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Prospective study for:



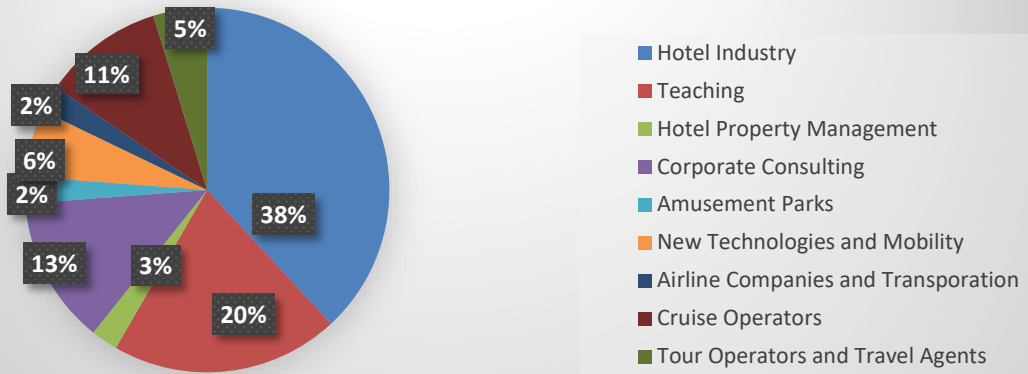
The major trends that will impact the tourism & the hotel sector by 2030

A new international school of tourism and hotel management is scheduled to open in Nice, France in December 2021. BECHTEL-CONSULTING has had the privilege of participating in this opening by conducting a prospective study of the major trends that will impact the tourism and hotel sector by 2030.

We were also tasked with defining the new skills that professionals will need to acquire as they face these new challenges.

We hope that you will enjoy reading this report and that it will provide you with a useful overview of how the sector is developing.

Breakdown of Interviewees by Sector of Activity



Interviewee Profiles

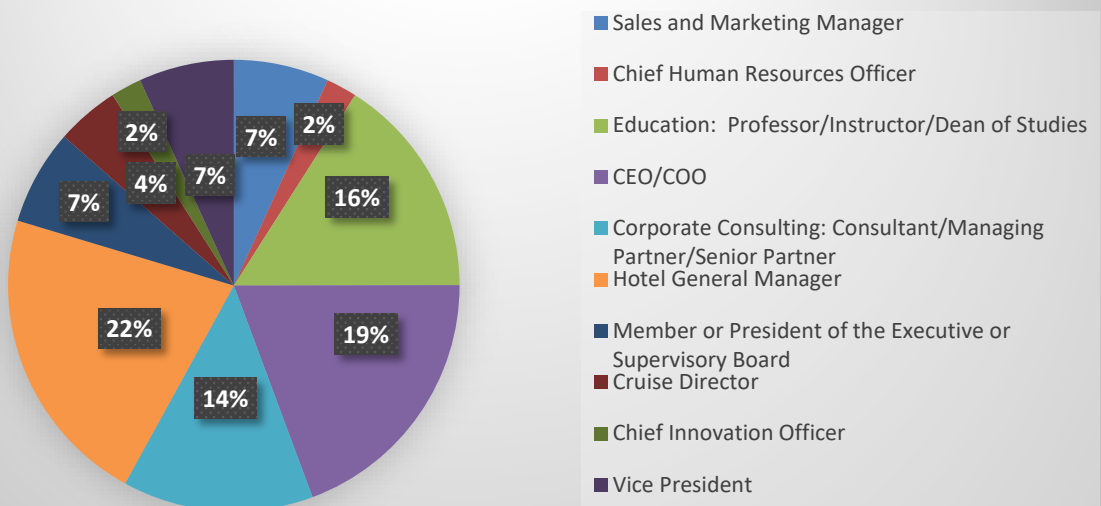
For this study, we placed tourism professionals into three major categories.

