

## 9 trends that will shape travel in 2023

The past three years have been characterised by a global pandemic accompanied by extensive lockdowns and travel restrictions. Amongst the many industries impacted, travel and tourism were perhaps the hardest hit. Whilst there are still many challenges to overcome, the industry has shown promising signs of recovery, providing those in the hospitality industry with a real sense of optimism as they begin to progress into a new era of travel.



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Globally, there is a clear shift in the behaviours of travellers but what does this mean for the travel landscape in 2023?

Tim Cordon, chief operating officer, Middle East & Africa, Radisson Hotel Group shares his outlook on the 9 trends he believes will shape travel in 2023:

### **Business travel returns and workcations are on the rise**

It goes without saying that the pandemic has changed the nature of the working world, with the remote and hybrid working models having become the new normal and in many cases forming part of the criteria for employees when selecting their next employer. Out of this came the fear that remote work meant business travel would never recover to pre-pandemic levels.

However, with the increased uptake of vaccinations and the easing of travel restrictions, the demand for business travel returned in 2022 as many companies looked to re-instil human connections, reconnect teams, and attend conferences. In fact, according to [Expedia Group's Traveler Value Index 2023](#), approximately 32% of individuals are planning to take a business trip in the next 12 months, including 62% of remote workers. Moreover, 85% of business travellers said they are excited to travel for work, with millennials (45%) and Gen Zs (40%) being the most likely to be travelling for work this year.

Additionally, remote and hybrid work has given rise to the digital nomad and blurred the lines between work and play.

"What this means for hoteliers is an increase in the demand for flexible stays, which often come with shorter booking lead times," Cordon notes. "To respond to this, it is important that our businesses remain agile," he adds.

Whether employees are extending their scheduled business trips, opting for a workcation or planning a "hush" trip there has been and will continue to be a significant rise in flexible trips driven by remote workers.

"As business travel begins to pick back up, the reasons for trips are varied," Cordon notes. "From connecting with customers to attending industry events, on-site visits, internal team meetings to more alternative business travel options, such as workcations and hush trips, business travellers have proven to be our most resilient customer base," he adds.

"While classic business travel has always presented a strong opportunity for the industry, alternative business travel presents a new layer of growth in 2023 as it holds promise to increase mid-week occupancy level as travellers look to get in some leisure time while they work from a new location"

## **Experiential tourism is on the rise**

Experiential tourism is a form of tourism in which people focus on experiencing a country, city or particular place by actively and meaningfully engaging with its history, people, culture, food and environment. Modern travellers believe that excursions, attractions, events, and activities make their travel experience better at an emotional level. As such, experiential travel and adventure activities are now crowned as the next big growth segment.

According to a travel and activities report on ResearchAndMarkets.com, the global market for Tours and Activities Reservations is forecasted to grow at a CAGR of 7.7% during the 2020-2027 period, while the segment is estimated to reach \$266.7t by 2027.

Cordon notes: "The industry has witnessed a shift in consumer behaviour away from investing in goods to investing in experiences. This comes as no surprise after the pandemic, which has taught us all the value of time and new experiences. In addition to our range of onsite facilities and activities, for example, we have been able to offer our guests customised experiences through our Radisson Rewards programme, which delivers stand-out benefits, complimentary upgrades, and exclusive experiences to ensure that stays at Radisson Hotel Group properties are truly memorable.

"Our new programme, launched last year, aims to be the most personalised in the industry and offers choices based on guest preferences and previous requests. This is just another example of how we meet the needs of our guests."

## **Travel spending will go up again**

Despite record-high inflation rates being experienced globally, travel spend is predicted to increase this year. "This could be for a number of reasons," Cordon says. "But perhaps most obvious is the fact that during the pandemic many individuals were not able to travel as readily as before. Having saved money during this period, these individuals have a large sum of capital at their disposal and are eager to spend on unique experiences," he adds.

A survey issued by Booking.com found that 49% of its respondents reported that they are likely to spend more on their next trip to make up for lost time, whilst 43% of respondents shared that they are willing to go all out when it comes to costs. Perhaps more interesting, is the fact that according to Expedia 80% of younger travellers are willing to spend more to upgrade their experience.

