DIGITAL NATIVES AND THE FUTURE OF TRAVEL

A STUDY CONDUCTED ON BEHALF OF AMADEUS
May 2010
1. Amadeus: a key partner in the tourism and travel industry

1. Heavy investment in innovation
   1. A dedicated network
   2. Considerable effort
   3. Innovative solutions

2. Future planning for the tourism and travel industry
   1. The digital odyssey
   2. Detecting new trends
AIMS OF THE STUDY

This prospective study is designed to understand:

• How someone who is fifteen years old today will travel in 2020.
• The new and emerging lifestyle patterns for the “DIGITAL NATIVES” generation and what travel providers can learn from changes in behaviour and habits.
• How this will affect the future of the travel and tourism industry over the next 10 years.
• What presence, tools and products/services AMADEUS should provide in the future, given emerging trends in new technologies, society and consumer behaviour and changing requirements in terms of travel and leisure.
CONTENT OF THE PRESENTATION

1. DIGITAL NATIVES: A NEW GENERATION OF CONSUMERS
   • Who they are and how to recognise them
   • Children of the economic crisis and globalisation, with values that are sometimes paradoxical
   • A new approach to accessing information
   • Use of new technologies
   • A challenge for marketers

2. DIGITAL NATIVES: 7 KEY TRENDS FOR THE FUTURE OF TRAVEL
   • Trend 1: Managing my identities
   • Trend 2: Making my life easier
   • Trend 3: Finding the best price
   • Trend 4: Widening my network
   • Trend 5: Communicating in real time
   • Trend 6: Always knowing where I am
   • Trend 7: My augmented reality

3. THE LESSONS FOR AMADEUS AND THE FUTURE OF TRAVEL
01. DIGITAL NATIVES
A NEW GENERATION OF CONSUMERS
WHO ARE THEY?
HOW THEY CAN BE RECOGNISED

• They have had a mobile since they were 13 or 14 years old

• They are on Facebook or MySpace, they blog and chat

• They live “several lives”: hyperactive / a wide range of roles / lots of networks / own and run a small business / resourceful / several jobs / etc.

• Their working lives start later (at the age of 22 or 23 on average), but at the same time young people are becoming independent earlier and earlier in terms of going out and leisure pursuits. And above all thanks to access to culture via new media.

• The casting generation. Image is second nature to them. They have been aware of it since they were very young and have learned to decode appearances as well as marketing, advertising and brand rules.

Study conducted by Le Nouvel Observateur - Nouvel Observateur “ Avoir 20 ans en 2008” [Being 20 in 2008]
VALUES THAT ARE SOMETIMES PARADOXICAL

• **A different relationship with time:** ubiquity, permanence, immediacy

• **Making a difference:** giving, becoming involved, making a commitment

• **Tolerance:** cultural, religious and ethnic diversity, different lifestyles

• **Ecological awareness:** limiting pollution and greenhouse gas emissions, respect for the environment

• **Authenticity:** truth, honesty, transparency

• **Family:** leaving the family home later, proximity, greater role for instruction

• **A global view of the world:** “the world is flat”

• **Omnipresent technology:** hyper-connectivity

• **Personal freedom:** work-life balance

• **Team working:** collaborating, sharing, exchanging information
A NEW APPROACH TO ACCESSING INFORMATION

• “Digital Natives” look for images, video and sound ahead of text, while “Digital Immigrants” look for text ahead of images, video and sound.

• “Digital Natives” prefer random access to hyper-linked information, while “Digital Immigrants” prefer information to be delivered in a linear and logical manner.

• “Digital Natives” expect immediate satisfaction while “Digital Immigrants” don’t mind waiting until later.
USE OF NEW TECHNOLOGIES

1. Staying connected and sharing content:

2. “Digital Natives” have an extremely wide range of options for staying in contact, which are instant, very easy and independent of any physical presence: mobile phone calls, text messaging, instant messaging, social networking sites (Facebook, MySpace, Friendster, Twitter, Flickr, etc.), e-mail, blogs.

