segment takeover. As especially in luxury travel we often deal with very small units that are strongly dependent on the word-of-mouth impact, it can happen that a certain peer group, not initially targeted, “invades” certain brands or sites. In this case, business success depends all on gaining maximum understanding of these new clients, focusing on delivering the quality promised, and building customer ties from scratch in order to ensure sustainable relationships.

Selected quotes from the expert panel:

“For us, marketing approaches due to life stage segmentation are extremely important, but beyond that we measure all our marketing activities and try to personalize individually as much as we can.”
(Ruiz)

“Customizing the experience from the travelers’ points of view must start with customizing the information & inspiration stage, finding always the best channel for every customer. Also marketing cost should be segmented accordingly and aligned with the different optimal price points.” (Carrillo)

“Sometimes “untargeted” clients pick their own premium products and spread the word among their peers. Especially for the often small and exclusive luxury product portfolios this can mean that no marketing is the best marketing and all focus can be laid on optimizing product & service.” (Estalella)

Rank 7/25 (ranked 1st in 2016)

Online connectivity

Cheap and omnipresent mobile internet coverage at destination, attraction and business level with helpful service apps and webs, etc.



The experts interpret the steep drop from the 1st rank in 2016 with the rapidly increasing WiFi and mobile internet coverage in many destinations, sites and attractions, restaurants, means of transport, and retail, for example.

It still is a Top 10 topic, though, which also indicates that it remains a critical issue. Accessibility and cost are two important issues, but as travelers are increasingly used to find free (or paid) online access, the quality/speed of the connection is becoming the core challenge. Social media sharing of high resolution pictures and videos requires good bandwidth. So do inspiration and information videos, increasingly replacing picture or even text based promotion. Also apps using AI or CI or special tools like augmented reality require strong connections.

Especially, the large group of affluent Millennial travelers is keen on sharing content online and used to having hi-speed internet on their hi-speed devices.

Selected quotes from the expert panel:

“Especially the wealthy Millennial generation is looking for ways to enrich their destination experiences by going online, but still too often there is no good connectivity yet.” (Regodón)

“There is a growing share of the luxury demand that does want to share their experiences online on the spot, on Instagram for example.” (Plazas)

“It’s a very human reflex to share incredible experiences with others, and in premium and luxury there are more outstanding experiences available than in other segments, so online-connectivity especially for the moments of the customer journey where this “sharing reflex” is strongest, is vital.” (Estalella)

Rank 8/25 (ranked 18th in 2016)

Social Media Marketing

Social media marketing strategy, online reputation management, big data analysis, online customer service, etc.



The experts see still too many providers with the belief of luxury travelers not scanning nor posting much on Social Media. Especially for the Millennial (aged up to 37) segment of the premium market, this is a dangerous misconception and leads to losing out Marketing opportunities on a big scale. In the US, around 25% of the affluent market are Millennials. In addition, there are many affluent travelers aged 37+ that also do use Social Media intensively. Especially highly visual Instagram seems a popular channel among the affluent Millennials.

Social Media are used to be inspired and informed about the most beautiful locations and hotels, the most stunning experiences, the in- and VIP places. Exclusive events are sometimes announced by VIPs or other influencers solely through Social Media.

When it comes to personal visibility on Social Media, experts see two extremes in the premium/luxury travel segments: those that wish or feel the urge to proudly show their achievements and status on Social Media on the one hand, and those that are highly concerned about their privacy and peace of mind and seek to protect personal data and information by any means. For marketers, this is a sensitive and important topic as they need to make sure their guests can choose between “bubble and stage”. So the direct (B2C) and indirect (C2C) well-targeted provision and stimulation of fascinating content is one job for companies in the premium travel sectors, while protecting utmost privacy (“no photos,

please!") for others is another. This depends on age, peer groups, lifestyle, cultural background, but in the end always is a very individual decision.