In the first category are **professionals of the hotel industry**, which includes all companies that provide accommodation services (aparthotels, resorts, vacation villages, and so on), as well as teaching professionals and consultants working in this sector.

Although the services provided on cruises are similar to those found in hotels, the specifics of the marine setting led us to place **cruise professionals** separately in a second category.

The third category includes **other tourism professionals**, who work in companies such as tour operators (TOs), travel agencies, transportation (airline and railway companies, coach operators), online travel agencies (OTAs), and mobile solutions providers.

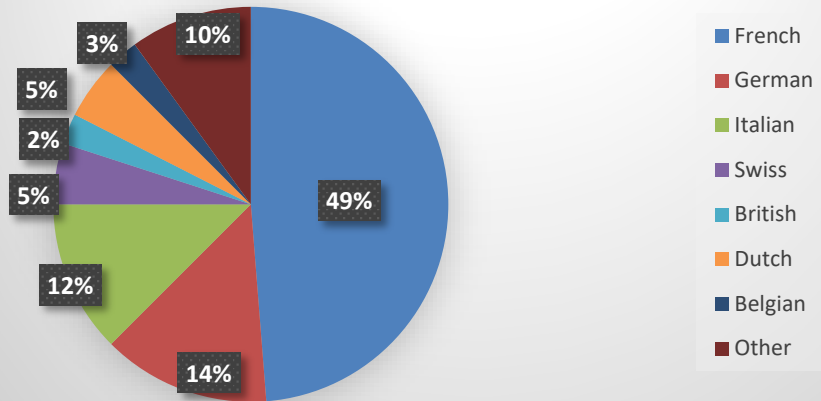
Breakdown of Interviewees by Position



We took up tourism in relation to a whole series of operational functions (reception, accommodation, food service...) but also in terms of its support functions (marketing and sales, finance, IT, human resources,

purchasing, production...). Our objective was to target the broadest possible range of factors, so that we could obtain a comprehensive view of the sector.

Breakdown of Interviewees by Nationality



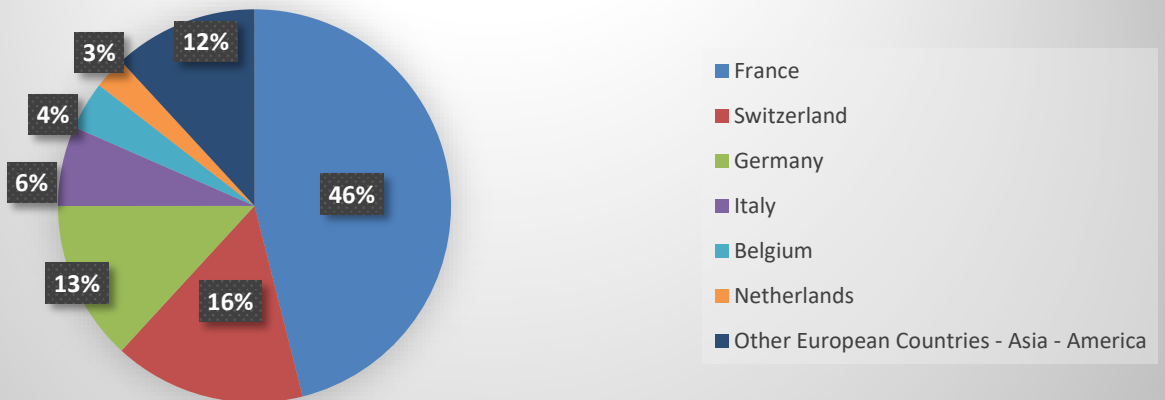
Our approach to the hotel industry focused primarily on the European market, with several forays into Asia and North America.

