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Back to the future: challenges of European tourism of tomorrow

Natàlia Ferrer-Roca, Richard Weston, Jaume Guia, Tanja Mihalic, Dani Blasco, Lluís Prats, Mary Lawler and David Jarratt

Abstract

Purpose – *The purpose of this paper is to identify and describe the most recent (or emerging) trends likely to have a major impact in shaping the future of tourism in Europe.*

Design/methodology/approach – *The methodology of this paper involved in-depth literature review of European Union policies, initiatives and programs. Also, semi-structured interviews were conducted with key individuals/organisations, mainly at a European level, but also including pertinent global and national tourism organisations. Moreover, an online survey was also conducted and circulated to a wide range of organisations from all 28 EU Member States. Nvivo was used to analyse the documents as well as to conduct a content and thematic analysis of the interviews.*

Findings – *This paper identifies five trends associated with the future of tourism in Europe. Those main trends are: evolving visitor demand; marketing; stakeholders and tourism governance; new technologies; and sustainable and responsible tourism.*

Originality/value – *This trends paper provides five useful recommendations for the future of tourism in Europe, including: sustainable tourism development, investment in technology, effective tourism governance, enhance Europe's overall destination brand and marketing strategy, and the need for new skills and training.*

Keywords *European tourism, EU policy, Sustainable tourism, Tourism governance, Tourism trends*
Paper type *Research paper*

1. Introduction

Tourism is the world's third-largest industry, accounting for 7% of global exports (UNWTO, 2019) and its importance is highlighted by the reliance of a number of associated industries, on tourism for a significant proportion of their income such as accommodation, food and beverage, etc. Global tourism has now grown for nine years in succession and has outperformed the global economy for the eighth consecutive year (3.9% for travel and tourism versus 3.2% for global GDP) (WTTC, 2019). International arrivals reached 1.4bn in 2018, two years ahead of forecasts, and tourism receipts have reached 1.7tnUSD (UNWTO, 2019).

Europe is ranked as the world's number one destination for international arrivals, 713 million in 2018, over half the global total, growing by 6% over the past 12 months. Latest indications show that 2019 will see further growth, although at more modest levels. Tourism creates a surplus for the European Union (EU) economy, with international tourism receipts exceeding EU residents spending on international tourism by 27 billion in 2016 (UNWTO, 2018). The industry represents around 6% of total EU export earnings, making it the fourth largest export industry (UNWTO, 2018). Although the EU accounts for 40% of international tourism arrivals, this only generates 31% of international tourism receipts (UNWTO, 2019). However,

visits to EU countries are not equally distributed, with the top five accounting for around half of total visits (Table I).

This article is based on a study conducted in 2019 by the University of Central Lancashire, University of Girona and University of Ljubljana for the TRAN Committee of the European Parliament (EP) (No. IP/B/TRAN/IC/2019-028). The study titled "European Tourism – Recent Developments and Future Challenges" provides an overview of the current state of affairs in European tourism, considering the latest developments identifying future challenges and emerging opportunities. The focus of this article is thus to identify and describe the most recent (or emerging) trends likely to have a major impact in shaping the future of tourism in Europe. We finish with a set of recommendations for EU policy makers to further stimulate growth, as well as the sustainability and competitiveness of the sector.

The following methodological approach was taken. Firstly, a literature review was conducted, focusing on three main areas: academic literature; studies, reports and other grey literature; the most recent and pertinent European Union policies, initiatives and programs. These assisted in framing the future challenges and emerging opportunities for the European tourism sector. Secondly, European and global trends in tourism were reviewed, looking at recent trends in the other key destinations around the world, particularly the key markets for European tourism, which also represents some of its main or emerging competitors. Thirdly, a series of interviews were conducted with key individuals, mainly at a European level, but also included global and national tourism organisations where pertinent. These were in-depth semi-structured interviews, starting with a list of "topics" or "themes" to structure the conversation without limiting the interviewees responses. Finally, a survey of national and European tourism organisations was undertaken. The survey was circulated to a wide range of organisations including European tourism organisations, national tourist bodies, industry tourism bodies, consumer tourism bodies, environmental and social NGOs/civil society organisations and groups, and destination management organisations across the 28 Member States.

