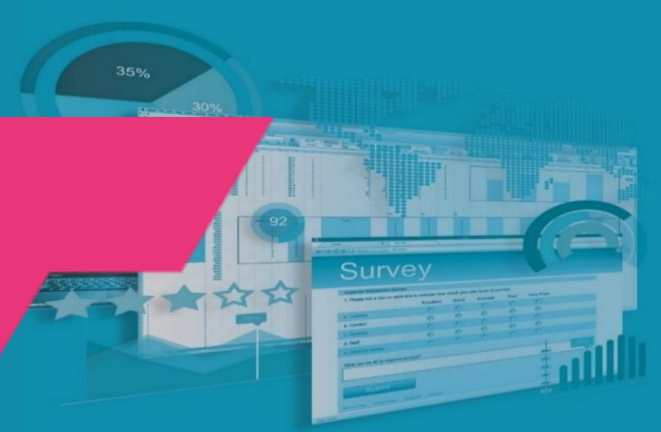


# Tourism 360°

## Travel Trends Outlook

### 2021 and beyond



2020 was a hugely challenging year for the travel and tourism industry, with the UN World Tourism Organisation estimating global travel demand fell by [74%](#) last year. In the face of considerable uncertainty, the industry and travellers alike have scrambled to adapt. It's now clear that Covid-19 has fundamentally and permanently changed consumer expectations and behaviours, and the travel industry itself.

At this crucial juncture, as the rollout of vaccines begins to reshape the outlook for travel, this special edition of **Tourism 360°** asks, **what evolving global trends will influence travel and tourism in the months ahead?** Drawing on thought-provoking predictions from travel and tourism industry experts, we also consider **when a semblance of normality is likely to return to travel and tourism – and what the next normal for the industry may look like.**

## The Trends – At a Glance:



**Health and wellbeing:** The development of vaccines has raised hopes of revitalised traveller confidence in 2021, but health and wellbeing will top the agenda for years to come.



**Conscious travel:** The Covid-19 crisis has boosted consumer awareness of sustainability, and galvanised conversations about building back better. What could this mean for travel and tourism?



**Digital transformation:** Virtual travel experiences, touchless tech solutions, and digital customer service may sustain prospective travellers' interest during lockdown and help restore their confidence.



**The resilient traveller:** The fundamental desire to travel remains unchanged, but cautious consumers will seek reassurance and flexibility from travel providers.



**The next normal for travel and tourism:** The second spike in coronavirus cases has subdued momentum going into 2021, but the short-term outlook suggests recovering confidence as well as ongoing uncertainty.

# Health & Wellbeing

Covid-19 has underscored the importance of maintaining our physical *and* mental health. Boosting health and wellbeing will remain a crucial factor in motivating travel in 2021, with travellers seeking new ways to stay safe, active and healthy.



## The trend so far

- Health is increasingly seen as a holistic, proactive and ongoing concern, with consumers seeking out products, experiences and food and drink that enhance their physical wellbeing but also, increasingly, their mental health.
- The anxieties and pressures of Covid-19 have heightened awareness of the importance of maintaining all forms of health in the face of challenging circumstances.

# 69%

of consumers say they are more focused on their physical and mental health as a result of the pandemic

Source: [PwC](#)

## Outlook for 2021

- **Health and wellbeing** will remain essential priorities for consumers, even after the pandemic itself recedes and concerns with physical safety lessen.
- Travellers will see **exceptional standards of hygiene and cleanliness** – and clear communication around them – as a given. As is the case globally, tourism operators in NI will need to **prove to visitors that they will be safe** and that their wellbeing is a top priority. The **We're Good to Go** safety accreditation [scheme](#), which recent Tourism NI research shows reassures the majority of consumers, will remain central in instilling confidence.
- **Maintaining health and wellbeing** and **rest and relaxation** will remain key motivations for taking a trip. Prolonged periods spent indoors due to lockdown and remote working will push travellers towards **outdoor activities and hobbies** that enable the pursuit of wellbeing while avoiding crowds. Consumers will also seek a balance away from digital experiences, and increasingly search for **temporary escapes from the digital world**.
- The pursuit of wellbeing, joined with this desire for a 'digital detox', presents a **strong opportunity** for NI businesses. **Open-air attractions and activities** that enhance health will be in high demand, as will **healthy food and drink options**. NI providers should consider developing **promotional content** that focuses on **outdoor activities** and **large indoor spaces**.
- Meanwhile, **self-catering and similar types of accommodation** will likely be highly sought after as guests seek to maximise control of their surroundings when taking a trip to Northern Ireland.



# Conscious Travel

The pandemic has caused consumers worldwide to reassess their values and priorities. As travellers become more aware of tourism's impact on the environment and on destinations, they will aim to make more informed choices and look for a wider range of sustainable options.