For the cruise and teaching sectors, we highlighted Switzerland, where several hotel management schools

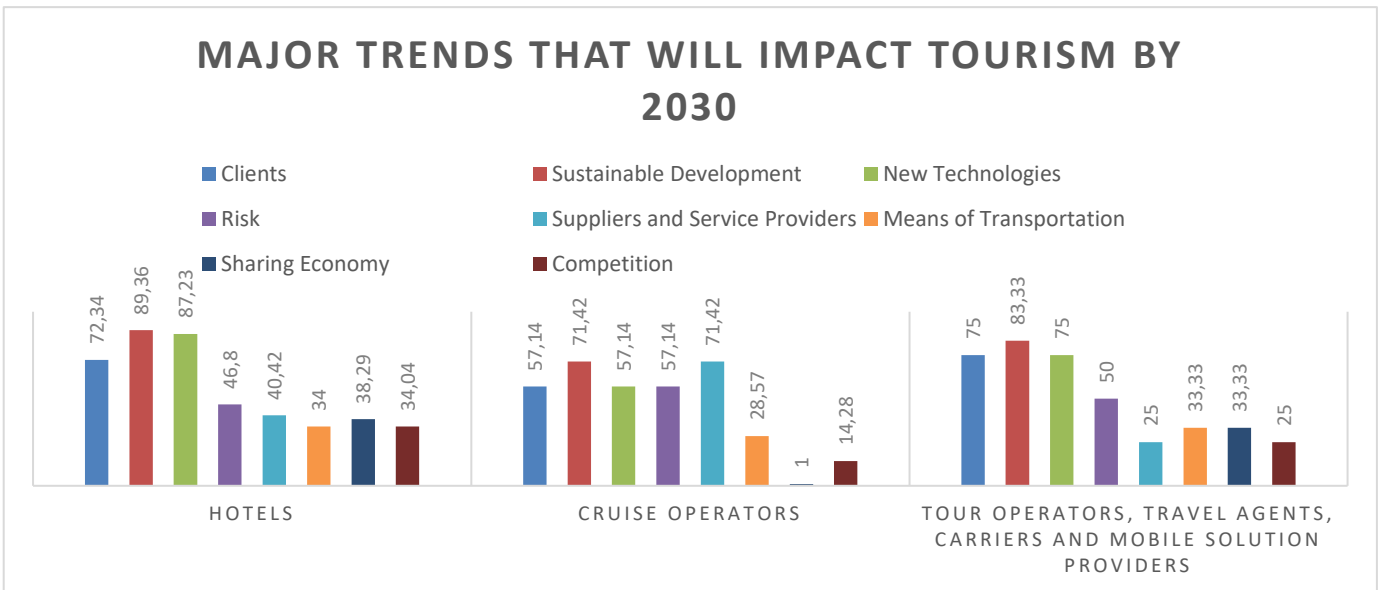
(École hôtelière de Lausanne, Les Roches, Glion) are located, as well as Italy, France, and Germany.

We turned mainly to France to study travel agencies, TOs, transport companies, and new entrants in the technology sector.

Breakdown of Interviewees by Country of Residence



What trends will impact the tourism sector by 2030?



Reading the Charts

A large majority of interviewees thought that “clients, sustainable development, and new technologies” will be the major, strong trends that will have a definite influence on the tourism sector as of 2030.

Among participants from the hotel sector, 72% answered “clients,” 87% “sustainable development,” and 89% “new technologies,” while those from the TOs, travel agencies and mobile solution providers ranked these factors at 75%, 83%, and 75%, respectively.

Cruise industry professionals were a bit behind but did confirm the trend, with results ranging from 57% (“clients” and “new technologies”) to 71% (“sustainable development”).

Study participants were much more circumspect about risk. While it is clear that COVID-19 has devastated the sector, many believe that, in the medium term, the tourism industry will recover to some extent and take off again.

Further, risk has always been an important parameter for the tourism professions, especially for travel agents, TOs, and cruise operators. “Whether natural, pandemic, political, or health-related, risk is an integral part of the profession.”

Interviewees predicted that other trends—suppliers and service providers, means of transportation, the sharing economy, and competition—will have less influence on tourism. Yet we can see that many innovations are challenging and disrupting them.

