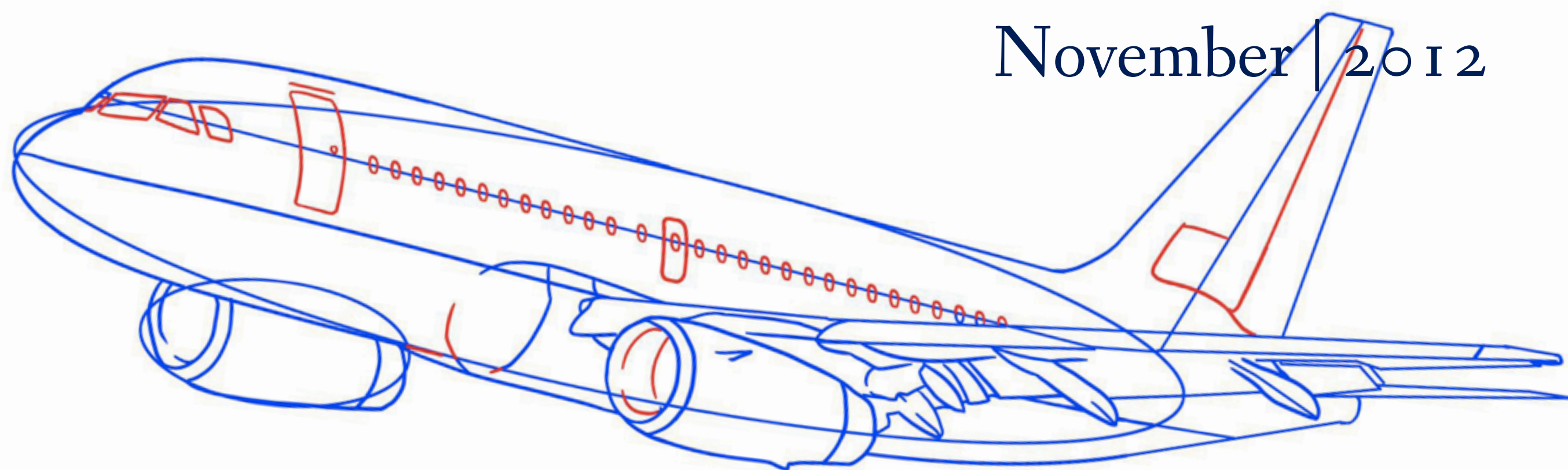


V.2

# THE TRAVEL ISSUE

November | 2012



TRENDS

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# THE RELIABILITY OF REVIEWS

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## SITUATION

Reviews used to be trusted to the establishment – the Ebert and Roeper’s, and *Consumer Reports* of the world. Yet today, word of mouth and online research are the top trusted sources of travel information and have become an increasingly important part of the travel ribbon during consideration (*Iconoculture*, 9/2011). Consumer generated reviews, in particular, popularized by such sites as Amazon, have become the default resource for most digitally savvy travelers. 70 percent of consumers worldwide trust online reviews, while only 47 percent believe traditional broadcast and print ads, according to a 2012 Nielsen study. Consumers today (more than ever before) are informed by thousands of previous experiences documented and reviewed by friends and strangers alike.

## WHAT WE’RE SEEING

Review sites such as Hotels.com, TripAdvisor, and Yelp have transformed the travel decision process and are growing monthly.

## WHAT WE'RE SEEING

For example, Wyndham Hotel Group put in place software from TripAdvisor that automatically sends Wyndham's online customers (across its 15 brands) a link inviting them to review their hotel after they've completed their stay. Reviews also give the power back to the consumer as customer feedback helps certain brands confront and correct their shortcomings; Accor Hotels has publicly stated that reviews have influenced changes in their business and products.