Selected quotes from the expert panel:

"Different events also in the luxury sector are mainly promoted through social media, either through participating VIPs or in both closed and open Social Media peer groups." (Plazas)

"Premium travelers always need to have a choice if to be highly visible and admired by those not having the means or if to stay invisible, anonymous and undisturbed." (Carrillo)

"According to my experience, the majority of premium travelers still prefers to stay low-profile." (Rodriguez)

Rank 9/25 (ranked 16th in 2016)

Innovation management

Corporate innovation culture and management, out-of-the-box thinking, error tolerance, high tech, cross-industry collaboration, etc.



As there has been a boom in experience marketing, truly creative and knowledgeable experts are needed more than ever to keep coming up with novel, exclusive, unique and personal experiences. Innovation is also key with regards to mastering the balance between the application of sophisticated IT and its visibility, and the often still required human touch in premium travel.

Large corporations often have R&D like departments or even an in-house team of innovation experts. In many industries this is standard, in travel not so much. Part of the explanation lies in the fragmented structure of the industry, which is largely made up of MSEMs around the world. Well-organized industry- and cross-industry collaboration are essential in order to take advantage of the many technological and creative opportunities.

The public sector can play a key role here, as the example of the successful collaboration of the Council of Lanzarote/Spain, IBM and Red Skios for the implementation of mobile destination guidance based on Cognitive Intelligence and 140 Beacons placed across the island, shows.

Digital technology is certainly one of the main areas of innovation to be exploited more effectively by premium travel providers. Many affluent travelers work in technologically advanced business environments and are often more familiar and open-minded regarding the use of hi-tech.

Another key area of innovation is the design, management and marketing of outstanding activities and experiences. As travelers across the globe nowadays are exposed to tens of thousands of activity options and are quickly learning to scan and book the best for them, the design of novel, meaningful, and unique personal experiences is a job for true experts. CEO more and more often is the abbreviation of Chief Experience Officer. If not feasible in-house, smaller companies should invest in professional freelancers or creative consulting firms in order to live up to the expectations of the demanding premium traveler segments.

Selected quotes from the expert panel:

“There is still so much we cannot measure and understand about the premium travelers, it is vital to keep an open mind and stay flexible.” (Camps)

“I still see great challenges related to a truly global accessibility of products, services, channels, tools when especially the premium travel sector is so tremendously Cosmopolitan.” (Rodriguez)

Rank 10/25 (ranked 12th in 2016)

Recruiting and HR development

Talent scouting, executive and staff recruiting, training, motivation, participation, leadership, retention, etc.



Closely related with the prior topic, recruiting of experts and talents and the professional and personal development of employees, is the last topic that made it into the Top 10, rising 2 ranks compared to last year.

The increasing opportunities linked with high-tech and the high premium segment demand for outstanding experiences is highly dependent on people with the necessary knowledge and skills to manage these key challenges. This calls for finding talents outside the classic “hunting grounds” of recruiters, e.g. among IT or creative talents and experts. It also calls for updating and keeping up-to-date of the many tourism Bachelor and Master programs.

Often, though, the academic sector can adapt only slowly to the new demands, thus the challenge must be taken very seriously by private sector actors. Large global players have totally different resources than MSEMs to hire and “set on fire” talents and experts and exploit the increasingly complex landscape of hi-tech solutions. In order to avoid a further widening of the gap, MSMEs again need to collaborate and create synergies above all in the professional development, education and training of people. Jointly financed (online) courses, research institutes, knowledge management and exchange are possible solutions. Talents not only go for the big names or big paychecks as some may think, chances to learn and grow are at least as important. Finally, these systematic development does not only need to be created or improved, it also has to be promoted, ideally in collaboration with universities and industry media.

Selected quotes from the expert panel:

“One key challenges I see is making big data work for smart personalization. This is not mainly dependent on finding the right technology solutions, but above all depends on finding and developing the right professionals to apply and exploit technology best. This is a huge challenge for many companies in the premium travel markets.” (Regodón)

4.2 Rising star topics 2017

While the methodology and also the somewhat changing composition of the Global Online Expert Panel of the Barometer between 2016 and 2017 does not allow for investigating minor changes in ratings and ranking of the key industry topics, there are some massive changes that do deserve a closer look. The majority of the panel has remained stable, changes to topic wording were only minor and the methodology has not been touched.

