

TRAVEL AND HOSPITALITY

Travel industry looks to digitalization, sustainability to survive pandemic: Euromonitor

November 12, 2020



Travel industry turns to innovation in order to survive after the pandemic. Image credit: Euromonitor

By NORA HOWE

Travel and tourism experienced an existential crisis in 2020 due to COVID-19 and hospitality brands have turned to innovation through multiple forms as digitalization and sustainability rapidly accelerate.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

According to a report by [Euromonitor International](#), the pandemic has revealed weaknesses in travel's business model, redrawing a map of new priorities and alliances the industry now has the opportunity to reset and rebuild itself based on universal values. Utilizing technology and innovation, the travel industry has the ability to achieve carbon neutrality, equality and social justice and shift toward a more sustainable world.

Drawing on a bank of innovation concepts across 100 countries, Euromonitor International reviewed how the travel industry has utilized innovation as a way to survive the huge impact of COVID-19. The report highlights best practices to help businesses and communities rebound from this year.

Key strategies

Now, there is more urgency to innovate, digitalize and embrace sustainability and businesses with a sense of purpose regarding social and environmental concerns are resonating with consumers and employees.

Per Euromonitor's Voice of Industry survey, the travel industry is falling behind other industries in regards to overall engagement with the 17 sustainable development goals included in the United Nations' agenda, such as decent work and economic growth, responsible consumption and production and engagement with underwater life.

However, the areas where the travel industry is excelling include industry innovation and infrastructure and sustainable cities and communities.



Global GDP growth is expected to fall by 4.8 percent in 2020 and travel businesses have been affected immensely. Image credit: Euromonitor

In Europe, a shift towards value-driven tourism will be crucial for survival, as forms of tourism marketing that focus simply on driving the number of visitors will no longer work after the pandemic. Euromonitor suggests that, to acknowledge the environmental costs of tourism companies will require a holistic approach across the value chain.

Sixty-five percent of travel businesses in the Nordics are implementing a sustainability strategy, 10 percent higher than the global average 46 percent saying that they were purpose driven.

In the Americas, new travel concepts are promoting sustainable travel experiences with positive social and environmental impacts while leveraging new technologies.

Technologies such as biometrics, blockchain, Internet of Things, artificial intelligence, big data, analytics and the cloud were deployed to remove pain points across the customer journey from the airport to in-destination as well as new innovations to tackle safety and hygiene challenges presented by COVID-19.

For example, the Imagine Initiative seeks to combat climate change by promoting good travel behavior and best practices for companies and destinations through sustainable tourism, environmental education, gamification and corporate social responsibility.

The Ministry of Tourism in the Dominican Republic developed the COVID-RD mobile app that allows citizens and inbound visitors to view information about COVID-19 in the country.



Asia Pacific was the first region to face COVID-19, with the virus first emerging in Wuhan, China in late 2019. Image credit: Euromonitor

In Asia, the innovation concepts were predominantly infused with digitalization covering a variety of COVID-19-related needs such as the customer journey, mobility, sustainable destination management and virtual experiences.

Lux* Resorts in South Ari Atoll launched a system of floating solar panels that are placed on the sea to gather energy to power the island and are integrated with the grid.

Fifty-three percent of travel companies are interested in investing in energy over the next five years and 59 percent want to focus on developing sustainable products and services.

KKday, a Taiwan-based online travel agent, launched online ordering of Taiwanese snacks to deliver around the world when travel was halted earlier this year. The company quickly adapted their business model for a new normal without compromising its vision.

According to the survey, 47 percent of travel businesses globally plan to invest in sustainable sourcing in the next

five years.

In the Middle East and Africa, the majority of innovation was seen in the launch of new health and hygiene protocols, adopted by destinations and travel brands to reassure consumers safety.

Due to restrictions, people were forced to work from home and it became challenging to find dedicated workspace offering productive environments. In Dubai, Rove Hotels began offering rooms as private offices in partnership with a coworking space provider.

In Africa, the pandemic devastatingly affected the communities that depend on tourism for income and created a funding crisis for conservation.

Conviva aims to establish a transformation approach to conservation that benefits both wildlife and people through structural change and grassroots activities. It explores the idea of a Conservation Basic Income, moving away from a market economy driven approach, resetting the relationship between humans and biodiversity, simultaneously helping to end poverty.

Adjusting expectations

Travel companies are continuing to adjust their business models to align with the new normal and still provide experiences for their affluent consumers while ensuring their health and safety.

Hospitality group Four Seasons Hotels and Resorts is inviting guests to stay longer at their properties in a new campaign playing on the trend of "workcations." Through "Extend Your Stay" initiative, guests can unlock special services and benefits once they book stays that are 30 days or longer.

After the coronavirus pandemic led to lockdowns and travel restrictions, luxury hotel brands are encouraging consumers to take advantage of remote work to travel with their families ([see story](#)).

Luxury retreats Miraval Berkshires and River House at Odette's have partnered with travel agency EMBARK Beyond to create luxury getaways that meet the new demand for single-day vacations. For those who might be hesitant to spend the night in a hotel or resort due to safety precautions, these day trip packages focus on wellness and meaningful experience ([see story](#)).