NVivo was used to analyse all documents as well as to conduct a content and thematic analysis of the interviews, which were previously transcribed. A word frequency query was used to identify to most frequently occurring words or concepts. This allowed us to determine the main keywords, such as "demand", "economy", "environment", "marketing", "technology", "social", etc., which then were used for coding as well as for performing further compound queries. When saturation occurred, the results were exported as Word documents and written up.

This paper first provides a short overview of the results of the online survey, with a particular emphasis on what the respondents said concerning the trends facing European tourism. It then moves on to explain the main five trends identified after analysing the answers from the online survey, the expert interviews and the literature. We argue that these trends will need to be addressed if the industry is to continue to grow and become genuinely sustainable.

Table 1 Top five EU destinations (2018)

Country	Arrivals (million)	Value (billion US$)
France	89	67
Spain	83	74
Italy	62	49
Germany	39	43
United Kingdom	36	52

Source: UNWTO (2019)

2. Stakeholder consultation

The survey was conducted online; participants received an email explaining the purpose of the research, inviting them to take part and a link to the survey. It contained a mixture of 19 open and closed questions and around 300 organisations and individuals from across the 28 Member States (plus Norway) were invited to participate, including European Tourism organisations, national tourist bodies, industry tourism bodies, consumer tourism bodies, environmental and social NGOs/civil society organisations and groups, as well as destination management organisations. The invitation was also circulated by NECSTouR to their members inviting them to respond.

A total of 51 complete responses were received; 25 were too incomplete to be used in the analysis and were removed. The survey was divided into 3 sections:

1. the first asking the respondents' opinions on the trends, challenges and opportunities facing European tourism;

2. the second on the impact and role of the EU in tourism; and

3. the third about the respondents and their organisations.

In question one the respondents were asked to list five words that they thought best described the European tourism industry at present. Figure 1 is a word cloud generated from the responses to this question. The larger and more prominent the word, the more frequent its use. "Sustainability" is clearly the most frequently used word, followed by "growing" and "change", and then "competitive" and "overtourism", all of which were mentioned in the interviews and are the subject of much of the current literature.

For question three concerning the trends facing European tourism over the next 5-10 years, the respondents were asked to rank their five top statements from a list of 11, with 1 being the most important and 5 the least. These statements were generated from the literature and interviews with key European tourism stakeholders. To enable these ranks to be used to identify the most supported statements, the scores were reversed (i.e. 1 becomes 5, 2 becomes 4, etc.) and then multiplied by the frequency it was selected. The top five statements are shown below, with the scores for each in brackets after:

1. The adoption of sustainable growth policies and practices by both private and public sectors: 113

2. The uneven distribution of visitors causing both under and overtourism in destinations: 107

3. The growth of unsustainable and irresponsible tourism and the impacts on local residents: 104

4. The impacts of global warming and climate change, including extreme weather events, threat to natural areas and decreased biodiversity: 100

5. The needs of new skills and competences in the management of tourism: 66

The same themes can be seen emerging from this question as Figure 1, with the addition of the need for appropriate skills to meet the demands of the industry, something which was also highlighted in some of the interviews.

3. Trends and challenges in the management of european tourism

Together with the online survey, the interviews and the literature review, the five main trends that will need to be addressed if the industry is to continue to grow and become genuinely sustainable were identified. These are discussed below.

Source: Own elaboration

3.1 Sustainable tourism development

The shift to more sustainable forms of development is one of the major trends and challenges. Sustainability is not a new concept; however, the latest iteration encompasses climate change mitigation and adaptation measures, and more recently novel social awareness movements for CO_2 reductions, such as "flying shame". Many stakeholders within the tourism industry agree that the impacts of global warming and climate change, including extreme weather events, are a threat to natural areas, biodiversity and societies. There is a need for increased civic awareness, new technologies and (new) policies to cope with global warming and climate change. A sustainable socio-cultural tourism destination is one that addresses the opportunities and impacts tourism has on a society and its cultural and natural heritage. It considers tourism as a driver that can both affect and improve the quality of life for local communities and residents, and it integrates the "tourism for all" principles along the whole tourism value chain (NECSTOUR Network, 2019).

