ADVANCE
TRAVEL & TOURISM
destination marketers

THE 2023
OUTLOOK

Contents

Introduction

As we enter 2023, marketers are getting mixed messages on the economy. On one hand, reports about persistent inflation and rising interest rates are scary. On the other hand, the labor market is tighter than it's ever been, and high-profile tech layoffs don't seem to affect any other sector. **Bottom line – 2023 is looking to be a great year for travel.**

The U.S. Travel foundation predicts an **increase** in spending compared to 2022, and even when compared to levels in 2019. On average, people are booking trips farther in advance than in 2019, with half of respondents already planning trips for summer.

With major destinations forecasting a **5.7%-6.7%** increase in hotel REVPar this year, we're hopeful the economic rumblings will be tame and travelers will continue to flock to their favorite destinations and explore some new ones.

That's why our 2023 Outlook will cover a broader range of topics – to help prepare you to make 2023 and beyond successful for your organization.

2023 Outlook

✔ **Inflation Travel Impact**

✔ **Better Data = Better Marketing**

✔ **The Rise of Value-Based Marketing**

✔ **2023 Tech Trends**

- AI – How to cut through the hype
- Google Analytics 4 (GA4)– You can't wait any longer

How Inflation Could Affect Travel Budgets

Currently, inflation and a predicted recession has not affected people's plans to travel. The most recent Travel Sentiment Study shows that **92%** of Americans planned to travel within the next 6 months. These are the strongest numbers since 2019, and the data is showing that, while inflation is affecting nearly *every* aspect of economic life, people are still eager to travel.

Budget concious households may alter plans, not cancel them

This is not to say that travel isn't affected for some families who feel the inflation pinch. A recent study shows that the majority of people who need to alter their travel plans because of financial concerns, are merely *changing* their plans rather than outright canceling them.

These changes consist primarily of three different factors:

1   **36%** of financially conscientious travelers are choosing to save money by staying with friends or family instead of booking a hotel.

2   **31%** of these travelers are choosing a cheaper method of transportation—red eye flights, lots of layovers, or public transportation instead of car rental.

3   **25%** of affected travelers are choosing to reduce the length of the stay, taking "micro-cations" rather than canceling the trip.

These data points show that travel is an important priority even for cash-strapped demographics, and while tourists are choosing to spend less to travel, they are still finding ways to make it work. *However,* it's possible travel will slow down in the second half of 2023 if inflation and recession continue to increase.

Speak directly to travelers looking to spend a little less

Destination Marketing Organizations can add a new segment to their campaigns by promoting low- and no-cost activities. Destinations with opportunities for hiking, public events (farmers markets), and other natural or historical appeals will find budget conscious tourists prioritizing their destinations. And, for those families cutting back from fly-destinations to drive-destinations, DMOs should make sure they reserve some budget to target feeder markets closer to home.

Upping Your Data Game

→ Visitor data can make your marketing better and smarter

Collecting visitor data has never been more important. With economic factors always changing and younger generations gaining more access to travel, collecting the data of those who visit a location helps DMOs build better strategies.

To stay on top of your best prospects, you need near real-time data to build campaigns, optimize targeting and create segment and sub-segment messaging that will grab attention and deepen engagement.

3 Benefits of Better Visitor Data

Increased Customer Understanding. Comprehensive data can help determine where tourists are frequenting, for how long, and what is driving them there. DMOs can use this information to highlight the most attractive tourism options and drive more traffic to the community as a whole.

Evidence-Based Marketing Decisions. Marketing strategies based on assumptions or outdated insights can stall your engagement and even turn people off from visiting your destination. Making decisions on the most recent data and understanding your primary demographics increases the effectiveness of your marketing.

Increased ROI. With more focused and informed marketing strategies, DMOs should see an increase in their return on investment, gaining more engagement and tourism for less time, effort, and resources.

How to get more data without becoming Big Brother

Data you have but may not be using

Many marketers have a lot of data at the fingertips that they don't know how to access or how to utilize.