Clients are Moving Towards New Forms and Patterns of Consuming

In our exchanges with members of these professions, we have seen that clients remain one of their central concerns. This is expressed in a constant search for excellence, the desire to provide unforgettable experiences, and the effort to create a strong bond with clients.

Different factors can be identified in the development of customer demand: generational aspects, the expectation of authenticity, progress in computer technology, the impact of sustainable development, and digital nomadism.

Expectations of younger clients. Clients in the 20-35 age bracket are always looking to travel and seeking new experiences, and sustainable development can help guide their choice of trips and destinations. Clients are paying more attention to what they consume. Members of generations X and Y appreciate and have a great interest in hotel firms that are genuinely concerned about sustainable development. They are very receptive to both this and the quality of service, and they are looking for unique experiences.

In the past, tourism experiences were compartmentalized and offered more meager amenities, such as very residential or hotel-focused packages. What mattered was the place. We are now moving towards a much richer concept of the experience. This requires more work and teams need to be trained to participate actively in creating the experience. This is very similar to the difference between the service offer of a hotel and a Club Med. It is also very important to provide clients with powerful experiences throughout their whole trip, and this concerns all segments of the industry.

Business and leisure travel. The concept of working from home is morphing into "digital nomadism," a new trend that corporate travel managers need to prepare for, since it has been accelerated by COVID-19. Until recently, companies providing business travel services have been ill-equipped to deal with the increased demand for "bleisure" (business and leisure) travel, because the digital nomad lifestyle requires new forms of flexibility. This trend will continue and even pick up speed. There is an increasing desire to mix business and pleasure, for example by looking for settings that offer activities to keep children occupied while parents work or relax, similar to Club Med.

In **business travel**, there really are no pure incentives any more. Meetings, training, and incentives are combined with one another. In addition, people are taking fewer business

trips and are quite happy to hold virtual meetings online with distant colleagues and clients.

Sustainable Development

A large majority of interviewees agree that sustainable development will continue to have an ever-greater impact, given the pressure from clients who appreciate respect for the environment, buying locally, and reducing carbon emissions. This sector is changing rapidly.

Tourism, a polluting industry

Hotels use vast quantities of water and energy and are



often built in secluded, scenic locations, which have been damaged by their presence. In the future, hotel development projects and management should be reassessed so that they will be more environmentally aware, in terms of building design, respect for local peoples and protected sites, the supply chain, and so on. This concerns both hard and soft dimensions: from construction standards to service offerings.

In the wake of COVID-19, countries should expect that tourism will become more local. In France, large and small cities are working to attract their own residents. People are thinking of traveling shorter distances in order to reduce their carbon footprint. Given that France has a population of 67 million, this kind of tourism has the potential to benefit local communities, as we have already seen in the 2020 summer season.

The United States has a strong domestic market as well, although it often depends on air travel. China's national tourist market, which is built on the richness of a cultural heritage that is thousands of years old, is also attractive. The ramping up of local ecotourism gives pride of place to our lands and regions and to those who live there, who have a role to play in creating client experiences.

Sustainable development is a major concern for cruise professionals. Cruise operators are often criticized for the environmental impact of their activity. We forget that they were forerunners in areas such as wastewater management, food and waste recycling, and issues involving saltwater use. They have been working on certain environmental themes for quite some time: decreasing speed in order to reduce fuel burning, consolidating itineraries, using new engine technologies and hull paint, etc.

New Technologies



New technologies can be found primarily in distribution, the improvement of client experience, and cost management. Hotel management is a rapidly developing industry. In the 2000s, everything accelerated with information technology. We had to deal with emerging markets, the appearance of OTAs, and the demands conditioned by generational differences. The rate of technology adoption sped up and was amplified. This created innovation.

Improving customer experience: the way forward.

Technology will allow the hotel sector to make great strides forward in the areas of check-in and check-out, opening doors, etc. Blockchain, cryptocurrency, smart concierges, and contactless payment are the future. Cruise passengers will be able to use mobile apps to make restaurant and

theater reservations, open cabin doors, find family members on board, and pay for drinks.

