

# CHALLENGES AHEAD FOR TOURISM SECTOR PROFESSIONALS



The tourism industry has significantly changed over the past 20 years, and it should anticipate even more systemic changes in the future. According to Deloitte's report "Facing travel's future," tourism professionals have experienced relatively minor changes compared to the significant shift expected to occur over the next decade.

The report highlights three main factors - demographic changes, technological transformation, and the climate emergency - that will redefine industry.

## Demographic Changes

The global tourism landscape is rapidly changing due to shifts in traveler demographics. **The traditional target customers, the baby boomers, are traveling less and less, making way for younger generations such as millennials and Gen Z.**

These younger generations are highly connected and technology-savvy, and travel behaviors differ significantly. It is projected that 2030 they will make up 90% of the travel market. They are also more attuned to the societal and environmental values of the brands they select, which should prompt tourism industry players to rethink their offerings.

In addition, emerging markets like China and India are gaining importance in international tourism sector. These countries are shaping market trends, particularly in terms of technology and expectations around sustainability.

## Tech Transformation

Artificial intelligence (AI), especially generative AI (GenAI), is being hailed as the next revolution in businesses and in consumer travel planning and booking.

Virtual travel agents powered by AI, Chatbots etc. even though they are not widely used yet, they can still be improved. With the evolution of tools, they could create personalized and optimized itineraries based on the traveler's preferences, prices, and cancellation policies.

The report emphasizes that to take advantage of these advances, travel and hospitality providers need to modernize their technology infrastructures, often inherited from legacy systems, and invest in training teams that can design and deploy these innovations. The rapid adoption of these technologies, especially by the younger generations, will require companies to be agile to avoid being left behind.

## Climate Emergency

Climate change represents a considerable challenge for the tourism sector. This industry heavily relies on fossil fuels and contributes significantly to emissions, primarily through air travel.

In response to this issue, more and more travelers, especially younger generations, prioritize the sustainability of their travel choices. They seek out low-emission flights and accommodations with

eco-friendly certifications. Additionally, companies in the industry must prepare for increasingly strict regulations, such as the recent French law limiting certain short-haul domestic flights.

**The industry faces a dual challenge of meeting consumer sustainability expectations while preparing for potential legislative constraints.**

Furthermore, climate change affects the appeal and safety of specific destinations due to heat waves, wildfires, and hurricanes. Popular destinations like the Caribbean islands and ski regions are already experiencing the impact of extreme weather conditions. Companies in the tourism sector must adapt to these new challenges by investing in sustainable infrastructure and considering the long-term effects of climate disruptions.

Date: 2024-09-15

Article link: <https://www.tourism-review.com/tourism-sector-to-face-new-challenges-news14585>