On the other hand, if reviews are ever to fulfill their promises as the premier influencer of purchase, consumers need to be able to trust them. Trust is no longer something that brands can sell; however, what happens when brands buy people? With its proliferation, review systems are sometimes manipulated. Some brands are even paying consumers to write fake reviews with cash, coupons, and other non-cash incentives to bolster their scores. Technology research firm Gartner has predicted that by 2014, up to 15 percent of all social media ratings and reviews will be fake. But even as people try to game the system, review sites are finding ways to remedy the situation (ie, Amazon's "verified buyer" and Yelps "consumer alert" certification).

## IMPLICATIONS

Brands must embrace consumer reviews for three reasons:

1. People have an insatiable appetite for online reviews
2. Reviews can influence brands/products to correct problems
3. Easy access to reviews can translate into greater sales

Brands should also align marketing messages to documentable performance (such as reviews). Think about communications that tout customer service excellence that are in stark contrast to consumer experiences. When the message does not match brand experience, credibility goes out the window. And now, with disgruntled customers able to publish their discontent via online reviews, tweets, and the like, the ensuing impact can be devastating.

# TRAVEL DATES

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## SITUATION

The meaning of “family time” has drastically changed. With older adults living longer and families more physically dispersed than ever before, people are changing the way they spend time with their relatives. In addition to geographical distance, time and schedule constraints placed on members of the family—especially children—are also fragmenting precious family time. With children having numerous obligations in addition to school such as tutoring, sports practice, music lessons, and play dates, weekly family dinners have become a remnant of the past. As a result, people today are actively scheduling time for family and booking space for emotional connection. In the midst of this transformation, multigenerational travel has emerged as a popular way for families to unite. And grandparents are spearheading this trend.

## WHAT WE'RE SEEING

“Grandtravel” (children traveling with grandparents) is one of the fastest growing segments in the travel industry today. According to a University of Florida study, the phenomenon of grandtravel has increased 60 percent since 1996, and accounted for at least one fifth of all trips taken with children in 2007 ([MSNBC, 2007](#)).

### 1. CRUISES AND THEME PARKS

Disney Cruise Line is an award-winning brand that provides something for every family member. Families can reconnect while adults relax and kids experience the fantasy of Disney. Theme parks are fun destinations where families can go to spend a weekend away. Many recreational parks are now offering special multigenerational deals and offers.

## WHAT WE'RE SEEING

### 2. EDUCATIONAL EXCURSIONS

In addition to spending quality family time with each other, many people are choosing to make a learning experience out of it. Elderhostel and Disney Guided Vacations are tour operators that organize family getaways. Destinations include both national and international hot spots such as: Australia, Egypt, Cambodia, Vietnam & Laos, Mt. Rushmore and the Grand Canyon.

### 3. HOTELS

Lodging is also transforming to better accommodate the family unit. Club Med Cancun offers programs for families and also has age-appropriate programs for kids and teens, such as video-editing and jewelry-making classes. The Seaport Boston Hotel has a specially designed weekend package for grandparents and grandchildren. Guests are welcomed with milk and cookies upon arrival, and their stay includes free admission to sites such as The Children's Museum.

## IMPLICATIONS

Grandparents are no longer considered satellite relatives. They are becoming actively involved in their grandkids' lives, and marketers are beginning to realize the significant purchasing power that they wield. Travel and leisure companies are not the only ones noticing this; companies such as Fisher-Price and Johnson & Johnson are connecting with this segment through grandparent-customized guides and rewards programs. With the growing prominence of this new segment, can we expect a major shift in targeting across all industries?

# TRAVEL BEHAVIOR

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## SITUATION

We are less inhibited in certain communal spaces. With volatile prices, overbooked flights, heightened security procedures, and numerous added fees, flying offers little to ease the traveler's state of mind. Travelers are agitated and often rude, and the atmosphere of airport terminals does little to invoke travel etiquette.

## WHAT WE'RE SEEING

### 1. SEATING ARRANGEMENTS

Airport lobbies are set up in ways that obstruct interaction. Chairs are linked together so that people aren't able to move them around. They are also spaced too far apart for people to organically engage in dialogue. In addition, people are able to manipulate the fragmented space further with their luggage. All these factors result in increased difficulty for people to engage with one another in airports. The structure of the space creates an individualist environment that pushes people to act in individualistic ways.

