

AIR TRANSPORT AND TOURISM

Smart Product Mix

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AIR TRANSPORT AND TOURISM: SMART PRODUCT MIX

“Smart tourism is a new buzzword applied to describe the increasing reliance of tourism destinations, their industries and their tourists on emerging forms of ICT that allow for massive amounts of data to be transformed into value propositions. However, it remains ill-defined as a concept, which hinders its theoretical development.”

Paper from the University of Greenwich

WHAT IS SMART TOURISM?

- ▶ We are today accustomed with the term smart as it relates to the everyday use of the telephone.
- ▶ In the area of tourism what is a smart product mix?
- ▶ The literature suggest that this terminology may have different meanings and therefore different implications
- ▶ Is it SMART or is IT smart.

A PRACTICAL APPROACH TO “SMART” TOURISM

- ▶ We are asked to explore the demand for tourism as it is impacted upon by economic circumstance, security concerns, political events, natural disasters.
- ▶ Each of these factors being a risk to the tourism product. We are asked to explore practical ways to overcome such risks.

THE GLOBAL IMPACT

- ▶ We are asked to explore the demand for tourism as it is impacted upon by economic circumstance, security concerns, political events, natural disasters.
- ▶ Each of these factors being a risk to the tourism product. We are asked to explore practical ways to overcome such risks.

THE ROLE OF TOURISM IN THE CARIBBEAN

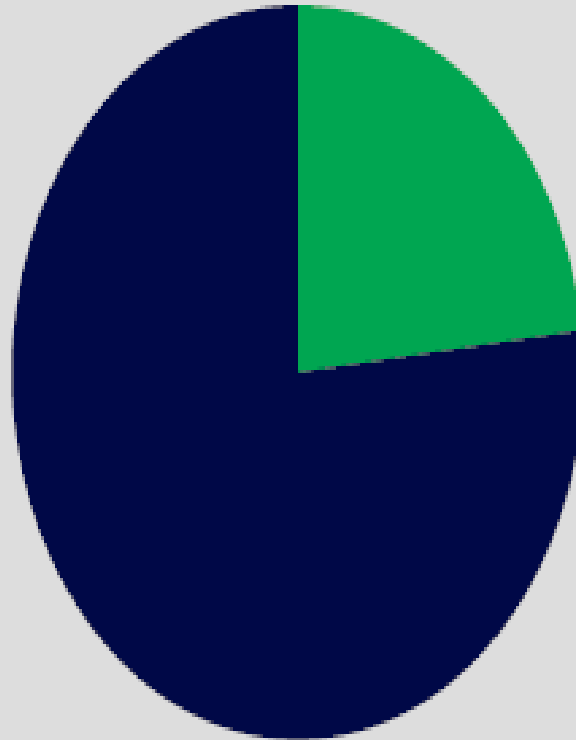
- ▶ Air transport is a dominant and essential pillar for tourism world wide. In the Caribbean, for some states, it is an essential pillar of the economy as the following chart will show.
- ▶ Tourism as a percentage of GDP (2017 data available online).
- ▶ As an example for Jamaica it was 27.2% in 2014 and projected to grow to 37.5% in 2025.
- ▶ Aruba – 88%
Anguilla – 56.6%
St Lucia - 39.6%
Grenada – 20%
Trinidad and Tobago 7%.
- ▶ Antigua and Barbuda – 60%
Bahamas – 44.8%
St Kitts - 25%
Bermuda -13.9%

WORLD

TRAVEL & TOURISM'S CONTRIBUTION TO GDP: BUSINESS VS LEISURE, 2016

Leisure
spending
76.8%

Business
spending
23.2%



Leisure travel spending (inbound and domestic) generated 76.8% of direct Travel & Tourism GDP in 2016 (USD3,822.5bn) compared with 23.2% for business travel spending (USD1,153.6bn).

Leisure travel spending is expected to grow by 3.9% in 2017 to USD3,970.4bn, and rise by 4.1% pa to USD5,917.7bn in 2027.

Business travel spending is expected to grow by 4.0% in 2017 to USD1,199.7bn, and rise by 3.7% pa to USD1,719.9bn in 2027.

GROWTH AND FACTORS INFLUENCING SAME

- ▶ It is suggested that the demand by tourism for air travel will continue for the foreseeable future, accounting for 50% of international tourism traffic.
- ▶ This will not happen without reliable, predictable, air services provided by modern aircraft.

THE TRAVELLER

- ▶ The traveller today is more savvy than 20 years ago and the demands for service is therefore different; no longer is it just a seat on a plane.
- ▶ He asks what can I do, how can I meaningfully utilize my time while I am on board the aircraft. Also, while I am spending several hours at the airport waiting for my flight how can I meaningfully utilize my time.

THE REGULATORY FRAMEWORK

- ▶ What is the role of a harmonized regulatory framework in making the tourism product better and more enjoyable.
- ▶ What are the impediments to investment in the air transportation product that may also have an impact on air transportation.

RECOGNIZING THE NEED FOR CHANGE

Jamaica ready to become 'Smart Tourism Destination'

Tatiana Rokou / 18 May 2018 10:20 2318

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SHARES



Jamaican Ministry of Tourism had invested J\$30 million in the development of the fully integrated website that has been developed in conjunction with Google and will be launched in June.



THE USE OF TECHNOLOGY

- ▶ It is suggested that the tourism product can be enhanced by making changes and using the available technologies in areas such as:
 - ✓ Getting Compelling with Content and publish
 - ✓ Targeting Locals with Geofencing and advertising.
 - ✓ Honing In & Segment your audience (Popular in elections).
 - ✓ Connecting often through Social Media content and imagery. (Bring the service to the client).

SMART PRODUCT IS NOT JUST TECHNOLOGY



GLOBAL EVENTS AND THE TOURISM PRODUCT

- ▶ The world has seen shifts in the global DEMAND due to several factors including:
 - ✓ The war on terror
 - ✓ Sharp changes in oil prices
 - ✓ Major hurricanes and storms
 - ✓ Bombings on the streets
 - ✓ Political events such as BREXIT.

WHAT IS THE BEST MIX FOR THE CARIBBEAN

- ▶ Is the technological infrastructure in the Caribbean sufficiently developed to fully embrace the vast array of technologies and the threats that demands improvements in cyber security
- ▶ Is the more relevant model one of a mix of the 7Ps?
 - * Price
 - * Promotion
 - * Processes
 - * Physical environment.
 - * Place
 - * Product
 - * People
- ▶ Can a mix of the two be relevant to the Caribbean.

RESILIENCE

- ▶ Given global warming and other challenges to the Caribbean and world how do we ensure resilience of the tourism product.
- ▶ What are the practical solutions, can we redesign our ports, and hotel infrastructure to withstand the onslaught.
- ▶ Can the product sustain in the long term.