In the following a closer look at the 3 Top 10 topics that have received significantly higher ratings than last year. During the expert panel hypothesis’ were developed explaining the rise of these three “winners” of the 2017 Barometer ranking.



Personalization of services

Moved up from 2nd to 1st rank with a significantly higher rating than in 2016

Barometer experts’ hypothesis: We can compare this a little bit with Maslow’s hierarchy of needs: when all general quality expectations are usually met and not an issue anymore, personalization of services becomes even more important. Also experiences are expected to be more customized as standard experiences now are available in the tens of thousands on the new online market places. And finally, with so many options to book, so many suppliers, platforms and tools, personalization becomes substantially more important in the process of travel option scanning and booking, a service provided either by ever more intelligent digital assistants or highly skilled personal consultant.



Social Media Marketing

Moved up from rank 18 to 8th rank

Barometer experts’ hypothesis: So far, the impression that luxury travelers do not use Social Media very much has been predominant. Our experts agree, that this is changing a lot as more and more affluent digital nomads and other segments of the Millennial age group enter the premium travel markets. They use Social Media more to get inspired by fascinating content and they are highly active sharing their own travel related content.



Innovation Management

Moved up from 17th to rank 9

Barometer experts’ hypothesis: As travelers expect always more personalized experiences (see above) and as technology increasingly helps to improve and tailor experiences and background processes and/or make them more efficient, the related innovation challenges and solutions need to be managed. With the rapid technological development and globalization, businesses have more and more options in all management fields and face a multitude of novel opportunities they need to understand, decide upon, apply and adapt.

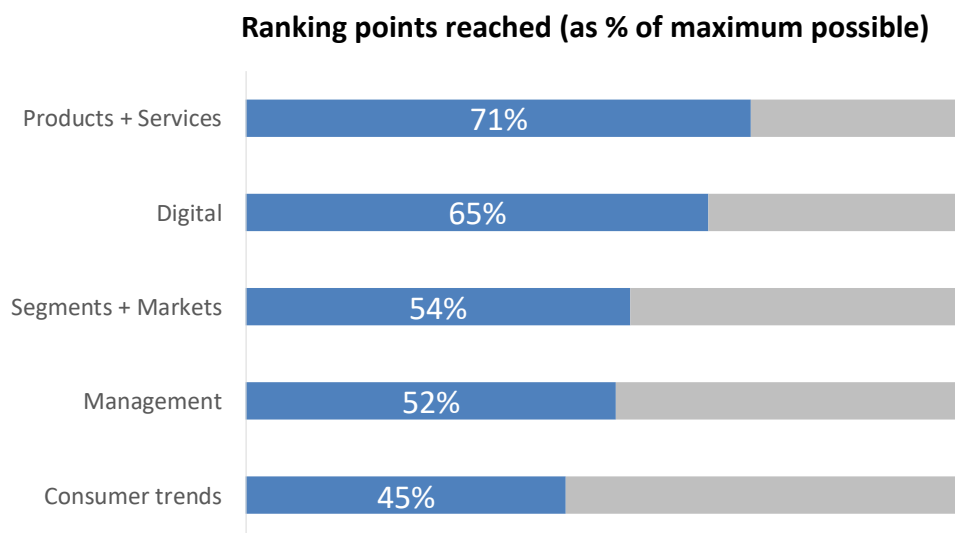
4.3 Topic categories

All chosen topics were grouped in 5 different categories in order to allow for a broader understanding of factors gaining or losing relevance for deciders. While all categories to a certain degree depend on each other and some topics are connected to various categories, the exercise does give an interesting notion of what's hot and what's not on a higher strategic level. It is also extremely helpful in comparing the importance of different related topics and aspects.

The categories identified are the following:

- Product and service design
- Corporate management
- Market and segment development
- Digital evolution
- Consumer trends to watch

The first exercise was to measure the overall scoring of the categories. The selected scoring model chosen is based on a point system related to the ranks reached of every topic of a category. A category with 5 topics would reach 100% if the topics took all the ranks 1 to 5 of 25.