### 2. AIR POLLUTION, AROMAS

Certain smells compel people to act in certain ways. For example, the smell of cookies and coffee triggers people to act in a more friendly way. In addition, sprays that smell clean and fresh promote virtuous behavior. In one study, people acted more morally and were more willing to give to charity when the room had been sprayed and cleaned with Windex beforehand.

## WHAT WE'RE SEEING

### 3. AMBIENT NOISE

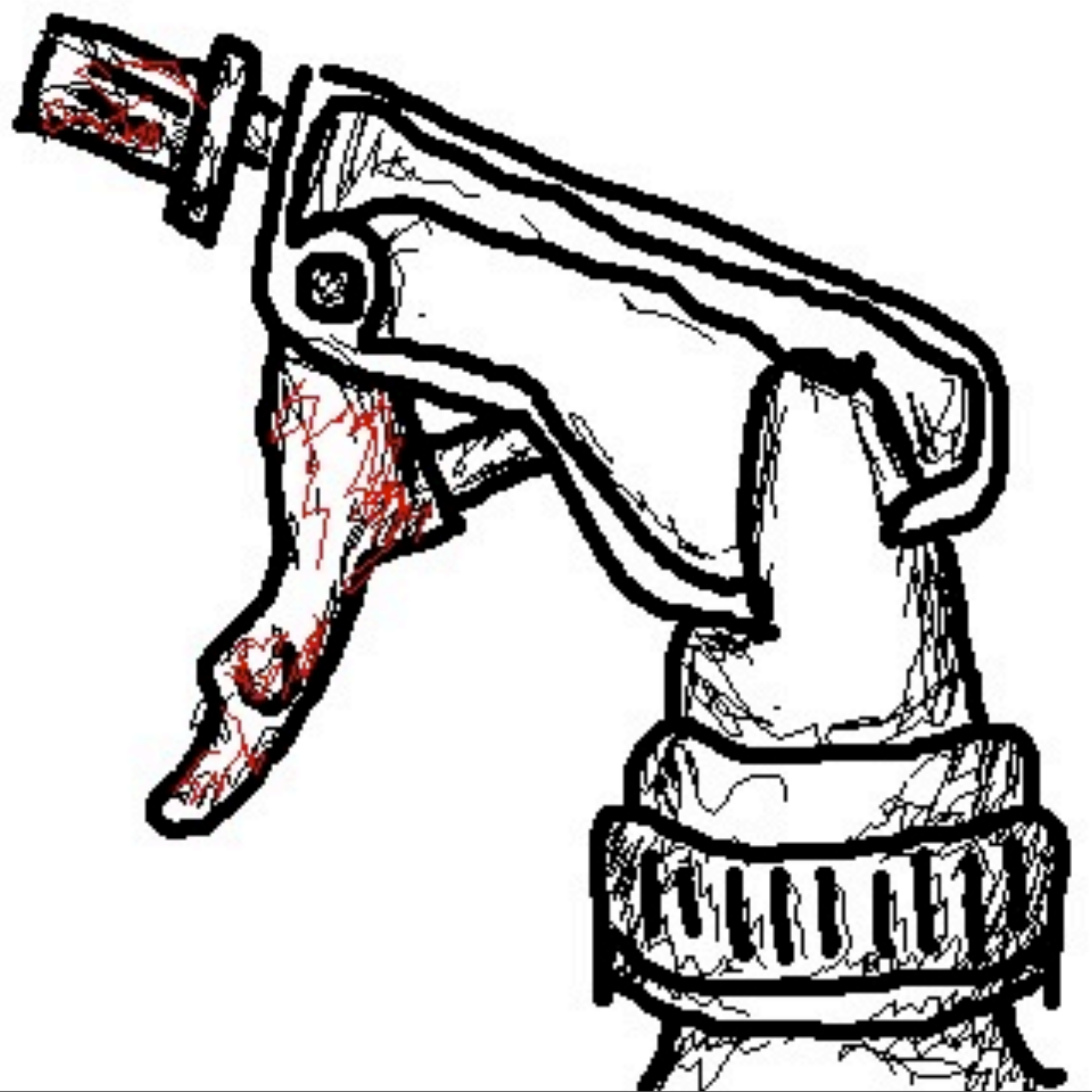
Up until the late sixties, many believed that noise had a negative impact on people. Today, however, it has been proved that people can indeed behave and perform quite well in very noisy environments. In fact, studies show that it is not noise that affects behavior and performance at all, but more the person's *perceived ability to control the noise*.

