



**MEGATRENDS
DEFINING 2017
TRAVEL IN 2016**

Skift.

KTIA KENTUCKY
TRAVEL INDUSTRY
ASSOCIATION

SKIFT IS...

The largest intelligence platform in travel, providing **Media, Insights and Marketing** to all sectors of the world's largest industry.

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SKIFT does...

Skift **Deciphers & Defines** trends for **Marketers, Strategists & Technologists** in the global travel industry.

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SKIFT panders?



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Skift Trends: reports: Bi-monthly deep industry dives

skift.com: Daily news and insights

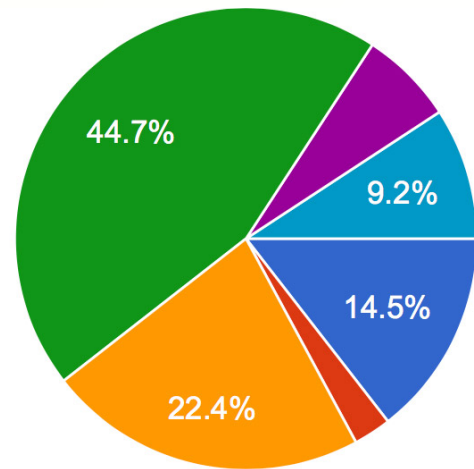
skift global forum: Thought-leadership event

skift X: Branded content studio

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finding ideas

how do you find out about new ideas?



- B2B Industry publications (Skift, Hotels News Now, etc.)
- Consumer travel publications
- General interest publications/newspapers
- Social media
- Television
- Other

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Trends and What They Mean for Kentucky Tourism

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2016

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#1

We're now ready for a 360-degree view of the traveler

Data have the potential to make businesses smarter and turn all marketing communication into one-on-one conversations with customers. This torrent of change will engulf the travel industry. Travel companies have traditionally helped consumers go on a journey. Now, the industry is mining the customer's journey to do a better job. The speed with which solutions providers are rushing to tap into the increasing amount of available consumer data, and evolving technology means that in the coming year, marketers will approach an all-encompassing view into customer behavior and preferences.

skift take:

With this comprehensive view into the traveler's journey, the industry is poised to elevate and personalize the travel experience further than ever.

Fort Lauderdale Downtown Development Authority and Palm Springs Bureau of Tourism both launched new city apps with augmented reality (AR) functionality that pull information from data collected from sources ranging from public transportation to special event permits to beacon sensors spread throughout the city.

When users point their devices in a specific direction devices identify beacons in that location that initiate AR messaging in the app to deliver information designed to "augment" the travel experience. That information includes websites, so people can now just point their phone at a restaurant or hotel and access their websites without having to use search.

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#2. The Bourdain Effect: Food is Now the Leading Hook in Travel

Food has an unmatched ability to communicate a unique sense of place. Local cuisine provides a direct connection to the history of a region, the soul of its people and the rhythm of daily life.

Food app Reserve's CEO Greg Hong put it very well, speaking at Skift Global Forum in October 2015: "Dining will be the last form of live entertainment. As we start to digitize experiences, we are going to yearn for authentic experiences where we can break bread together."

Hospitality, cruising and aviation brands across every budget tier are also providing context around native cuisine by incorporating local products and producers into their marketing and strategy.

skift take:

Food tourism is nothing new, but its exponential growth is remaking how destinations position themselves in the global tourism marketplace.

The Kentucky Bourbon Trail, featuring many of the industry's top-producing distilleries, had 762,009 visits in 2015, up 22 percent from the prior year's record pace, according to the Kentucky Distillers' Association. When combined with the Kentucky Bourbon Trail Craft Tour, featuring a collection of small distilleries, the two trails attracted nearly 900,000 visits last year.

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#3

THIS IS THE YEAR OF THE AMERICAN TRAVELER

If you're a U.S. citizen with disposable income, your odds of having a stellar year of travel are higher now than they've been in at least two decades.

The dollar is now at a 10-year high against the euro, the Brazilian real, Japanese yen, Turkish lira, and many other currencies in desirable places.

Domestically, oil prices are so low — already down 25 percent year over year — you can get two road trips for the price of one.

We can even go to Cuba now, too.

skift take:

It may be a bit messy considering geo-politics and the coming divisive election, but U.S. travelers are still in an excellent position to travel with fatter wallets and broader horizons than they have in a decade.

Domestic leisure travel will continue to lead the U.S. travel market, though a dip in vacation intentions and slower growth in leisure-related, forward-looking travel searches signal some potential softening through late 2016.

International inbound travel is expected to lag behind domestic travel for the remainder of the year, as well, and stay stagnant until the end of the year.

— U.S. Travel Association's Travel Trends Index report, September 2016

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#4

Messaging Is the New Language of the Globe

With mobile taking up more than 50 percent of consumers' time, messaging is the new social media. Travel brands ignore this at their peril.

Snapchat, WhatsApp, WeChat, Facebook Messenger, Viber and many other messaging platforms dominate much of how the modern world communicates. Travel brands that haven't jumped on those platforms yet are missing out on the future of how people prefer to communicate both at work and at leisure, around the globe.

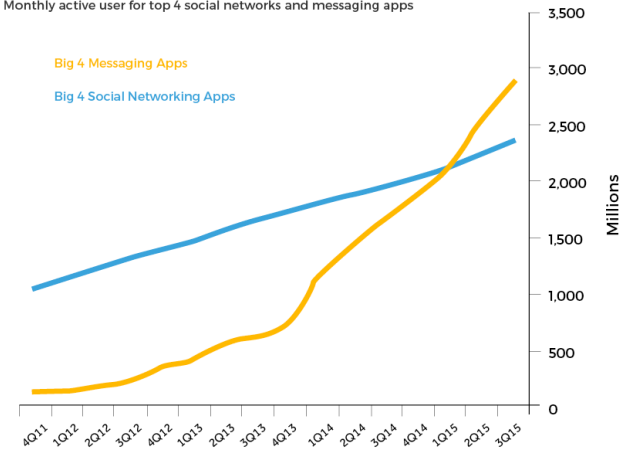
Messaging has been the fastest-growing online behavior within the social landscape over the past five years, surpassing social networks. Messaging is how you break out of the tyranny of the online travel search box.