Website Analytics

Your own website analytics can help you better understand your potential customers:

1. **Which geographies are demonstrating the most interest**

2. **What content and messaging is getting the most traffic**

3. **What content is driving in-bound traffic**

4. **The effectiveness of other digital channels like email, paid marketing, social media, and even print through QR code measurement**

Email and Mailing Lists

Email and mailing lists are amazing data sources. Even if you only have a zip code, the email list can tell you where your most engaged prospects are. Lists can be uploaded to social and digital display platforms to create look-a-like audiences as well.

Enhancing Your Data with Purchased Information

You can also enhance your own data with outside information that will give you *more* insights into your customers. Using data-appending through a reputable partner, you can append email lists, mailing lists and booking data with a myriad of demographic data. When you better understand what motivates and inspires your customers, you can create marketing campaigns that connect with prospects on a deeper level.

Market Data Capture Platforms

Data platforms are built by tech companies to provide marketers with real-time or recent-time dashboards of actual visitor activity within a target geography. These platforms can be a powerful input to help better understand traveler behavior. Every DMO's needs are unique, and these tools aren't cheap. So, analyzing the pros and cons of these companies are essential for marketers to find the right fit. **Here's an overview of some of the players.**

Adara

Adara partners with some of the world's largest travel providers to gain comprehensive insights into customer behavior into over 100 countries.

With Adara, DMOs can gain the following insights:

- Understand which marketing methods drive the highest ADR
- Average transaction amounts for visitors that spend at attractions within the market
- Period over period measures of economic impact.

Arrivalist

This platform helps measure offline response to online advertising. Utilized by DMOs, it helps link consumer behavior to their marketing efforts.

Arrivalist also adds the following:

- **Robust location data** - geographic visitor data when viewed in the context of historical data shows trends in feeder market activity
- **Mutli-device measurement -** by tracking multiple devices, the platform can deliver data based on multiple modes of transportation, leading to a wider array of data and more comprehensive insights.
- **"Always On" insights -** Arrivalist is able to track tourists through every step of their visit, enabling it to gather data on the customer, the market, and competitor markets

Placer.AI

This platform focuses on retail locations and analyzes the foot traffic patterns, but some of the features could be interesting to DMOs as well. The platform can measure retailers, commercial real estate, malls, financial institutions, hospitality, governmental buildings, and even packaged goods.

Data insights includes:

- **Location Metrics -** Location data is easy to gather and interpret.
- **Location rankings -** Rank locations based on their performance and visitation numbers across multiple regions and sectors.
- **Industry trends -** the platform can detect changes in foot traffic across many different characteristics, including by industry, region, or state, so you are alerted to changes in trends immediately and have time to adjust.

Symphony

Symphony integrates tourism economics' data, your data, and third-party data sources.

Some noted features include:

- **Advanced data analytics platform -** While the tool draws from several different sources of data, it aggregates them all in a single platform that is easy to access.
- **Economic indicators -** Symphony uses macroeconomic forecasts to provide you with predictions about the travel industry, allowing you to adapt your strategies before they become an issue.

Zartico

Zartico works to pair real time analytics and data points to help DMOs with strategy development and strategic decision making.

Here are some or their features:

- **Geolocation updates -** daily geolocation updates
- **Comparability -** overlaying geolocation data with other streams in order to answer the question "why are customers behaving the way they do?"
- **Community impact metrics -** the platform claims to show how traveler behavior impacts businesses

Drive More Visitors with Value Based Marketing

Millennials are currently the largest generation of travel spenders, with **33%** of these 27–42-year-olds (as of 2023) willing to spend at least $5,000 on a vacation. Millennials also travel the most of any other demographic, with an average of 35 days per year spent traveling for business and pleasure. Many in the millennial segment identify with value-based marketing and engage deeper with campaigns that embrace these themes.

There are smaller segments in other generational segments that share these values, but the largest share are millennials demonstrating passion for sustainability, advocacy, and wellness. Communities who highlight how their destination exemplifies can attract this segment.

Sustainability

Sustainability is among the most important issues for those participating in *"value-based travel"*, so much so that *"sustainable tourism"* is a thriving sub-industry. Destinations and communities who want to attract tourism must have the consequences and mitigation methods that tourism has on the environment, economy, and people first and foremost in their marketing. Communities that can successfully navigate these sustainability and marketing confluences can expect to reap the benefits of becoming regional travel hubs.