The very idea of service will change. Technology will do away with long check-in lines at the reception desk. Since they will no longer be needed for such repetitive tasks, reception personnel will be able to focus on welcoming clients and adding value to their experience.

Risk

Risk has always been an important parameter for the tourism professions, especially for travel agents, TOs, and cruise operators. Whether natural, pandemic, political, or health-related, risk is an integral part of the profession.

Other Trends

Means of transportation. These will play a decisive role: airline and railway companies and coach operators are going to grow and develop. Some will be revolutionized by the introduction of new technologies (electric and hydrogen engines). We will travel faster and at a lower cost. We will prefer self-driving shuttles and buses that pollute less.

Urban mobility: new perspectives. Until now, the creation and sales of travel-related products such as accommodations, transportation, and on-site activities have not been connected with urban mobility products. Travelers could reserve hotel rooms and seats on airplanes or trains, but this was not possible for the various forms of urban transit.

The past few years have seen the release of new multimodal reservation apps for urban transportation. These apps combine trip planning, booking, and payments to different urban transit providers in a one-stop solution.

Over time, a genuine, integrated one-stop solution for travelers that includes long-distance transportation, accommodation, and urban transportation experiences will reduce the differences in scope among services intended for local residents and those intended for tourists. These solutions will allow both urban residents and travelers to move through a city using one centralized app, without having to interrupt their trip.

Sharing economy. At present, we tend to connect the sharing economy with food and co-working; in the future, this will also involve other actors in a company's orbit (such as craftspeople, technicians, and mechanics). There will be an effort to limit the impact of transportation and provide work for local communities. This whole ecosystem is in transition.

What skills will professionals in the industry need to acquire as they face these new challenges?

Hospitality and the Client Experience

A very large majority of interviewees placed reception at the top of the list of skills to be developed, because they are aware of shortcomings in this area. "Reception and hospitality need professionalism. Too often, we tend to rest on our laurels, and when we compare the service offerings in other countries with what is available in France, it is clear that we don't measure up, that we've fallen behind."

When we ask how we can provide an excellent experience, hospitality, and client reception should be important parts of the answer.

We sometimes complain that hoteliers have become managers and that the professionalization of the industry has had a bad effect on hospitality. We have lost sight of the importance of hospitality, and this also applies to food service. As the *École hôtelière de Lausanne* notes, "customer experience has been the DNA of this school for 127 years. Clients are very fickle, so you have to understand them and encourage them to come back." One must be unassuming and take time to look after the client.

There is a need for hospitality training in all the functions of hotels (accommodation, food and beverage service, housekeeping, etc.) and cruise ships, as well as in the work of other tourism professionals (TOs, travel agents, tourist offices, etc.).

Technologies and Languages

Numerous interviewees noted the need for classes to be taught in English and for students to learn how to use software (such as Oracle, Opera, Symphony, and Sabre). These tools are not taught and language skills are frightfully low (in France).

New technologies do not just provide a better client experience; they also let people work more quickly and be more responsive, while reducing certain production costs. We need to increase our productivity. Big data, the internet of things, and blockchain are the tools for today and tomorrow.

Flexibility and Versatility

In small hotels, the staff is highly flexible. This trend will extend to larger hotel structures, which will need to cut payroll costs by turning to economies of scale.

Some hotel groups have simplified their organizational structures, so that managers responsible for certain areas work with many more hotels. The organizational chart is being flattened out. Many hotels have one manager rather than a general manager who reports to a regional manager who is in charge of an entire region. This trend will become more pronounced and leaders, who will be younger and younger, will be given ever-greater responsibility. There will be less need for specific, specialized skills. Leaders will need to have an overall view of the company and a flexible leadership style.

People will also need to be multidisciplinary and skilled at adapting; it is always good to have open-minded people who are able to focus on more than their own core profession, who are versatile and have a comprehensive view of the "big picture."

