

Forget China, the really scary bits virtual holidays, oil prices and

WHEN a futurologist prefaces his opening address with the words “Don’t be afraid of the future,” one can usually expect some profound changes are going to be forecast .

It was no exception for IT&CMA keynote speaker Rohit Talwar. He told delegates attending the recent Pattaya conference the world faced “six gorillas” which represented radical changes taking place in the world that could significantly affect the way we live and work.

Talwar said fundamental shifts are happening in the world and impacting the industry. Science and technology are opening up unimaginable possibilities.

The first gorilla was the dramatic impact of a new order in the world’s economies. India and China will be elevated to the top three in the top ten global economies for 2025. China will be number one. By 2020 Chinese middle class is forecast to double to over 40 per cent of the 1.3 billion population. Chinese domestic tourism will rise dramatically, generating 881 billion Yuan per annum and creating 9.8 million jobs by 2010. Internationally, China will generate 100-115 million outbound tourists annually by 2020, with each person spending US\$175 per day. Oil and energy costs will affect future travel. Talwar believes we will look back on 2005 and think fuel prices were cheap compared to what’s ahead. In 2004, oil increased 3.4 per cent —the fastest in 16 years. This year global demand for oil is expected to increase two per cent. Talwar cited China, where more people have mobile phones than have access to electricity. Greater use of oil is leading to the third gorilla — climate change. The ten warmest years on record have all occurred since the 1990s. The average atmospheric carbon dioxide concentration reached 377.4 ppm by volume — up 19 per cent since Mauna Loa- Hawaii Observatory started measurements in 1959 and up 35 per cent since the dawn of the industrial age. The dramatic changes in climate are responsible for severe weather incidents.

Aging population

“Around 12,000 global weather related disasters since 1980 have caused over 618,000 fatalities and cost US\$1.3 trillion including US\$569 billion over the last ten years,” said Talwar. “It is really quite staggering.” Environmental refugees are forecast to rise from 30 million in 2004 to 50 million by 2010 and 150 million by 2050. Global water shortages will add to the crisis with estimates of 3 - 3.5 billion people water-stressed by 2025. This will create regional tensions especially in the Middle East, Sub-Saharan Africa, South Asia and Northern China.

The next gorilla is an ageing population.

World population is expected to grow from 6.1 billion (2000) to 8.9 billion (2050). Those born in the 1950s can expect to live to beyond age 90 and those born in the sixties can expect to live beyond 100. The good news for the travel industry is that in the 2020s people over 50 will continue to outnumber the young and will be increasingly wealthy and willing to travel across the planet in search of new experiences. But getting your sales message through to these potential customers will be harder, says Talwar. Society will be heavily techno-centric. Adverts will be screened out more and more. Celebrity promotion will continue to be a

powerful means of brand promotion. To illustrate his point Talwar, produced four photos of world leaders together with Arnold Schwarzenegger. Few could recognise the world leaders but they all recognised Arnie! Word of mouth will increasingly become critical. The challenge, says Talwar, is to find those who are best networked and who have the most influence in a network, the trend-setters and fashion leaders and incentivising them to convert their friends into your customers.

The future of travel will be about enhancing the experience. Talwar says increasing price competition will drive up service levels at every price point. Traveller’s expectations are that you, the agent, take problems away. Travel agents will offer a collection, packing

and shipping facility to enable customers to make purchases without worrying. In a time-pressured world travel agents will make home visits to design vacations that suit individuals. Travel agents will also need to provide good local intelligence — continuously updated information on the best, cheapest, and most original of what’s on offer locally.

Travel destinations will change. Supersonic and hypersonic flight will open up new locations on the planet. Europeans will think nothing of ‘short haul’ trips to Goa, Rio and Dubai. South America and Asia will become as popular as European destinations. Asians will travel to Australia, New Zealand and Europe on short breaks. Provided they have enough carbon credits to purchase a ticket with.