Of the five categories analyzed, product and service design, clearly outperformed the other four categories this year. Three of the included topics, namely Personalization of services, Experience design, and Food & Beverage/gastronomy concepts took the ranks 1, 2, and 3. Analyzing and reacting to consumer trends, as we will see in the next paragraph, lost relevance compared to 2016 and now is the category having received the lowest ranks in our expert survey.

It's interesting to see the change of the category evaluations in 2017 compared to 2016. In the following, a deeper look on category level. As mentioned before, due to a relatively - albeit more or less stable – expert sample group, minor changes were ignored. Relatively unchanged evaluations of both, category and category topics, are indicated with a “o”, remarkable differences with “+” or “-“, and very strong changes with “++” or “--“, respectively.

Category: Product and service design related


Category rank 1 – Ranking score 71%^C

Category vs. '16 Rank vs. '16 Topic

Category vs. '16	Rank	vs. '16	Topic
	1	++	Personalization of services
	2	°	Experience design
	3	+	Food & Beverage/Gastronomy concepts
	19	+	Big city destination development
	24	°	In-destination shopping


Category: Digital evolution related

Category rank 2 – Ranking score 65%

	7	--	Online connectivity
	8	++	Social media marketing
	11	-	Online booking of activities & experiences
	14	--	Mobile booking & payment solutions
	23	-	Mobile destination companionship

Category: Segment and market development related

Category rank 3 – Ranking score 54%

	6	+	Customer segmentation
	14	++	Established markets stimulation
	22	°	New geo-market development

Category: Corporate management related

Category rank 4 – Ranking score 52%

	5	°	Quality management
	9	++	Innovation management
	10	°	Recruiting and training
	18	-	Responsible business
	21	+	Big brand power

Category: Consumer trend related

Category rank 5 – Ranking score 45%

	4	°	Small is beautiful
	12	+	"Bleisure" - mixing business and leisure travel
	13	-	"Back to nature"
	16	-	De-connection from "it all" & re-connection to self
	17	°	Connection with locals and other travelers
	20	°	Connection with family & friends
	25	-	Sharing economy

4.4 Spanish vs. International View

Around 40% of Online Expert Panel members are Spanish, which allows for a certain reflection on topics having received significantly different ratings and rankings vs. the international sample of the panel. Again, these differences were discussed during the panel meeting in Madrid in May where the expert forum developed hypotheses with possible explanations of extremely different results.

Online connectivity

Ranks only 19th internationally, but 3rd in Spain

Barometer experts' hypothesis: Experts say that indeed Spain has developed some of the pioneer concepts for smart destinations worldwide. While internet coverage all in all is good and usually of satisfying quality for general use and free in Spanish hotels, the smart destination applications require fast mobile internet access. Spain wants to take a leading position in this field and hence experts see ubiquitous hi-speed internet as a crucial basic factor for implementing these plans.

Recruiting and HR development

Ranks only 13th internationally, but 8th in Spain

The fast advances in digital destination solutions in Spain are hard to match with equally fast training and development of businesses and experts managing and promoting these solutions. Especially in the many destinations of Spain suffering from high seasonality, this is a (yet not only) Spanish challenge, along with the general challenge to find, motivate and develop good people.

Small is beautiful

Ranks 2nd internationally, but only 18th among Spanish experts

Barometer experts' hypothesis: Spanish family-run hotel businesses are the backbone of the local tourism industry and also restaurants usually are no chain restaurants but run by individual "apasionados" of the Spanish dining culture. Even though, some of the hotel businesses have become chain businesses by now, the hospitality sector in Spain usually has a business culture based on strong personal relations with the guests. It is this personal touch, along with meeting on eye-level and the open-minded and -hearted Spanish culture that makes "Small is beautiful" much less a challenge in Spain than in many other countries.

Innovation management

Ranks 6th internationally, but only 15th in Spain

Barometer experts' hypothesis: On the one hand, Spain is quite advanced regarding innovative solutions in premium travel, whether looking at digital solutions, gastronomy concepts or other experiences especially meaningful for the premium segments. Madrid and Barcelona are creative hubs with an interesting number of travel (tech) start-ups. So, experts agree that especially in the cities, innovation is taking place on a good level. On the other hand, especially the massive Spanish sun & beach tourism outside the big cities is in need of innovation as in other Mediterranean countries as well, yet this is outside the focus of the Premium Travel Barometer.