Professional Experience



Young people who are just out of school are expected to continue learning on their own. They have been taught the basics, and hotel experience is essential for personal development and for learning what is not taught in school. They are 23- or 24-years-old and the internships that they have completed will not amount to first employment experience. They need to be supervised by someone with a strong vision and an open mind, who is flexible, agile, and quick.

Entrepreneurial Spirit

needs to be instilled in the team. In difficult economic times, young people do not bring value if they do not have corporate culture and an entrepreneurial spirit. "Permanent employment contracts" are a thing of the past; by teaching young hires to take the initiative, create, innovate, handle failure, and be resilient and perform, we help them to become more effective.

Executives

Executives provide impetus to team members. They have the job of building and guiding teams, and here again there is a need to train executive managers so that they can become good leaders. These managers must help teams improve and lead them towards success. Personnel management has become rather difficult these days, for we have to pay attention to many factors, in particular those of a cultural or religious nature. One must remain business oriented and view hotel management from a 360-degree perspective. An executive has to communicate his/her personal style to the team and create a corporate culture. We need entrepreneurs who can manage their businesses without losing sight of the qualitative aspect. We need businessmen and businesswomen who are good managers.



Middle Managers

Middle managers are the link between the executive sphere and the operational base.

In hotels, middle managers are those who report to the general manager within an operational unit. They are often collectively known as the management team, and they are tasked with implementing the directives of the general manager in their respective sectors, so as to maximize profitability. As a result, they need to have a deep knowledge of the business and the various factors that influence sales, costs, profitability, and client satisfaction.

They must also have a solid technical background, a perfect grasp of their profession, and the ability to solve problems.

They take the initiative, have a strong sense of entrepreneurship, and empower their teams, giving them more freedom to be entrepreneurial. It is not uncommon



for their teams to include a plethora of nationalities (American, European, Asian) and middle managers should be comfortable in dealing with multicultural and multigenerational teams. In addition to speaking their languages, it is important to have a good grasp of the cultural aspects.

Types of Training

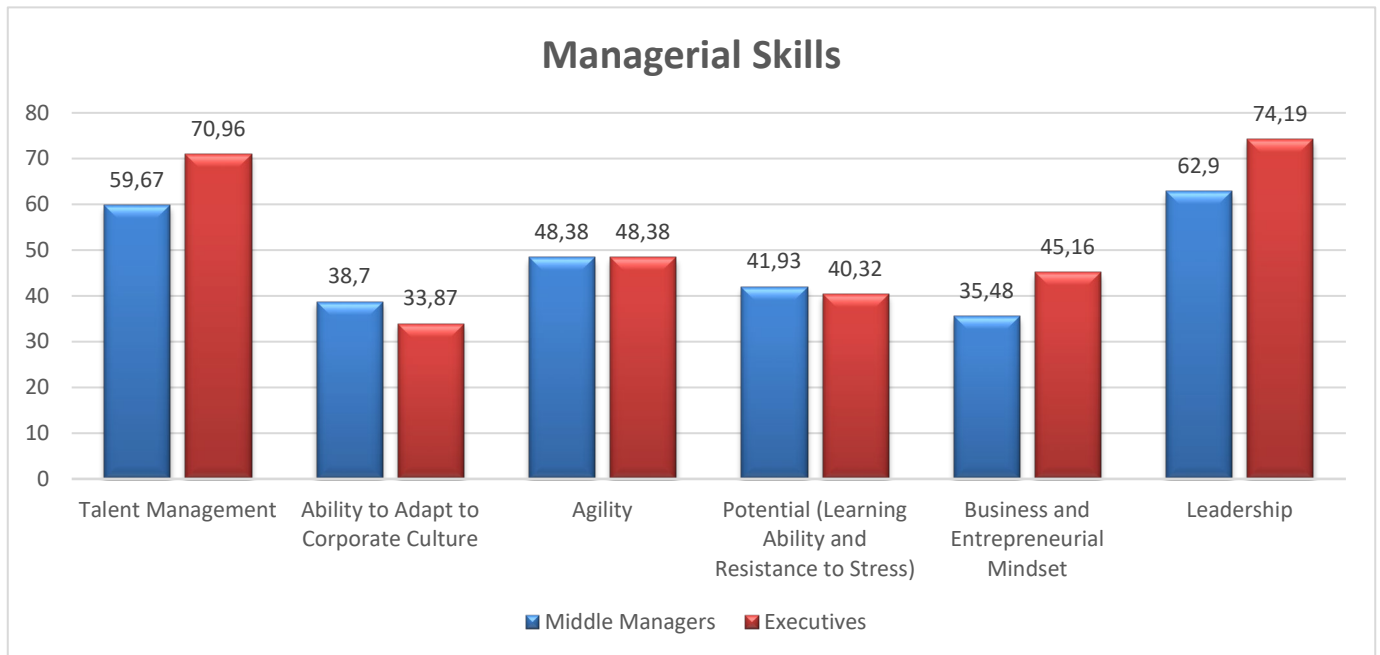
Continuing education is fundamental. Since there is a great deal of turnover, training should be short and targeted, and people should be able to attend training sessions during their work hours. Training is paramount to the hotel industry. It addresses not only technical skills, but also—and even more importantly—the soft skills of interpersonal and client relations.