## The trend so far

- Pre-Covid-19, momentum was building behind plastic reduction and carbon offsetting, with brands responding to consumer preferences by adopting sustainable practices. Many of these are now seen as standard rather than optional.
- In recent years the concept of sustainability has broadened to include not only environmental concerns but also ethical credentials and a sense of a wider purpose. Consumers – particularly millennials and Generation Z – say they prefer brands that prioritise sustainability.
- Covid-19 has reinforced these values, with travellers in particular saying they are increasingly conscious of tourism's positive and negative impacts and asking how they – and travel providers – can increase travel's potential benefits to destinations, communities and the planet.



## Outlook for 2021

- Recent research shows that many consumers expect **more sustainable travel options**. Increasingly, they also want their travel choices to support the post-Covid recovery of the places they visit.
- Increased traveller awareness of these issues is expected to drive interest in **'conscious' forms of travel** – particularly nature-based experiences and immersive, authentic experiences that actively involve local communities. In promotional content, NI tourism businesses can appeal to the conscious traveller by displaying their **green credentials** and **the authenticity of their offering**.
- Experts anticipate the trend for **'slow travel'** will build in 2021 with travellers opting to travel less often and in more relaxed itineraries that allow a **deeper connection** with the people, culture and nature of a place. People may **travel less but 'travel better'**, thinking more carefully about how they take holidays.
- The 2018 TNI Visitor Attitude Survey and latest TNI sentiment research reveal NI has outstanding appeal due to its nature-based offering, the warmth of its people and compelling **sense of place** and **identity** – all of which are also invoked in the new destination brand, **Embrace A Giant Spirit**. These qualities mean NI businesses are exceptionally well placed to deliver on the growing consumer desire to gain in-depth understanding of destinations by providing **authentic, sustainable experiences**.

**69%**

of consumers expect the travel industry to offer more sustainable travel options

Source: [Booking.com](https://www.booking.com)

# Digital Transformation

Travel providers have turned to digital solutions to boost consumer confidence and stimulate future trip planning. Many of these tech solutions are likely to persist even after the crisis ends.

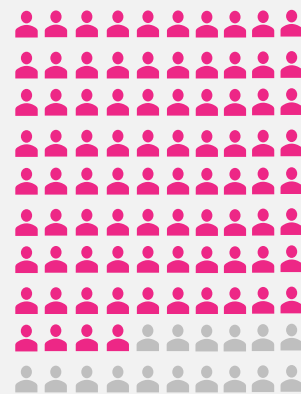


## The trend so far

- With the majority of the world's population digitally connected, commerce – including planning and booking travel – increasingly happens on devices. Covid-19 has further catalysed digital adoption, with travellers of all ages turning to the web to research and buy while at home.
- Through virtual reality-aided tourism experiences, prospective travellers in lockdown have been able to get a sneak preview of destinations, ahead of being able to travel again.
- The cancellation of conferences and live events, meanwhile, has created opportunities for hybrid or fully virtual experiences until face-to-face interactions can return.

## Outlook for 2021

- Covid-19 will continue to catalyse the rollout of **touchless technologies** that give travellers confidence in their safety. Visitors to NI will increasingly expect automated, **safe and seamless** solutions that minimise physical contact with people and surfaces (e.g. **apps to check in to a hotel** or **contactless payment methods** such as digital wallets).
- **Digital customer service** will remain essential. Tourism NI's 2018 Visitor Attitude Survey reveals the variety of digital resources travellers use both to plan trips and while in NI. Before arriving and while here, travellers will expect NI travel providers to have a **responsive online presence** that provides **timely, accurate information** and **transparency about hygiene protocols**.
- Virtual reality, online events and other digital experiences will continue to play a part in generating future bookings. [Booking.com](#) research shows over **a third of travellers** would feel more comfortable visiting a new destination if they had already explored it in **virtual reality**. Innovative digital approaches could help NI businesses **stay connected with their customers while in** lockdown and, looking to the future, allow them to keep pace in what is a strongly competitive global marketplace.
- Travellers will also continue to avail of **new remote working possibilities**. The ability to bring work wherever you go has allowed employees to temporarily relocate to new (possibly more leisure friendly) locations. **'Work from anywhere'** is a booming trend that is believed to have longevity beyond 2021.



# 84%

of travellers say technology would increase their confidence to travel in the next 12 months

Source: [Amadeus](#)

# The Resilient Traveller

The desire to travel still persists. However, in the face of ongoing uncertainty and reduced discretionary spending, would-be travellers are demanding better value, choice and increased flexibility and transparency as they contemplate travel in 2021 and beyond.