- Use of social networks by young people is increasing rapidly. In 2009, 73% of young Americans said they used social networking sites compared to 55% in 2006 and 65% in 2008.

2. Entertainment and information

- They devote a large part of their time on the internet to entertaining themselves by watching videos, playing on-line games, listening to music, etc.
3. On line shopping

- Given the frequently limited purchasing power and payment options imposed by their age, 15-24 year olds are less regular web shoppers than those aged 25 and above.

- This does not mean that they don’t make use of this feature. In all countries, 60% of them say that they have used the internet over the past 6 months to obtain information before making a purchase (on or off line), compared to 70% of those aged 25 and above.

- In 2009, 48% of 12 to 17 year-olds with an internet connection in the United States say they have shopped on line (books, clothes or music) compared to 31% in 2000.

- In 2005, 50% of Generation Y internet users had booked travel on line and, in 2008, the number had risen to 65%.
A CHALLENGE FOR MARKETERS

• The corollary of the digital practices of “Digital Natives” is the development of a culture of immediacy, accessibility and gratuity.

• With this generation, we are moving from the approach of a consumer to that of a “proactive consumer”

• “Digital Natives” make light work of traditional advertising and marketing. This new generation is changing the web, as well as the uses of it for information producers, service providers and brands in general.

• “Digital Natives” prefer the consensus of their network of friends and family to the presumed reliability of traditional media.
02.
DIGITAL NATIVES
7 KEY TRENDS FOR THE FUTURE OF TRAVEL
TREND 1: MANAGING IDENTITIES

BRIAN SOLIS

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fashioning the future
TREND 1 : MANAGING IDENTITIES

1. PERSONALISE MYSELF AND MANAGE MY DIFFERENT IDENTITIES
TREND 1: MANAGING IDENTITIES

2. PERSONALISE SERVICES IN ACCORDANCE WITH MY INTERNET USAGE

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FIND YOUR DREAM DESTINATION

with AAA’s Triporati Vacation Finder

Would you love to travel someplace new, but you’re not sure where to go? With the Triporati Vacation Finder, you can discover great destinations all over the globe according to your unique travel interests. Plus, get expert travel advice, insider tips & more.
TREND 1: MANAGING IDENTITIES

3. MY MANY IDENTITIES
TREND 1: MANAGING MY IDENTITIES

SCENARIOS FOR TRAVEL AGENCIES AND TOUR OPERATORS

• Understanding and recognition: filing and saving all customer information and data in order to help them manage their different identities (work, leisure, alone, with family, with friends, etc.).

• Being proactive when faced with a travel request: no longer simply being a service provider meeting a specified requirement but presenting itself more broadly as a “travel partner”, a consultancy organisation that helps the customer make a travel choice.

• Filtering the content and offering a personalised response to a customer request: playing the role of “recommender” and providing an explanation of recommendations in order to build up the confidence and loyalty of customers.

• Developing a network of travel experts, including among travel agency personnel, which will enable content assessed in this way to be provided and updated.
TREND 2: MAKING LIFE EASIER
TREND 2: MAKING LIFE EASIER

1. WEB ASSISTANCE
TREND 2: MAKING LIFE EASIER

2. ALWAYS STAY CONNECTED
TREND 2: MAKING LIFE EASIER

3. FILTER, INCORPORATE AND SAVE MY DATA
TREND 1: MANAGING MY IDENTITIES

SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

• Put in place call centres (presence on web / Twitter / SMS / telephone) enabling travellers to contact their travel agents during their stay to respond to any requests.

• Create virtual travel advisers to answer customer queries 24/7.

• Offer free internet access times during travellers’ stays and ultimately develop Smartphone and Skype applications.