### 4. CROWDING

People feel more discomfort in crowded areas. But, similar to the noise study, researchers found that it is not the density of people (# people/square ft.) but the perception of whether or not this was appropriate. If people thought it appropriate for a space to be crowded, they didn't feel psychological discomfort from it.

## IMPLICATIONS

We are heavily affected by our environments. And the lack of predictability and controllability in airport terminals accounts for much of why we are seeing a plunge in travel etiquette. Given the psychology surrounding travel, how can brands manipulate these factors to enhance travel manners?





# THAT HUMAN FEELING

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## SITUATION

We book everything online, sorting by price and location. And we sit next to strangers for hours on end (in ever tinier seats). The commoditization of today's travel industry offers a one-size-fits-all model that excises humanness from purchasing considerations. In the face of mechanized algorithms, consumers are looking for more emotion-based information and experiences throughout the travel experience, from booking, to hotels, to flights.

## WHAT WE'RE SEEING

There has been significant proliferation in both utilities and brands that bring human or more emotional experiences to the often systematic and mundane reality of travel.

1. Startup travel search engine Hipmunk uses algorithms to calculate emotional experiences during travel and measures things by an "agony" factor (time spent between connections, flight duration) to sort flights.
2. KLM Airlines, has created an application when booking that allows you to select your seatmate based on interests and other data sourced from Facebook.

## IMPLICATIONS

Consideration of simple emotional factors and a more "human" approach to a brand "system" could be the new way to connect with consumers. Instead of pure transactional offerings, how do brands serve up their products and services in more emotive ways? Brands can leverage such opportunities to better socially connect with its customers.

# THAT HUMAN FEELING

hipmunk  
flight search



A graphic design featuring the word "FAST" and an ampersand symbol (&amp;). The letters are constructed from a grid of small blue icons, each containing the text "in" and a Facebook "f" logo. The background consists of light blue curved lines. At the bottom left is the KLM logo with the text "Royal Dutch Airlines" and a "50 YEARS" anniversary emblem. To the right of the logo is the slogan "Journeys of Inspiration".

# VALUE TRAVEL

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## SITUATION

The economy makes long-distance leisure travel more challenging for consumers today. According to a Deloitte study conducted this summer, more than half of consumers who were interviewed stated that value drove their decisions around where to go and where to stay. With pinched pockets, many travelers are redefining the “must haves” and “need to haves” around travel. And with this, they are shedding certain conveniences and comforts.

## WHAT WE'RE SEEING

Many companies have identified the woes of the cash-strapped traveler. And they have rolled out a variety of methods to ease their travel concerns.

### I. TRANSPORTATION

- a. **DEBUNDLING:** As a response to rising fuel prices, air carriers have long since debundled their services to lower ticket prices. They have pared everything down to the bare minimum with all things extra—legroom, checked bags, early boarding, in-flight entertainment, meals and even use of the lavatory—only available at an additional price.
- b. **ABOLISHING FIRST CLASS:** Many U.S. airlines are cutting the number of first class seats on aircrafts. Airlines are redefining premium service by replacing first class seats with redesigned business class, economy plus or premium economy seats (coach seats with extra legroom). The traditional three-class model of first, business, economy is shifting to a more cost-conscious platform: business, premium economy, and economy. (“The Long Slow Death of the First Class Seat.” *WSJ Online*, July 19, 2012.)