An EP report from 2016, *From Responsible Best Practices to Sustainable Tourism* (Peeters *et al.*, 2016), concluded that that there is a lack of data with which to measure the social and environmental effects of tourism, and that the industry fails to internalise many of the external costs. The report stated that "tourism, environmental and transport policies in the EU need to integrate better to create sustainable development" (Peeters *et al.*, 2018).

Overtourism is a recent concept, although its symptoms may have been in evidence for some time. It is a consequence of too many visitors causing overcrowding and congestion at a destination, often bringing tourists into conflict with the local population. It requires context specific responses and custom-made policies for each particular setting, with collaborative and participatory responses, which include representatives of the local population, institutions and policy-makers, industry and academia. Action is needed to reduce seasonality and peak demand at some destinations. The EP study *Overtourism: impact and possible policy responses* from 2018 (Peeters *et al*., 2018) concluded that a common set of indicators cannot be defined because of the complex causes and effects of overtourism. The quality of life, for residents, for visitors, for everyone should be the starting point for any future initiative.

For tourists to make informed travel choices, there is a need for some form of accreditation system. In 2018, the EP published a study titled *European tourism labelling* (Weston *et al*., 2018), which concluded that the existing volume and variety of labels has become a barrier to consumer choice. The study recommended that a harmonised EU certification system be established and the potential for a single European tourism label investigated further.

3.2 Technology changes

Changes in the way tourists and the tourism industry have used ICT over recent decades has had one of the most significant effects on the industry and the way tourists travel and experience destinations; this is likely to continue in the future. A study for the EP in 2015, *The digitisation of tourism enterprises* (Mitas *et al*., 2015), found that the effects of recent information technology developments on tourism SMEs in the European Union were profoundly disruptive to traditional business models of tourism information and distribution.

ICT will be useful in many aspects of future tourism development. Destinations will be able to predict service demand and better manage massification and overtourism. Tourists will use artificial intelligence, Internet of Things, virtual/augmented reality, virtual consumption, etc., to consume tourism products and services. Moreover, increased use of smart technology will lead to smart mobility, which has the potential to boost sustainable transportation.

Action is required to support research, education and cooperation in ICT implementation and use among destinations and tourism technology businesses. In particular, four specific actions are needed. Firstly, the development of a monitoring system designed to identify changes in both the tourism environment and supply and demand trends. This will give tourism professionals a tool to improve the management of their activities. Secondly, the regulation of big data owners to give better data transparency and security. Thirdly, adopting regulations covering the use of artificial intelligence and robotics, based on principles of human rights and democracy, to protect privacy and misuse of information. Finally, an appropriate regulatory framework for the sharing economy should be established.

3.3 Effective tourism governance

The relationships between the different stakeholders affect the ways in which effective governance structures are established. Governance structures should allow more resilient, stable and secure destinations to be built. Within this new governance scheme, partnerships are pivotal, and they are built upon the need for shared success, trust and consistent communication. The European Cities Marketing Manifesto (ECM, 2017) suggests that the "more flexible, outward-looking organisations are more agile and better able to prepare for, and react to, disruption more quickly and effectively".

Stakeholder mapping could be adopted as a tool for the effective management of stakeholder networks. Small firms should receive special attention as active stakeholders in destination ecosystems, but their participation should be more straightforward and effective. Host communities and environmental stakeholder's representatives should be given a more prominent status. In addition, tourists should be given a more explicit recognition and their needs and concerns also given adequate status. Strategies should be developed to educate tourists to be more environmentally sustainable and socially respectful when travelling.