In addition to traditional marketing procedures (audience, engagement, etc.) Destination Marketing Organizations that wish to incorporate sustainable tourism in their marketing plan should focus on the connection their destination has to the greater region. Positioning the community as the predominant place tourists can visit within reach of other interesting yet less sustainable locations can ensure the soon-to-be hub supports the region while mitigating the economic and environmental damage to less resilient destinations.

Visit Gulf County Local By Association Campaign

Objective: Build a deeper connection between their locals/business owners and their visitors by showcasing how they can contribute to the well-being of their community.

Connecting Visitors to Locals – Increasing Engagement:
Visitors were encouraged to be 'Locals by Association' while visiting through storytelling videos from locals, while locals were encouraged to be champions of tourism. The Visit Gulf County team enlisted the community through a boots-on-the-ground approach - talking to civic groups and spreading the word throughout the community.
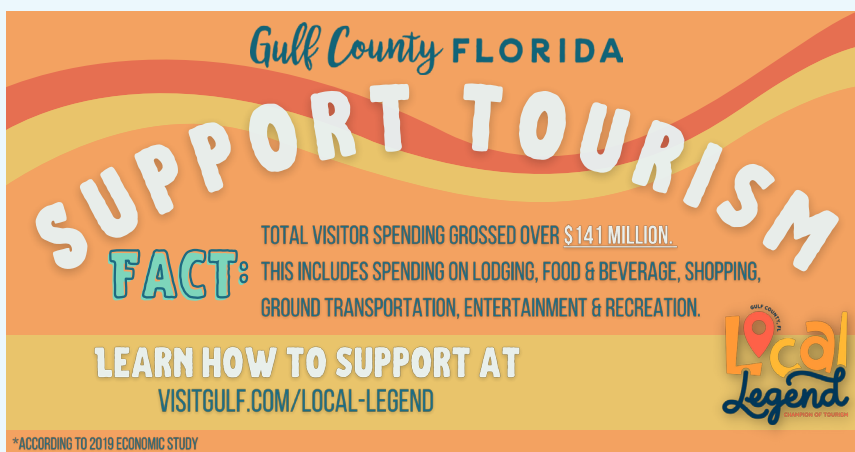
Food

Food is an extension of culture, and closely ties in with the value of inclusion and diversity. Food tourism is the sub-industry for those who travel with the primary intention of experiencing culture through different food. It also includes visits to markets and food producers, food fairs, food events, museums, cooking workshops, and more. While every age demographic participates in food tourism, Millennials and Gen Z are most likely to participate in food tourism because it aligns with their values and broadens their cultural awareness.

Communities that wish to be food tourism hubs should focus not only on a diversity of restaurants from different cultures and culinary approaches, but also establish wide culinary experiences that focus on the history, production, education, and sustainability of the area's food culture. Attractions that wish to market their destination as a food tourism hub should focus on producing food guides and brochures (clearly marked maps or pre-planned food tours), food blogs, and publicly endorsed events such as farmer's markets and food festivals. Social media, and Facebook and Instagram in particular, are adept at marketing food tourism, as pictures of food are among the primary ways travelers decide where to eat.

Helen Georgia's Oktoberfest Event

Objective: Drive tourist to a unique German experience in the heart of the North Georgia Mountains

Bringing Oktoberfest to a New Audience
The holiday is probably the most recognizable example of food tourism in the whole world. Helen, Georgia does all of the same things as Germany right here in the US. All of their architecture is like Germany, and many of their restaurants feature German cuisine. The festival is so popular, this town of 500 residents attracts over 2 million visitors each October.

Experiential or Immersion Travel

Also known as *"Immersion Travel"*, experiential tourism is what most closely resembles traditional travel, as it focuses on engaging the history, sites, and environmental offerings of a destination. *However,* when connected to values-based travel, as it is likely to do for 27–42-year-olds, the focus is not on the sites and destination itself, but experiencing the area through the lens of gaining cultural insight. It becomes about the context through which the area was settled, developed, and progresses, and as such is focused on museums, culturally specific consumerism, and bespoke hospitality. It often greatly overlaps with another type of tourism (primarily food tourism).