## 2. LODGING

Online room and house-rental services are on the rise as many travelers are finding hotel prices too steep. One such example is Airbnb, an online-accommodation rental service that allows travelers to find affordable and authentic lodging in over 26,000 cities in 192 countries. Airbnb has now expanded to include unique accommodations at any price point with lodgings ranging from tree houses to private islands.



## IMPLICATIONS

Marketers are identifying and addressing the various needs and concerns of money-conscious travelers. But while some efforts are being applauded as innovative, others make consumers feel nickel-and-dimed (as in many debundling cases). It is up to companies to truly understand the consumers and their mindsets around travel to make traveling a better experience.

# LUXURY TRAVEL

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## SITUATION

Today, we are seeing a shift in how people spend their wealth. While much of the onus over the course of human history has been on the accumulation of material possessions, today we are seeing a shift as people are increasingly valuing emotional and experiential wealth as more worthwhile. Instead of purchasing a Rembrandt or Titian, people are seeking exotic destinations and luxurious methods of travel. Indeed, Americans are now shifting the way they approach, book, and experience luxury vacations. While the economy has had a generally negative effect on travel, new campaigns are capitalizing on the message that luxury travel is an indulgence worth investing in if it means quality time with your family. And the audience is ripe for it. According to the Luxury Institute's Wealth Report for September 2011, the top two luxury categories in which the wealthy plan to spend more are travel (18%) and technology (16%).

## WHAT WE'RE SEEING

Regardless of families' holiday itineraries, children are becoming more involved in the decision-making process. While they do not necessarily determine where the family will go, they increasingly dictate how they will travel, and many marketers are recognizing this.

### 1. WEBSITES

Today, there are a wealth of sites that offer family travel options that promise both children and parents once-in-a-lifetime experiences. One such site is MyLittleSwans.com. Geared toward family-friendly, theme-based trips, My Little Swans help users plan vacations that are appealing to everyone in the family. The site is intentionally image heavy in order to engage and inspire children.

## 2. HOTELS

Many hotels are also helping families to plan the perfect family getaway by offering child-friendly amenities and services. The Athenaeum Hotel in London is equipped with a Kids' Concierge to help families plan their vacations. The Kids' Concierge desk will help guests book shows and events, and also stocks up on books and snacks that their kids prefer before the family's arrival. The hotel's Children's Menu offers items that are created by children for children. And if there is something that your kids love but isn't on the list, they will go out of their way to prepare it. In addition, the hotel also offers to tuck children into bed for their parents (see: special turndown service). ("Silver Spoons and Suitcases: Upmarket families turn to travel as a family investment." *Iconoculture*, December 13, 2011.)

## 3. OTHER SERVICES

Tiny Tots Away is a UK delivery service that minimizes the hassle of traveling by shipping a family's essential supplies to their travel destination ahead of time. Destinations range all over the world, and the company delivers to hotels, private villas, and even to boats. With Tiny Tots Away, families can travel more easily without having to lug around a mound of children's equipment including diapers, milk, baby foods and snacks, lotions, first aid kits, and feeding equipment.

## IMPLICATIONS

More and more companies are recognizing the need to make family travel hassle free. And the wealthy are willing to spend money to make it as enjoyable and memorable as possible. Many more brands are launching campaigns that target this luxury traveler segment – in January of 2011, Four Seasons Hotels and Resorts launched a family travel blog titled "Have Family Will Travel." It will be noteworthy to see which other brands follow suit.

# IRRATIONAL FEAR

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## SITUATION

Technology can make us safer, but it also introduces new dangers. For travel, part of the danger comes from an increasing reliance on technology; if technology fails, we may not remember how to regain control. Air travel is statistically the safest form of travel, but an irrational fear stemming from the notion of flight and the threat of terrorist attacks makes consumers demand the latest technology to protect them from danger, even though the technology could be introducing new dangers or inconveniences that are more difficult to understand and avoid.