Marketing and sales. Here the focus should be on new technologies, data management, and market analysis. Marketing tools are very complex and need to be updated on an ongoing basis.

Multiculturalism

Certain hotel schools have created training modules concerning different cultures. For example, at the Four Seasons, which has a very diverse workforce, many aspects of different cultures and their hierarchies are presented: how to behave with royalty, celebrities, politicians, and so on. Middle managers also tend to lack this sort of cultural awareness, which is required for understanding how clients think and their culture; they need to know how to address these clients and adapt their own speech and behavior when dealing with them. A course in geopolitics would also be very helpful.

What main managerial skills will executives and middle managers need to acquire?



Interviewees were unanimous that all executives and middle managers will need to hone their **leadership** and **talent management** skills. For managers, there is an even stronger need for these skills.

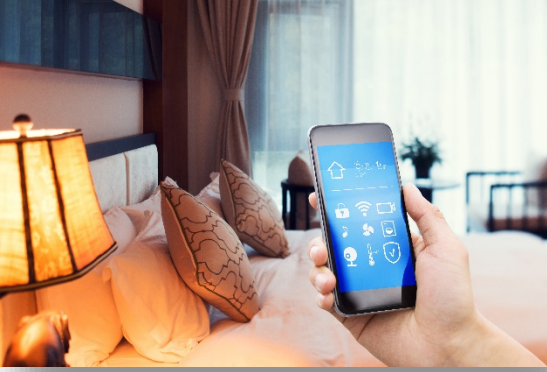
Agility came in at number 3. We live in a world that is highly volatile and agility is a major skill for those who manage. Job duties change quickly, as do the expectations of clients.

Several Facets of Leadership in the Twenty-First Century

In today's fast-paced environment, executives need to know how to deal with **uncertainty** and to be able to **learn from experience**. Companies are turning to continuing education and to the processes found in learning societies. They need to be led by managers who value this approach and who are themselves still open to learning. Since the current economic model has been working so well for such a long time, many companies now have a financial windfall at their disposal; in big companies, it can be difficult to

perceive peoples' ability to learn and call themselves into question. However, we never stop learning at any point in our lives.

Talent management is within the purview of managers. They know how to choose the right people to work with and help them develop by delegating real responsibilities to them. They know how to get a good mix of older and younger people; the latter tend to have a greater sense of customer service and are very enthusiastic about their profession. These managers need to foster openness to the outside world, for example by participating in the incubation of startups. Priority is given to team development and training. Managers need to manage teams in the way that a good parent manages a family, ensuring that their people thrive at work, that their jobs provide them with a decent living, and that they are loyal. Managers used to focus mainly on the financial aspects of tourism, but it is clear that this is no longer enough, since it does not ensure the long-term success and perpetuation of a company. Leaders need to lead in a different manner.