Flight restrictions

Talwar sees the possibility, especially in Europe, of restrictions on airline tickets designed to reduce pollution. Europeans may be reduced to one domestic flight every two years and one long-haul international flight every five years. But these severe restrictions could be alleviated with carbon credits trading by people who don’t need or want to fly.

Convention travellers and independent holidaymakers will increasingly seek more extreme experiences. Talwar also sees back to nature options doing well. Watching polar bears in the wild,



Rohit Talwar, global Futurist
and CEO of Fast Future

for the travel-MICE industry are holidays for the terminally-ill

away from it all vacations, mind and body experiences and cleansing retreats will do well. Corporate clients will place an increasing priority on the “ecological footprint” of their trip. There will be an increasing desire to meet locals not just visit their country. Talwar gave the example of living in a Kalahari bushman’s camp for a week as the kind of intense experience travellers will be seeking. One area that will see increasing change is the impact of information technology on the travel experience. Holographic imagery will be used to show resort facilities via cell phones. Hotel check-ins will be eliminated. So will airline check-ins. The move will be to break down ‘barriers’ to the total experience. IT will recognise and process visitors, eliminating the need to have room keys.

Dynamic pricing will rule. Whatever price a traveller was quoted at the time of purchase will change and they will end up paying the lowest price paid by other passengers on the same flight or at the same hotel. Free high-speed broadband will be standard. Seamless transitions will see corporate conventioners expect the in-room terminals to mirror directly the individual’s desktop at work. Many holidays will be sold by E-bay type auctions.

Regular flights to space could happen by 2030 or sooner but it is likely that balloon flights to the edge of space will happen within 10 years.

The once popular airship is expected to make a return. Talwar sees helium-filled airship hotels that would allow tourists to visit multiple locations by day, sleep in the airship at night and provide low altitude photo experiences. Increasing use of ‘Air Taxis’ and business class-only airlines that operate from small private airports which are often closer to the city.

Pod hotels are coming. They will be pre-fabricated, fully serviced, self-sustaining, self-contained licensed facilities that can be transported and assembled anywhere — especially where traditional hotels would be unacceptable economically or politically. Talwar cited a new hotel in London where all windows look inwards to a courtyard. No guest rooms look out. This enabled the hotel to be built in relatively poor location. Pods would process all their own waste, generate their own energy from the sun and emit zero greenhouse gases. Rooms will offer flexible configuration and customers could use mode-changing switch to create the desired mood — ocean front, forest, desert or moonscape.

Unconventions

MICE margins will be pushed. Unconventions for specific professions — no conference — just networking. Real estate agents retreat or an investment bankers weekend away. People will want to hang out with their competitors. Talwar sees female-only events, with female-only holidays and hotels becoming more popular. Swingers and sex conventions will also take off. There will even be conventions for people to go and die. Talwar cited a group of 40 terminally ill English tourists who selected a Swiss destination to see out their days. Marketing will change to accommodate the well-heeled traveller. Product vendors will increasingly be willing

to pay to access the ‘high net worth’ individuals who are captive on a holiday. Companies will be able to test new products out on hotel guests and survey their opinions. Offer the customer to undertake online product surveys through in-room terminals. The rewards would be equally shared between the hotel and the customer. This could lead to product testing conventions and holidays paid for by the vendor. Five gorillas and so far the audience are still with Talwar. But then he moved up a notch into virtual holidays. Concerns over climate change and health scares may see time-poor and cash-rich societies want a holiday experience without leaving home. Talwar says as humans become increasingly enhanced, electronic memory transplants and uploads will be with us, possibly within less than 20 years. Professional holiday makers could then sell memories of their holiday experience — uploaded while you sleep. One will be able to log on and choose the experience of your choice and your software agent will capture the experience and upload it nightly while you continue to work by day.

Talwar sees climate change and energy as the biggest threats to continuity. He believes imagination is the key and many of the best opportunities are available today.



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