## WHAT WE'RE SEEING

The release of Apple Maps in September was a wake-up call for how reliant we are on digital cartography, when, for the first time in five years, iPhone users couldn't trust their phone for accurate transit directions. The frustration was catalogued satirically on social media, but it posed a small-scale danger for many who, for the time being, did not have a workaround and could not possibly anticipate a driving directions app leading them straight off a cliff.

On a larger scale, the same effect happened in the tragic crash of Air France Flight 447 in 2009, which fell into the ocean en route from Rio de Janeiro to Paris. This was a titanic-like, uncrashable Airbus A330 that even had computer systems in place to mechanically prevent pilots from pulling up too hard on the controls and stalling the plane. Unfortunately, with mechanisms like this in place, when the plane's systems failed in the middle of a thunderstorm, the pilots could not trust their computers and could no longer exercise their instincts for manual operation.

## IMPLICATIONS

We have assuaged many of our irrational fears of traveling, but with the tools we've created to make travel safer, we risk making ourselves susceptible to systematic dangers and irregularities that are harder to anticipate. When brands consider creating tools that rely on new transit technology, they should fully understand their dependencies on the tool and both the benefits and the potentially dangerous downsides.





# WHAT WE TRAVEL WITH

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## SITUATION

Things we travel with today have changed drastically from a decade ago. Travel pillows, eye masks, books, and brochures have been almost entirely replaced by laptops, smart phones, and iPads. Travel has become increasingly technologized, and as a result, we are perpetually plugged in. Traveling has ceased to be something people can regard as downtime – whether in transit or post arrival. With Wi-Fi on planes, trains, hotels, and 4G available on mobile devices, we are always expected to be producing. We no longer believe it's enough to rely on an isolated benefit; additive tech amenities are expected and becoming the new norm.

## WHAT WE'RE SEEING

### **IN-FLIGHT**

1. **WI-FI:** Wi-Fi usage on planes is increasing in the U.S. with 1,700 planes now offering travelers Wi-Fi access—up from about 1,000 at the end of 2010. While Wi-Fi is a paid service, Delta offers some Internet access for free to certain sites such as Amazon.com (one-third of all Amazon purchases on Delta flights are e-book downloads). Virgin America boasts a full fleet of planes with Wi-Fi. And while customers use in-flight Internet for a variety of work and social purposes, a strange phenomenon has emerged – customers have started contacting the airline through social media. Instead of speaking with flight attendants, travelers are tweeting about certain in-flight amenities or services and even asking where the power outlets are located. A number of passengers are also sending messages to the airline's office about delays or missed connections, prompting pilots to respond to in-flight passenger problems. (“To Tweet From 30,000 Feet: Picking Planes Wired for Wi-Fi” *WSJ Online*, March 21, 2012)

## WHAT WE'RE SEEING

2. **PERSONAL HOTSPOTS:** “Mi-Fi” is a pocket-sized device that connects people to high-speed 3G networks. While they can be used for connectivity in small office settings, many business travelers are using personal hotspots to stay on the grid and continue working in transit.
3. **FLIGHT TRACKER:** Your friends, family, coworkers, and chauffeurs can track your flight status, predict early arrivals or delays, all while you're in the air.

### **POST-FLIGHT**

1. **TRAVEL APPS:** Smartphone apps are becoming more and more essential to the traveler. Tripit is a free app that lets you visualize your itinerary from flight confirmations—hotel vouchers to car rentals. In the case of delays or cancellations, the app also helps you rebook similar flights.
2. **AUTOMATED HOTEL SERVICES:** Hotels are stepping up their tech amenities to streamline your stay. Andaz Wall Street in New York allows guests to skip the front desk and check in from the elevator on the way to their room. And the Wit Hotel in Chicago links your bedroom phone to staff cell phone lines so that you can receive more efficient customer service around the clock.