The **executive** should be a **chameleon** in relation to owners and investors, who sometimes do not understand the hotel business very well. They need to be reassured, informed, and guided. All of these people put pressure on managers, which they need to keep to themselves. Ultimately, each executive's decisions are his or hers alone, and that is not easy.

The middle manager

Managers who are too accustomed to relying on order and control will need further training. Today we speak instead

of motivation. Managers tend to appeal to the working methods they experienced during their own education, unless they have received specific training in management. They react in the way that they learned to react, and this is not always suitable for the situation.

They need to learn to put everyone's talents into play and to be a team player. They need to be ready to take on new projects and to challenge the younger generation, so that their teams can progress and develop their full potential.

1) International hotel chains

Accor
Deutsche Hospitality
Four Seasons Hotels & Resorts
Hilton
Hyatt
Intercontinental Hotels & Resorts
Kempinsky Hotels
Mandarin Oriental Hotel Group
Maritim Hotels International GmbH
Marriott International
NH hotel group
Pierre et Vacances & Center Parcs
Rosewood
Wyndham Hotels & Resorts

2) Small hotel groups & independent hotels

Althoff
Cheval Blanc (LVMH)
citizenM
Falkensteiner Hotels & Residences
Groupe Floirat
Groupe Lucien Barrière
Groupe PVG
HOIANA Hotels
Hôtels & Préférence
Hotels Bavarez
Jumeirah
Lavorel Hôtels
Le Mas Candille
Lindner Hotels & Resorts
Maisons Pariente
marhabahotels
Michel Reybier Hospitality
Oetker Collection
Rocco Forte Hotels
SBM
Seetel Hotels Usedom
Splendid Hôtel & Spa
Villa M

3) Travel agencies, TO and OTAs

Airbnb
DER Touristik Suisse (Kuoni + Helvetic Tours)
Elux Group
FTI Group
Groupe Karavel
Groupe Travel Factory
MagicStay.com
Marietton Développement
Mint Hospitality GmbH
Orchestra
Perfectstay
Thoiry ZooSafari
TUI Group
Veltra citydiscovery
Visit Europe
Voyage Privé

4) Partners & suppliers

Air France
Amadeus
Cirkwi
Compagnie du Mont-Blanc
Europcar Mobility Group
FinChatBot Solutions IA
Fish Klub Berlin
Flixbus
Lufthansa
Mile Positioning Solutions
mtrip
Oracle
Orion Hospitality Asset Management
Sncf

5) Cruise operators

Aida Cruises
Costa Crociere S.p.A.
Expedia Group
MSC Croisières
Ponant
Royal Caribbean Cruises

6) Consulting companies

Bain
Cydel
Deloitte
Horeca Conseil
Horwath HTL
in4impact Consulting & Services
Lausanne LIFHE Hospitality
Moj & Partners
MRP hotels
Nova Consulting
Optimiser Consulting
revenue.rocks europe GmbH
Roland Berger
Solutions dot WG GmbH

7) Education

Ecole Ducasse
Ecole hôtelière de Genève
Ecole hôtelière de Lausanne
ESCAET
Essca
Glion
HotelSchool The Hague
Institut Paul Bocuse
Les Roches Crans Montana
Ostfalia - University of Applied Sciences
Paris School of Business
Vatel

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Herbert Bechtel, 30 years of experience as Headhunter
Former Managing Partner at Heidrick & Struggles
and Whitehead Mann (Korn Ferry)



Geneviève Joassard, 5 years of experience as Headhunter
25 years in the tourism industry
15 years as CEO

Thank you for taking the time to read this study

We are delighted to have had the opportunity to share it with you.