## **Exchange rate volatility and impact will not go away**

Fluctuating exchange rates and the impact thereof will continue to affect where people travel to. Destinations that have big exchange rate volatility are often less frequently visited than those with more stable currencies and economies. In many instances, the countries that are hardest hit by exchange rate volatility are viewed in a negative light.

"We have hotels in locations all across the world, many in destinations that have currencies that often fluctuate due to what may be happening in the country or world at the time," says Cordon. "For example, our hotels in South Africa are currently witnessing an increase in the number of international bookings and enquiries due to the appeal of the destination, which comes as a result of the declining rand value. This makes travel into the country a lot more affordable for international visitors.

"These are world-class destinations that we as a business know to be worth visiting. During instances of extreme fluctuations and volatility, we take a somewhat different approach and highlight the strong value-for-money aspect where possible in order to continue travel to these countries and cities".

## **AI and tech will play a big role in enhancing travel**

Artificial intelligence is continually improving to become increasingly more reliable and attractive as a business solution. Businesses within the travel industry heavily depend on the delivery of excellent customer service to build their reputation and AI technology is a strong tool to do this.

For hotels, one of the most exciting uses for artificial intelligence is providing assistance to customers online, through the use of chatbots and instant messaging apps. With a growing demand from consumers for faster response times on online platforms, artificial intelligence is able to respond to this demand at a rate that is almost impossible for humans to do. In addition to this, the industry is witnessing an emerging trend in which technology is being used for face-to-face customer service interactions. The result being the ability to cut queues at information or reception desks and ultimately improve overall efficiency. Beyond customer service, AI can be applied to collect and process data to draw conclusions about customers, business practices and pricing strategies.

## **Multigenerational trips**

"Of the many lessons that the pandemic has taught us, spending more quality time with our loved ones is arguably the most important," says Cordon. "Whilst our months of quarantine may seem like a thing of the past, many of us are still trying to make up for time lost, missed milestones and delayed or canceled plans. Looking to the year ahead, this is not a trend that I foresee changing anytime soon."

"Families who have not been able to get everyone together for quite some time are now taking some much-needed time to do longer trips together," Cordon adds. "Grandparents, parents and children are all traveling together and are looking for hotels and destinations that will cater to the needs of all generations".

## **Wellness tops the priority list**

"Wellness appears to top the lists of what our guests want out of a trip," says Cordon. "For the hotel industry, this comes in many forms. Not only does it mean that the spa offerings need to be of a high standard, but it means that menus need to cater for healthier lifestyles and that additional activities outside of the hotel that encourage exercise and movement need to be promoted, too.

"Wellness means different things to different people, so as the industry looks at incorporating activities such as yoga and meditation into their offerings, it should also be noted that things such as the hiring of bicycles could go a long way in assisting wellness for someone else".

## **Health and safety are important**

Unsurprisingly, health and safety remain a priority for all travellers and play a major role in the decision-making process when booking trips, particularly for at-risk groups.

"As one of the largest hotel groups in the world, it is imperative that we ensure the highest standard for hygiene, safety, and sanitation is implemented around the world and validated by a third party, to ensure that none of our guests are put at risk," says Cordon.

"Our Safety Protocol is a program of in-depth cleanliness, disinfection, and prevention procedures developed in partnership with SGS, the world's leading inspection, testing, verification and certification company. This approach has proven to be beneficial to our group and I believe that it will continue to be a key factor in the decision-making of travellers."

## **Sustainability reigns supreme**

As we increasingly begin to witness the consequences of climate change, the need for the tourism industry to operate sustainably is a sentiment that has resonated with many travellers, with individuals increasingly seeking out environmentally-friendly destinations.

"Our hotel group has a strong responsible business heritage and sustainability program in place, which is built around three pillars: Think People, Think Community and Think Planet, and includes a comprehensive range of initiatives. We have also made substantial strides to drive climate action in the hospitality industry, with one of the most significant strides being our goal to achieve Net Zero by 2050.

"Furthermore, during this year's COP27 in Egypt, Radisson Hotel Group reaffirmed its strong commitment to sustainability by signing the Glasgow Declaration, "Cordon concludes.

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