## IMPLICATIONS

Travel used to be about exploration and discovery. However, with the aid of technology, the purpose of travel seems to have shifted to making your regular work life more easy and hassle free. Technology has no doubt streamlined many business needs and made work from home or air seem seamless. While brands have done well keeping up with travelers' demands, at what point will they shift the focus back to travel for travel's sake?

# VOLUNTOURISM

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## SITUATION

Voluntourism is on the rise as people are opting to do good during their time off. Starting in the 1990s, voluntourism was a way for affluent travelers to drop in and help out for a day, albeit without a lasting effect. Then, with Hollywood celebrities such as “Brangelina” publicizing their efforts at humanitarianism, many post-grad high schoolers started using their gap years to participate in volunteer programs. Finally, with Katrina and the earthquake in Haiti, voluntourism gained even more momentum. However, how much of voluntourism today is badging versus self-actualization?

## WHAT WE’RE SEEING

Pairing travel with humanitarianism is appealing to almost everyone. And as it is a guilt-free way to travel, many are planning travel through voluntourism programs. These programs usually require at least a commitment of two weeks and charge participation fees that cover the traveler’s food, transportation, and accommodation. However, while the premise behind voluntourism (the notion of giving back) is laudable, many argue that such trips are simply more entertaining versions of Peace Corps missions that become unsustainable and even disruptive to the local communities. Many contest whether or not voluntourism is a good thing. While some program directors state that every little bit helps, others are wary of the long-lasting negative impact such transient volunteering may have on communities. (“Vacationing like Brangelina.” *Time Magazine*, July 26, 2007.)

## WHAT WE'RE SEEING

On the flip side, some developing communities around the world are capitalizing on voluntourism, artificially creating sites such as orphanages to lure in people wanting to lend a hand. In Cambodia, some orphanages are set up to attract volunteers and their donations. To do this, some of the resident children are bought from poor parents or rented for short periods of time. In fact, a study found that only a quarter of children living in these so-called orphanages were actual orphans. (“Before you pay to volunteer abroad, think of the harm you might do.” *The Guardian*, November 13, 2010.)

## IMPLICATIONS

While voluntourism was born out of a true yearning to give back and better the quality of living among many communities, its transient nature can often do more harm than good. Can travel brands deliver on the do-good aspect to keep people satisfied while keeping these trips sustainable and truly beneficial for the local communities? While there is a long list of programs offering such humanitarian experiences, who will be the leader in redefining travel for the sake of doing good, as opposed to creating do-gooders?



# TRIP SHARING

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## SITUATION

Technology has changed how we record and share memories. While we once waited to meet with friends and family after a trip to share our experiences (or at least had to upload photos from our camera to a computer), half of Americans now carry with them a device that can take photos and instantly share them on platforms like Facebook, Twitter, and Instagram. What was once a handcrafted scrapbook or a collection of photos on the fridge is now a digital medium, complete with location data, comments from friends, and in a shareable but arguably less sentimental format that lives on the web. The ease of time-capsuling our lives has now merged with travel.

## WHAT WE'RE SEEING

Photo sharing on the web is not new, but sharing photos, events, and memories by location is. Facebook added a personal map to profiles in 2012, providing a new venue for travelers to show friends where they're off to next. This summer, Instagram, the most active social network online, added a "Photo Maps" feature to allow friends to explore photos by where they were taken instead of a scrolling timeline.

With these new features on major platforms, we have a way to digitally scrapbook our trips as we travel. Our friends can see updates instantly, and we can revisit the entire trip online when we return home.

## IMPLICATIONS

For companies with stores or restaurants in many locations, this is a chance to showcase locations through organic photo tagging. People are excited to explore and visit new places, so brands could leverage that excitement by making their store/restaurant a true novelty to photograph for travelers.

# TRIP SHARING