Innovative tourism governance can contribute in tackling the uneven distribution of visitors (under and overtourism) in destinations. Smart destination management and promotion includes managing visitor flows, sustainable mobility and accessibility, facilitating business intelligence and SME innovations. Contemporary tourism governance and policy will contribute to the creation of more sustainable and responsible tourism models, and more effective dialogue between local residents and visitors. The development of regional innovation ecosystems based on clusters will stimulate destination competitiveness. Actions and policies should be addressed in order to increase knowledge exchange, focusing on the challenges faced by tourism destinations in becoming more sustainable. Finally, since we cannot manage effectively without the support of information systems, a system that will allow the measurement of tourism impacts and sustainability should be developed, for use in policy decision making at regional, national and European level, and also for business intelligence in the destinations.

3.4 From tourism marketing to strategic destination branding

There is a need to enhance Europe's overall destination brand by better coordination between different countries and stakeholders. In the last decade tourism has become an increasingly specialised industry, with new niche markets developing, i.e. wellness tourism, eco-responsible tourism, community led (bottom up) tourism, staycation/ domestic tourism, older/retired market, etc. In addition, social networks have a major impact in today's tourism marketing. Therefore, European destinations need to revise their traditional marketing strategies. The use of ICT is essential in order to design innovative destination marketing and promotion actions for the future. Finally, training is needed to move from marketing to strategic destination branding. All national, regional and local governmental institutions need to work collaboratively with DMOs in order to develop the most efficient strategy for their destination.

3.5 New skills and training

Many jobs in the tourism industry suffer from an image problem, which is in part due to issues such as seasonality and poor working conditions (often referred to as "McJobs"). Many potential future employees' first experience of the industry is through holiday jobs; these first impressions are often not favourable. There is also likely to be a significant "skills gap" between current workforce and the future needs of the industry, such as the challenges posed by the increasing digitisation of the industry and coping with sustainable destination development.

Talent, entrepreneurial mindset, skills, and competences are enablers, needed to meet the current and future needs of the industry and help deliver the tourism of tomorrow. Improvements in the capability of the workforce will enhance the ability to develop and deliver smart, sustainable destinations (NECSTOUR Network, 2019). The need for better training programmes in order to increase the skills and competences of the labour force required by the tourism industry in the future has been identified by many stakeholders participating in the study as one of the urgent priorities for future action. In this sense, there is a need for the

creation of a European tourism training qualification, visible and accepted across the EU. This should support the (re)training of the present and future tourism workforce.

There are existing initiatives that could be used as a model, such as the Next Tourism Generation (NTG) Alliance. NTG is the first European partnership creating a collaborative and productive relationship between education and industry based on a scalable mechanism and model for sustainable and digital curricula. It provides employees, employers, entrepreneurs, teachers, trainers and students with a set of modules in digital, green and social skills. Any future initiative in this area should seek to improve the image of the industry, so that there is a perceptible shift, where tourism represents a higher value career.

4. Conclusion

The Treaty of Lisbon gave the European Union greater competencies in tourism. However, 10 years have now passed since this came into force and the industry has grown and continues to grow faster than the economy in general. It is therefore perhaps time to revisit the EU's role in its development, especially in light of new challenges, such as climate change. Particularly given the impact of tourism activities on climate change, and the potential impact of climate change on tourism activities. Such a situation calls for a more coordinated approach.

This study has identified five main trends for the future of the European tourism. First, there is a shift towards a more sustainable and responsible tourism development, from climate change to management of overtourism and the need of some form of accreditation system on a European level. Second, in the following years we will see substantial technological change related to the tourism industry. Digitalisation is already disrupting traditional business models, as is smart technology, such as smart mobility. Third, effective tourism governance will allow more resilient, stable and secure destinations to be built, which is in line with the number one trend, sustainable tourism development. Fourth, we are currently seeing the shift in many European DMOs, moving from tourism marketing to strategic destination branding. In this context, the enhancement of Europe's overall destination brand is a huge opportunity. Finally, there is currently a 'skill gap' between current workforce and the future needs of the tourism industry, so new skills and training would be more efficient if there is a collaborative relationship between education and the tourism industry.

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