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Messaging gives brands a direct, intimate relationship with consumers that social media only hinted at. What will be the long-term effect on marketing when a hotel or airline can contact customers like their loved ones do?

Messaging Apps Have Surpassed Social Networks

Monthly active user for top 4 social networks and messaging apps



Source: Business Insider (2016); <http://www.businessinsider.com/the-messaging-app-report-2015-11?IR=T>

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#5. focus shifts from Millennials to Gen-z

Members of this generation are true digital natives, and they are often described as being more pragmatic, more cautious, more money-conscious, and more globally minded than their predecessors.

Even though most of Generation Z is still in school, smart hospitality brands are already marketing to this highly influential group of future hotel guests to generate loyalty.

77 percent feel it's important for brands to reach out to them with offers, promotions, and messaging. 32 percent say there are brands to which they will always be loyal

They already have money of their own and even if they aren't doing the actual booking, they are highly influential. They're highly tech-focused, and they value individuality. The companies that recognize them specifically, and talk to them will matter."

skift take:

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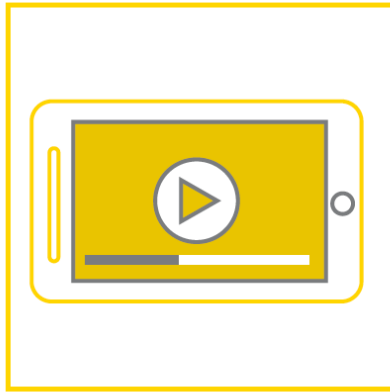
Gen Z's attention spans are getting shorter

8 SECONDS
is the average American
attention span (down from
12 seconds in 2000)

11%
of children 4-17 years old
have been diagnosed with ADHD
(up from 7.8 percent in 2003)

Source: National Center for Biotechnology Information, U.S. National Library of Medicine, The Associated Press

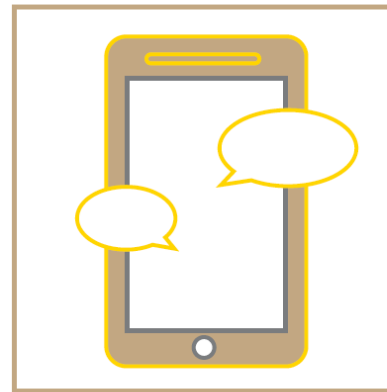
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Gen Zs watch
2X
as many videos on
mobile as other
generations



70%
of Gen Zs watch at
least two hours of
YouTube per day



Gen Zs receive
**OVER
3000 TEXT
MESSAGES**
a month



Gen Zs prefer
**SNAPCHAT &
INSTAGRAM**
Facebook & Twitter
are less important

Data source: Upfront Analytics, November 2015

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2017

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Neighborhoods & Visitor Personalities Align

Cities are no longer one city. They're a network of neighborhood experiences that match up with different consumer psychographics to personalize the visitor experience.

Private and Public Collaborations Will Help Disperse the Visitor Experience

Destinations are working with each other and regional stakeholders to move visitors into underserved areas to drive economic development and consumer engagement.

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The Infinite Potential of Food & Beverage Tourism to Drive Destination Spending

Everyone is a culinary expert today, and every destination can benefit by delineating their food and beverage product to align with the World Food Travel Association's 13 PsychoCulinary profiles.

Travel Consumer Behavior Shifts Toward Convergence

Eventually, the lines blurring work/leisure, online/offline, creativity/commerce, tech/analog and other dualities will be gone. The future travel consumer expects everything to be on-demand, unpackaged, interdisciplinary, and personalized.

The Rise of Smart Tourism: Contextualized Content Is King

How artificial intelligence, virtual and augmented reality, and dynamic content will impact travel search and the destination user experience in the future.

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Challenges/ opportunities

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opportunities

where does Kentucky fit in the mix?

Food/drink offers large opportunity, especially as entertainment is your largest spending category. Out-of-state visitors spend more on food & drink. 2x as valuable as family reunion travel ... But not nearly as reliable.

Civil rights tourism in southern states is an example of people on power thinking differently about their **historical legacy**. Storytelling is inspiration, and you may be forgetting some great stories. (Hamilton)

Low cost of product is attractive to value buyers

"Local" is your bread and butter. Nobody is coming to see Madame Tussaud's, they want bluegrass, horse races and bourbon.

21c model: Destination hotels and bespoke events. High number of your visitors make decision based on friends/family. There's an opportunity here with **social media and personal voices**, especially in your under-45 set.

Quick/easy and **event** travel offers exposure to the product at low risk.

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challenges

what does Kentucky have to watch out for?

The **North Carolina** lesson: there is a clear cost to intolerance, in that case NCAA, NBA, and more. Even Indiana backed down, and they have a governor who lives in a alternate reality

Economic climate: its easier to take a chance in an up economy. For drive visitors, gas goes up and so do their costs. That's less at restaurants, retail, etc.

Air lift: I couldn't fly direct from SFO.

Mobile is your weakest digital outlet, but it's better than any of your print ones

Over 1/3 of visitors plan last minute. How do you **communicate** with them?

Moving from the f**k it list to the **bucket list**.

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Thanks.

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THANK YOU

NEW PROJECTS
MAKE US HAPPY.

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