• Create a personal area for customers to organise all their travel information from different sources in one place (plan, timetable, agenda, activities, contacts, etc.), including their administrative paperwork.
TREND 3: FINDING THE BEST PRICE

FREE
THE PAST AND FUTURE
OF A RADICAL PRICE

CHRIS ANDERSON
BESTSELLING AUTHOR OF THE LONG TAIL
TENDANCE 3 : TROUVER LE MEILLEUR PRIX

1. LES COMPARATEURS DE PRIX
TREND 3: FINDING THE BEST PRICE

2. CUTTING OUT THE MIDDLE MAN
SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

• Traditional travel agencies need to offer tourism players competitive deals.
• Standardise the presentation of their offers so that customers can compare them at a glance.
• For flights only, offer additional options for an extra charge, according to the low-cost airline model.
• Give real-time alerts (by telephone, SMS, email, Twitter, etc.) of promotional offers, early-bird or last-minute deals in order to encourage customer loyalty to the agency.
TREND 4: WIDENING NETWORKS

Overview of social media

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TREND 4: WIDENING NETWORKS

1. COLLABORATE AND SHARE CONTENT
TREND 4: WIDENING NETWORKS

2. CONNECT ME TO MY COMMUNITY LOCALLY

Use your mobile phone to write notes in your neighborhood

DOPPLR

David Axmark is in Tokyo today.

David's trips

<table>
<thead>
<tr>
<th>Tokyo from October 27th to November 1st.</th>
</tr>
</thead>
<tbody>
<tr>
<td>More details on this trip.</td>
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</tbody>
</table>

- Bangkok on November 2nd.
  - More details on this trip.
- Delhi on November 3rd.
  - More details on this trip.

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TREND 4: WIDENING NETWORKS

3. PROMOTE THE CONTENT I CONTRIBUTE

http://springwise.com/
TREND 4: WIIDENING NETWORKS

SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

• Create links with social networks using the “Facebook Connect” or “Ask Around” functions.

• Create a dedicated UGC (User-Generated Content) area: put in place a system of sharing between travellers, thereby creating communities based on a centre of interest or destination, with contributions from travel experts.

• Invite travel bloggers from this generation to create content, and organise meetings at the point of sale to prolong the online experience between agency, travellers and experts.

• Help travellers to select the smartphone applications that are most appropriate for their trip.
TREND 5: COMMUNICATING IN REAL TIME
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SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

• Notify travellers in real time of flight delays and other traffic or journey issues, and offer alternative solutions.

• Offer travellers the option of posting “live” travel journals online.
TREND 6: FINDING YOUR WAY AROUND, ANY TIME, ANY WHERE
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1. CODES BARCODES AND TAGS

Intelligent Media Tags (IMTs)

Multiple Interaction Paths:
1. Short Code (i.e. Text 1001 to 70734)
2. 2D Barcode (a.k.a. Physical Hyperlink)
3. Mobile Portal (i.e. Enter “1001” at mdm.ag)
4. Direct URL (i.e. mdm.ag/1001)
TREND 6: FINDING YOUR WAY AROUND, ANY TIME, ANY WHERE

2. GEOBROWSING

View your Facebook® friends' latest Loopt posts if they're sharing with Facebook® Connect

- Add as Loopt friend for live location
- Call Heather
- Text Heather
- View Facebook® profile

Notifications when your Facebook® friends get Loopt in!

Citysense®
Live San Francisco Nightlife Activity

Where is everybody?
- How busy is the city? Know when to go out
- See the top nightlife hotspots in real-time
- Find out what's there in one click

For real-time nightlife, visit www.citysense.com on your BlackBerry®

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SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

- Form partnerships with tourist offices to put in place tagged routes or create poster campaigns in strategic places to enable travellers to access additional information on a site linked to the agency.
- Offer audio guides for mobile download.
TREND 7: AUGMENTED REALITY
TREND 7: AUGMENTED REALITY

1. OVERSIZE MY REALITY

Layar

Browse The World!
World's First Mobile Augmented Reality Browser

Layar allows you to see what is around you by displaying real-time digital information on top of reality through the camera of your mobile phone.

Just flip through the directory of layers and find ATMs, bars, houses for sale, hotels and other cool stuff around you.