> Destinations who wish to promote their community as a value-based experiential tourism location should focus on establishing their destination as a cultural epicenter–reframing the areas food, sporting events, educational opportunities, etc. as insights into the deep cultural roots of the locals. Character-driven stories and exclusive events are two major ways in which to engage possible tourists.

Visit Alabama Beaches
(Gulf Shores and Orange Beach) Signature Experiences

Objective: Enhance visitor knowledge of activities in the community that are not the beach.

Gulf Shores Orange Beach Tourism curated unique activities for visitors to enjoy. The custom curated experiences consist of sand castle building with a local artist, soap making at a local store, and much more. These experiences have been promoted for years through display and video content, and have helped visitors explore more of the town.
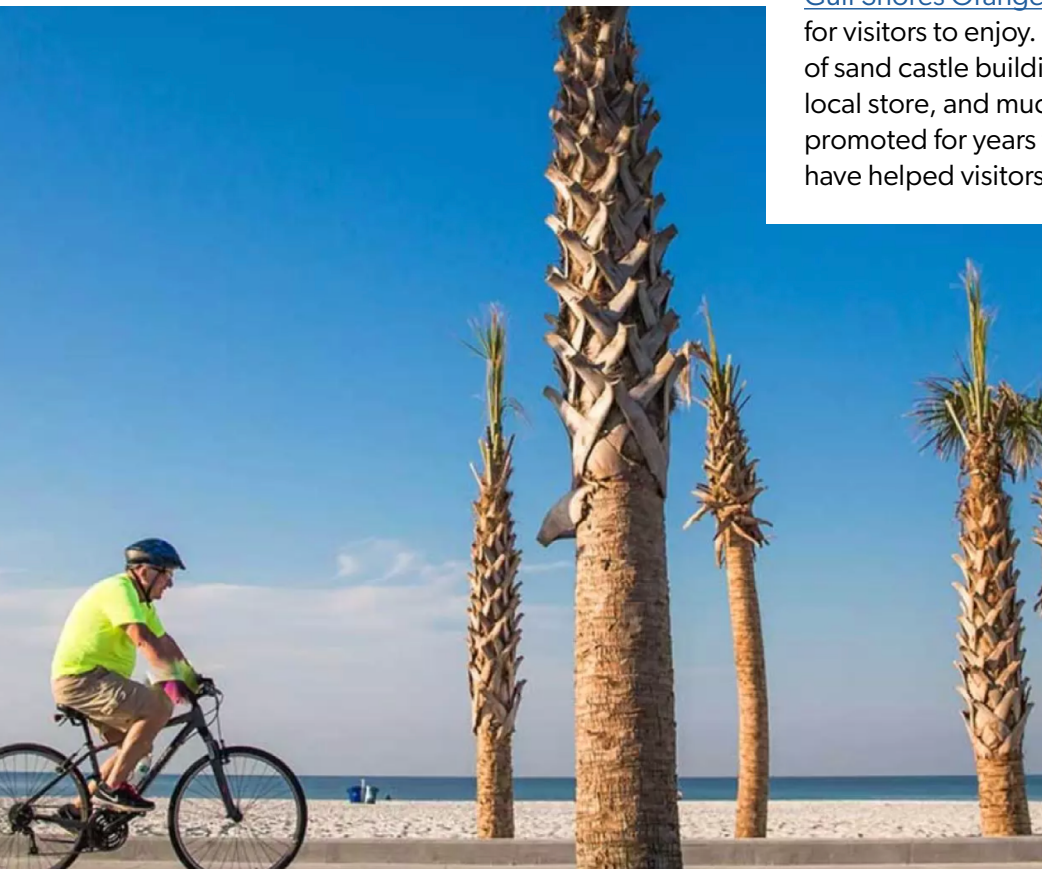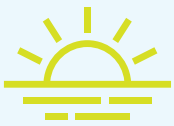
Wellness

Often confused with *"medical travel"* or *"health tourism"*, wellness tourism is travel associated with the pursuit of maintaining or enhancing one's personal wellbeing. While this form of travel can come secondary to food, experiential, or sustainable travel, many people are traveling with wellness as their primary focus. These trips may include meditation or yoga retreats, visiting a spa, hiking, or seminars.