## The trend so far

- The pandemic's range of economic consequences mean consumers are generally less inclined to spend more, with many expecting their household income to continue to fall in the coming months. While there is significant pent-up demand among older generations of consumers, younger cohorts (Gen Z and millennials) tend to be worse affected financially.
- While international tourism was devastated by the pandemic in 2020, domestic and closer-to-home trips saw a measure of recovery, with consumers embracing the opportunity to rediscover local destinations via more affordable and (because of travel restrictions) achievable trips.
- Possibly concerned with losing out financially as a result of cancelled trips, travellers have been reluctant to book too far ahead, with drastically shortened booking windows increasingly the norm.

## Outlook for 2021

- Amid continuing uncertainty, with rules and regulations for travel changing regularly, with prospects for the vaccine rollout remaining uncertain, and with household finances still destabilising consumer confidence, travellers are likely to remain **price-conscious** when considering trips, with value a primary consideration.
- However, travellers will need **more than just good value** to feel comfortable. In 2021, visitors to NI will expect accommodation and transport providers to be transparent around **cancellation policies and offer flexible booking terms and favourable refunds**.
- The current preference for **short-haul trips booked last-minute** is predicted to continue in the immediate future, with travellers preferring **flexibility** over meticulous planning, and closer-to-home trips over long-haul. In the face of these new preferences, NI businesses will have to be **agile and responsive**.
- Many of these expectations will likely carry over in 2021 and beyond. NI providers will need to adapt to new traveller expectations for travel experiences that are **safe, value-added, flexible and personalised to their needs**.

3/4

of travellers want more transparency about cancellation policies, refund processes and insurance

Source: [Booking.com](https://www.booking.com)

# The next normal for travel and tourism

Although there are causes for optimism for 2021, experts suggest that uncertainty will continue to characterise the outlook for travel for several years after Covid is declared under control, with a possible recovery timeline extending to 2023.



While it's difficult to predict how the coming months will play out, industry experts have offered various scenarios suggesting **how and when** the global travel and tourism sector may recover going into 2021.

In these predictions, the following emerge as the **key considerations and challenges** that will determine the pace and extent of recovery:



## The pandemic itself:

How long will it last and when will vaccination coverage be widespread?



## Travel restrictions and lockdown measures:

When and how will countries start easing restrictions?



## Consumer confidence:

When will consumers want to resume travel, and how will travel behaviours change?



## Economic impact:

How badly affected will the global economy be, and how will this impact consumers' discretionary spending?

# The next normal for travel and tourism

Taking stock of the **key considerations** outlined above, the outlook for tourism at this point remains mixed, although industry experts concur in ruling out a return to 'business as usual'. Nevertheless, there are reasons for cautious optimism, particularly around the development of vaccines and the emergence in recent months of evidence of strong forward booking trends.

- The rollout of **vaccines** in 2021 is expected to increase consumer, travel provider and government confidence, and may contribute to the easing of travel restrictions. However, the logistics around rollout are complicated, and vaccine distribution will be unequal and occur at different speeds between countries.
- Various bodies and agencies representing **international tourism** have offered predictions on when it is likely to recover. Any potential return of international travel in 2021 will be highly dependent on how circumstances develop in the coming months:



The United Nations World Tourism Organisation notes that the prospects for a rebound of international arrivals in 2021 have **worsened** recently. A rebound this year hinges on several factors: the reversal of the pandemic, the rollout of vaccines, significant improvement in traveller confidence and major lifting of travel restrictions by mid 2021.



The World Travel & Tourism Council's **best-case scenario** anticipates international travel will recover from late March 2021, but again this is highly dependent on factors including widespread vaccination and the adoption of test-and-trace programmes. The WTTC's more forecast delays recovery to the second half of 2021.

- Latest **air travel recovery projections** from the International Air Transport Association suggest that while 2021 will see improved performance compared to 2020, passenger levels **will not return to 2019 levels until 2024 at the earliest**.
- The boost to domestic travel witnessed in 2020 is expected to be repeated in 2021. Travel companies have reported a **significant rise in forward bookings** in recent months, fueling hopes that months of pent-up demand will drive a rebound in 2021, with **closer-to-home travel** the main beneficiary.
- Travel for leisure is expected to recover ahead of business travel, which is predicted to return more slowly and in stages. **Domestic and regional business travel** are primed to return ahead of, for example, major international events.
- However, there is a consensus at this point that recovery in 2021 is far from a foregone conclusion and that solutions such as **vaccines**, while positive individually, will need to be supplemented by others such as **testing** and the development of **coordinated responses between governments and the industry**.

Ultimately, the recovery of all parts of the sector will depend on the interlinked economic and health consequences of the crisis – its effects on health, on household incomes and employment and on people's comfort, willingness and ability to travel again.