Your new eye

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TREND 7: AUGMENTED REALITY

2. VIRTUAL VOYAGES OF THE FUTURE?
TREND 7: AUGMENTED REALITY

SCENARIOS FOR TRAVEL AGENTS AND PROVIDERS

- Offer augmented-reality mobile applications showing the sights of their destination.
- Offer mobile-downloadable playlists dedicated to certain destinations or evoking travel.
- When preparing the trip, develop tools for viewing the places and experiences on offer using immersion tools (point-of-view videos, 3-D viewing, etc.).
03. DIGITAL NATIVES

WHAT LESSONS CAN BE LEARNT FOR THE FUTURE OF TRAVEL?
1. A NEED FOR A MULTIFACETED STRATEGY

- Platform complementarity increases the advantages for travellers, each platform having its own specific characteristics (24/7 availability, proximity, a variety of secure payment methods, reinsurance, etc.).

- The essentials:
  - Since most “Digital Natives” will, in the very near future, be major smartphone consumers, applications connecting them to the agency need to be available in the short term.
  - Customers need to have access to the same information over the internet and at the point of sale. Travel advisers therefore need to be trained in and have a command of all of the developed tools.
  - Customer files need to be centralised and accessible to travel agents and travellers over the internet.
2. IN TERMS OF SERVICES AND CONTENT

CUSTOMISED, THEME-BASED SERVICES

- The potential of social media, social networks, virtual communities and applications linked to all the new mobile technologies has to be taken on board in order to offer more personalised services.

- Develop a dynamic, intuitive, easy-access web tool that is also accessible in agencies, to enable travellers to submit their requests using multiple criteria such as their preferences, their wishes and their constraints.

- Consider new ways to market a destination: think less in terms of marketing focused on the destination and more on the consumer’s desire to be involved in the act of purchasing and the travel experience.

- Think up products centred on a personal or event theme which will give “Digital Natives” the opportunity to share their passions or centres of interest.
2. IN TERMS OF SERVICES AND CONTENT

OFFER NEW SERVICES

• Offer customers the option of presenting their information in an attractive, customisable format.

• Show promotional offers on an eBookers-style calendar, enrich it by guiding travellers in their choices and form partnerships with tourist offices to liven it up with local attractions.

• Include in the service mobile geolocation applications and mobile applications that enable you to locate the best places for going out based on the calendar of your location.

• Create more dynamic, more lively, customisable formats and reintroduce a sense of adventure as preparations involve the net surfer picturing and simulating much of their trip in advance.

• “Unwrap” packages to make it clear what they include.
LABELLING AND AUTHENTICITY

- Need to create new labels which also incorporate social and environmental values and which allow “Digital Natives” to be more in harmony with their values (sharing, exchange, new economic practices, etc.).

- To cater for the authenticity needs of “Digital Natives”, agencies and travel providers need to form partnerships with local agencies and tour operators.
3. IN TERMS OF COMMUNITY MANAGEMENT

- Develop a transparency policy for the disclosure, promotion, marketing and use of data supplied by consumers.
- Develop a proactive intelligence strategy.
- Create gateways with existing or partner social networks.
- Invest more in the development of “community management” tools and providers, rather than “content management”.
- Make smartphone applications available so that travellers can meet or make friends during their trip or at their destination.
- Involve certain customers in the process of devising holidays, expeditions, etc., and pay them (discounts, vouchers, smartphone web-access time, etc.) for their contribution to the content.
4. PROLONG THE RELATIONSHIP

- Incorporate in the ergonomics of the website or mobile applications the principles of a semantic web, with visuals (pictures, videos) more suited to the search methods used by “Digital Natives”.

- Develop the provision of mobile services and customised application packages which travellers take with them (interactive terminals, tags, geobrowsing, augmented reality).

- Put the human element back into consumption through online advisers – real, avatars or holograms – who can offer customised services throughout the trip.

- Multiply contact opportunities.

- Create relays between the different channels: the physical agency can become a meeting and exchange point for the internet communities.

- Set up loyalty programmes (loyalty points or recommendation rewards leading to discounts or free weekend breaks, etc.).
Thank you