It becomes value-based for two reasons:

1   to enhance or maintain the importance of proactive and holistic health

2   a destination's unique wellness offerings are often uniquely tied to their culture

Destination marketing organizations who wish to promote their community as a wellness destination should focus on the areas in which the community as a whole is promoting physical and mental wellness. How many yoga studios, spas, and therapists does your community host? Are there any public-funded or privately-sponsored wellness initiatives? DMOs should highlight encouraging testimonies of other travelers who have visited and left feeling refreshed and proactive in their health.

Tech Trends to Watch

GA4

With Google Analytics 4 over two years old, Google is finally ready to sunset Universal Analytics later this year. As the predominant way to analyze website traffic and behavior, it is imperative that DMOs and travel websites switch their accounts over to GA4. In addition to UA soon being unsupported and unworkable, there's a host of benefits that come from switching to GA4.

The following are just some of the ways GA4 can help support your destination:

- **Multi-Touchpoint Analysis.** Using end-to-end machine learning GA4 posses the ability for cross-channel data-driven attribution. The feature automatically adapts to changes in performance across different touchpoints, crediting allocation to each conversion. This can improve your data concerning the percentage of early, mid, and late touchpoints, as well as the breakdown of each conversion source.

- **Improved ROI.** GA4's new method of data attribution increases return on investment by more accurately analyzing which ads and website behavior is driving sales. Using several factors (including device type, number of interactions, and the order in which ads were encountered), as well as contrasting what could have happened on the website, GA4 can more accurately determine which touchpoints are driving conversions.

- **Business and Compliance-Minded Engagement Measurement.** With GA4, enhanced measurements are much easier to set up, meaning you can capture more than just page views right from the beginning. The new enhanced measurement easily tracks things like video engagement, scrolling behavior, file downloads, and form interactions, meaning you can specifically tailor your analytics to the needs of your business, provided your website is well designed.

- **Increased Data Value.** GA4 has scrubbed useless data points that didn't add any value to the analytics, and has replaced them with more dynamic and insightful data points. They've now included measurements such as "engaged users" (sessions lasting more than 10 minutes), percentage of engaged sessions, and average session duration. This means that with every click from a user, you have multiple data points, and each piece of data is analyzed from a holistic perspective.

- **Easy Insight Activation.** GA4 has the ability to offer both automatic and custom insights. Automatic insights notify you automatically when a new trend emerges or an unusual change occurs. Custom insights are created easily, and dictate triggers that alert you automatically when the conditions are fulfilled. You can create up to 50 custom insights per property, and both types of insights are easily and quickly viewed from your insights dashboard.

You'll be able to access old data until March of 2024, but new hits will stop processing on October 1, 2023. *However,* the sooner you switch to GA4, the sooner you can begin building historical data to inform your marketing strategies. DMO's should seize this opportunity as soon as possible to harness the best analytics available to date!

A.I. Platforms

Artificial Intelligence Platforms are big news everywhere with the focus on platforms like ChatGPT that appear to put together coherent paragraphs on any subject. Prognosticators reactions ranged from overly positive hype to deeply depressing predictions of machines taking over the world.

The reality, as always is different from the hype. AI has been used by marketers for years as a customer chatbots to help customers solve basic issues and find rudimentary help with problems. But Microsoft's acquisition of ChatGPT seems to take AI to the next level for consumer interactions promising to produce more complex research, insightful blog posts and even computer code.

While early reports show some interesting results, there are many more instances of AI incorporating false information or inflammatory material.

For marketers, 2023 may not be the year of AI, but the year to investigate and be open to the benefits that AI could bring to consumers, marketing channels (search in particular) and content creation.

Here's a quick rundown on some of the most talked about platforms as of early 2023. We do know Google has announced it is working on a competitor to ChatGPT called "Bard." Facebook announced it formed a new team in February to work on a new bot called LLaMA (Large Language Model Meta AI). As fast as technology changes, there could be a lot more by the time you read this.
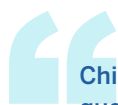
ChatGPT

ChatGPT is currently the most talked about AI content creation tool. With ChatGPT, a user can input a text based prompt like "write me a blog in the voice of a mother of 2 young children who just experienced a beautiful sunny and fun filled day at Beaufort, SC beaches for the first time," and the prompt will generate some human-like content.