Appendix 1 – Complete Barometer Evaluation

Rank	Topic	Total Rate	Ranks vs. 2016
1	Personalization of services Concierge services, lifestyle managers, local experts, "go-to-persons" along the customer journey, ect.	8,80	+1
2	Experience design Careful design & management of meaningful, memorable, or even transforming activities & experiences	8,34	+0
3	Food & Beverage/Gastronomy concepts New gastronomy concepts, local specialties, food travel/packages, cooking & market experiences, etc.	8,15	+5
4	Small is beautiful Small personal accommodation & service, local & individual restaurants, shops & experiences, etc.	8,03	+3
5	Quality management Product & service quality control, quality label & certification systems, customer satisfaction measure- and management, etc.	8,02	-1
6	Customer segmentation Better differentiation of products & services & targeted marketing according to life stage, psychographics, etc., micro-segmentation	7,84	+5
7	Online connectivity Cheap and omnipresent mobile internet coverage at destination, attraction and business level with helpful service apps and webs	7,72	-6
8	Social media marketing Social media marketing strategy, online reputation management, big data analysis, online customer service, etc.	7,70	+10
9	Innovation management Corporate innovation culture and management, out-of-the-box thinking, error tolerance, high tech, cross-industry collaboration, etc.	7,67	+7
10	Recruiting and training Talent scouting, executive and staff recruiting, training, motivation, participation, leadership, retention, etc.	7,66	+2
11	Online booking of activities and experiences Pre-travel booking just like flight & hotel, experience booking platforms like viator, sales of activities & experiences through online travel agencies, hotel & airline websites, etc.	7,61	-5
12	"Bleisure" - mixing business and leisure travel Leisure offers for business travelers, work places for leisure travelers, Bleisure packages, promotions, etc.	7,59	+3

13	“Back to nature” Natural design, hotels/places connected to nature, organic food + products, nature retreats & experiences, etc.	7,56	-4
14	Mobile booking and payment solutions Mobile optimized booking systems, mobile payment at restaurants, shops, attractions, etc.	7,49	-9
14	Established markets stimulation CRM, loyalty management, repeat visit strategies, product innovation, new segments development in established geo-markets, etc.	7,49	+7
16	De-connection from “it all” and re-connection to self Digital detox, spiritual or personal growth, mental health & wellness, meditation, peace of place and peace of mind, etc.	7,45	-6
17	Connection with locals and other travelers Enabling authentic, eye-level encounters with local peers or experts, connecting single travelers or people sharing a certain passion, etc.	7,41	-3
18	Responsible business Eco-resorts, organic, fair, and/or local food, causes and local project support, climate friendly solutions, green chic, etc.	7,34	-5
19	Big city destination development Development of city packages, smart cities, city clusters, city transport, offer of culture, shopping, dining, etc.	7,26	+1
20	Connection with family and friends Multi-generation family travel offers, family or friends reunion travel, special activities, spaces, settings, and offers, etc.	7,20	-1
21	Big brand power Attraction of intl. premium brands (e.g. hotels, F&B, retail, products, etc.), premium brand shopping zones/malls/experiences, etc.	6,89	+4
22	New geo-market development Research and marketing in "new" geo-markets with good potential but insufficient strategic coverage so far	6,80	0
23	Mobile destination companionship Mobile destination guidance, apps, on-the-spot offers, augmented reality, iBeacons, artificial & cognitive intelligence solutions, etc.	6,73	-6
24	In-destination shopping Shopping travel, duty-free, shopping zones & clusters, shopping guides, tourist-friendly malls & outlets, local products, etc.	6,66	0
25	Sharing economy management Smart management of sharing economy, Airbnb & Co., luxury and premium flats, serviced apartments, Uber, P2P experiences, etc.	6,38	-2

Appendix 2 – Questionnaire

Premium Travel Barometer 2017

Trending Topics

Welcome to the IE & Mastercard Premium Travel Barometer 2017. We're happy you have chosen to be part of the Barometer Expert Panel. It's simple and quick, yet will deliver important insights as to which big topics move the sector most, insights for us - and for you!