The more you refine the prompt, the better your results. But, be careful that you don't plagiarize by publishing without attribution to sources. If you don't know the sources of factual information cited, you could be promoting made-up stats or propaganda with no basis in fact.

Chinchilla

Chinchilla is considered a *"soon to be competitive"* alternative to ChatGPT, with some inside reviewers affirming it's faster and more accurate in the results it returns. It's still in the testing phase, and thus not currently available for public use.

> Chinchilla could be deployed as a chatbot to answer live questions from tourists or travel enthusiasts. DMO's should look for this to be available 4th quarter 2023.

Bloom

Bloom is considered by many to be a competitive alternative to ChatGPT, with the added benefit of it being multilingual. Bloom is branded as a *"data delivery AI,"* meaning that it uses data points, acquisition analytics, and real time insights to analyze its content and adjust accordingly.

Jasper.ai

Jasper specializes specifically in marketing and copywriting content. The company claims it is used by some major companies, including *iHeartMedia, IBM, Hubspot, and AirBnB.* It can also write in over 25 different languages. Marketers might use its prompts to help your human writers break through writer's block.

CopyAI

CopyAI claims it is capable of writing email copy, social media posts. CopyAI allows you to choose the type of content you want, enter a prompt, and then choose from several different results (a unique feature so far among AI content generation tools).

Conclusion

Our outlook on the travel industry for 2023 is *enthusiastic and hopeful.* Even with the series concerns of inflation and overcorrection, consumer sentiment remains positive, and travelers in particular are filling planes and planning future vacations. Every DMO, attraction and lodging partner has their own particular challenges, but Advance Travel & Tourism is poised to help. Our data-driven approach means we craft unique solutions for our clients designed to bring the greatest success with the highest return on investment.

Thanks to our clients for helping us serve this dynamic industry for the past 8 years. And, if you're not working with us, we would treasure the chance to get to know you. Check us out at advancetravelandtourism.com, **send us a note** or see us at one of the many state, regional and STS events.

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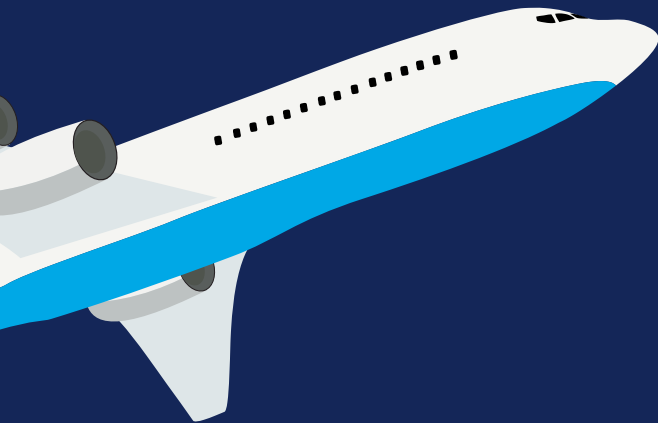
Who We Are

Advance Travel & Tourism works exclusively in the tourism industry to help promote destinations, museums, attractions and other travel-related organizations. We are a travel and tourism marketing leader, working with a multitude of tourism clients over the years. Each client has a unique approach and program designed to meet their objectives… no two destinations are exactly alike.

We are members of the Southeast Tourism Society, Kentucky Travel Industry Association, Georgia Association of CVBs, and other tourism-focused organizations. We pride ourselves on being engaged in the industry and on the leading edge of travel and tourism marketing innovation. This means we are ahead of the curve relating to marketing technology, travel trends and consumer buying habits. Our company has been in business for over one hundred years and specifically focused on tourism for the last fifteen years. Advance Travel & Tourism was founded in 2014; over the years we have grown the team to twenty dedicated travel marketing experts located in the Southeast. Our in-house resources combined with a local, dedicated team provides our clients with the best in-person, always-available service.

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