What's it all about?

The Barometer will show the **relevance of managing well 25 major industry topics** for the success of premium travel businesses nowadays. It will define trending topics and will be repeated on a yearly basis to see how topic relevance changes over time.

It will only cost you 5 minutes - let's start!

How to read

The list below is a mix of internal (company/industry oriented) & external (customer oriented) **topics**. Below each topic you see a few **terms or explanations**. Some you may find more relevant, others less or even missing for your company. They are only a selection and help to ensure we all have a similar interpretation of the topic.

How to rate

- >> Don't think of the relevance for your company only, but for the **premium travel sector in general**.
- >> Relate to the relevance for the business **years 2017 and 2018**.
- >> Consider the **entire range of ratings** from 1 - least important to 10 - most important.

THANK YOU for sharing your valued expert opinion for the 2016 Premium Travel Barometer. We're all excited to analyze and share the results with you very soon!

Rotating topics:

1	Online connectivity Cheap and omnipresent mobile internet coverage at destination, attraction and business level with helpful service apps and webs
2	Personalization of services Concierge services, lifestyle managers, local experts, "go-to-persons" along the customer journey, ect.
3	Quality management Product & service quality control, quality label & certification systems, customer satisfaction measure- and management, etc.
4	Experience design Careful design & management of meaningful, memorable, or even transforming activities & experiences

5	“Back to nature” Natural design, hotels/places connected to nature, organic food + products, nature retreats & experiences, etc.
6	Small is beautiful Small personal accommodation & service, local & individual restaurants, shops & experiences, etc.
7	Mobile booking and payment solutions Mobile optimized booking systems, mobile payment at restaurants, shops, attractions, etc.
8	De-connection from “it all” and re-connection to self Digital detox, spiritual or personal growth, mental health & wellness, meditation, peace of place and peace of mind, etc.
9	Food & Beverage/Gastronomy concepts New gastronomy concepts, local specialties, food travel/packages, cooking & market experiences, etc.
10	Online booking of activities and experiences Pre-travel booking just like flight & hotel, experience booking platforms like viator, sales of activities & experiences through online travel agencies, hotel & airline websites, etc.
11	Responsible business Eco-resorts, organic, fair, and/or local food, causes and local project support, climate friendly solutions, green chic, etc.
12	Connection with locals and other travelers Enabling authentic, eye-level encounters with local peers or experts, connecting single travelers or people sharing a certain passion, etc.
13	Mobile destination companionship Mobile destination guidance, apps, on-the-spot offers, augmented reality, iBeacons, artificial & cognitive intelligence solutions, etc.
14	Customer segmentation Better differentiation of products & services & targeted marketing according to life stage, psychographics, etc., micro-segmentation
15	“Bleisure” - mixing business and leisure travel Leisure offers for business travelers, work places for leisure travelers, Bleisure packages, promotions, etc.
16	Connection with family and friends Multi-generation family travel offers, family or friends reunion travel, special activities, spaces, settings, and offers, etc.
17	Innovation management Corporate innovation culture and management, out-of-the-box thinking, error tolerance, high tech, cross-industry collaboration, etc.
18	Social media marketing Social media marketing strategy, online reputation management, big data analysis, online customer service, etc.
19	Recruiting and training Talent scouting, executive and staff recruiting, training, motivation, participation, leadership, retention, etc.
20	Established markets stimulation CRM, loyalty management, repeat visit strategies, product innovation, new segments development in established geo-markets, etc.
21	New geo-market development Research and marketing in "new" geo-markets with good potential but insufficient strategic coverage so far

22	Big city destination development Development of city packages, smart cities, city clusters, city transport, offer of culture, shopping, dining, etc.
23	Sharing economy management Smart management of sharing economy, Airbnb & Co., luxury and premium flats, serviced apartments, Uber, P2P experiences, etc.
24	In-destination shopping Shopping travel, duty-free, shopping zones & clusters, shopping guides, tourist-friendly malls & outlets, local products, etc.
25	Big brand power Attraction of intl. premium brands (e.g. hotels, F&B, retail, products, etc.), premium brand shopping zones/malls/experiences, etc.