

# Future of Tourism Industry

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# Technological Progress and Tourism Sector (1/2)



- ICT development is accelerating and new technologies will completely reshape world GDP composition, most of the industries either will diminish or will be significantly changed (e.g. Fintech vs traditional banking, or robotics vs automobile industry).
- Two big industries which will develop further with technological advancements are: IT Technologies and Tourism Industry

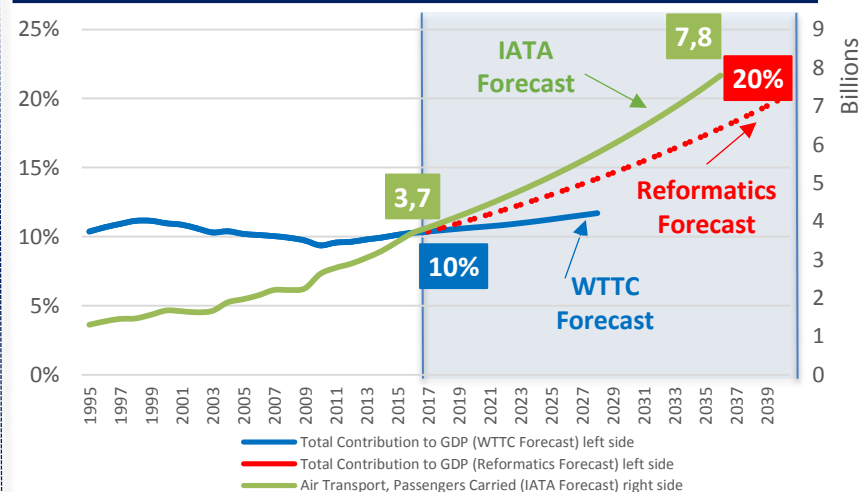


- ICT will reshape tourism industry itself – **will be accelerator of growth** (due to giving more comfort to tourists as well as due to freeing up more time for people), and at same time **provide better and more comfortable, personalized services.**

In 2017, world top 5 companies by market capitalization were completely ICT

Rank	2011 Q4 (US\$ bill.)	2017 Q4 (US\$ bill.)
1	Exxon Mobil - 406	<b>Apple Inc.</b> - 869
2	<b>Apple Inc.</b> - 376	<b>Alphabet Inc.</b> - 727
3	PetroChina - 277	<b>Microsoft</b> - 660
4	Royal Dutch Shell - 237	<b>Amazon.com</b> - 564
5	ICBC - 228	<b>Facebook</b> - 513
6	<b>Microsoft</b> - 218	Tencent – 493
7	<b>IBM</b> - 217	<b>Berkshire Hathaway</b> - 489
8	<b>Chevron Corporation</b> - 212	<b>Alibaba Group</b> - 441
9	<b>Wal-Mart</b> - 205	<b>Johnson &amp; Johnson</b> - 375
10	<b>China Mobile</b> - 196	<b>JPMorgan Chase</b> - 371

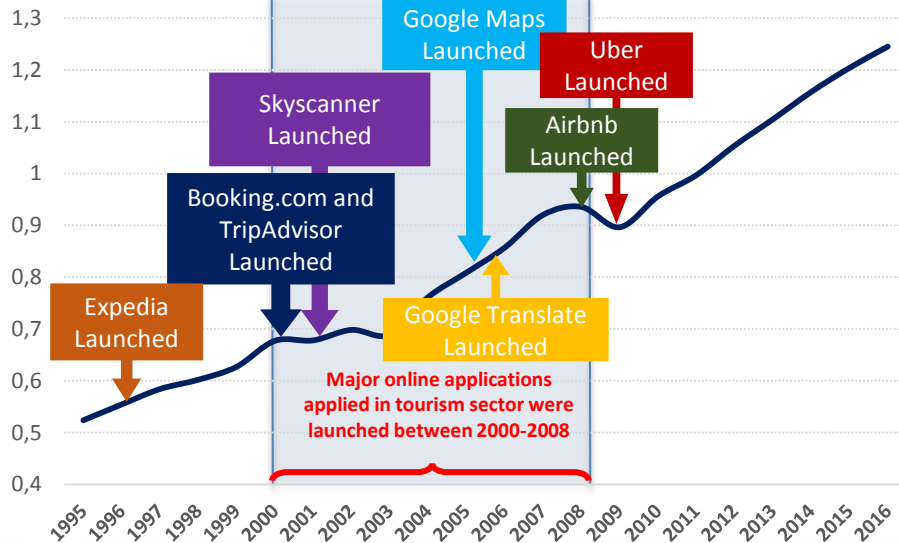
ICT will keep developing and due to high correlation, we conclude that the share of tourism in GDP will double in 2040



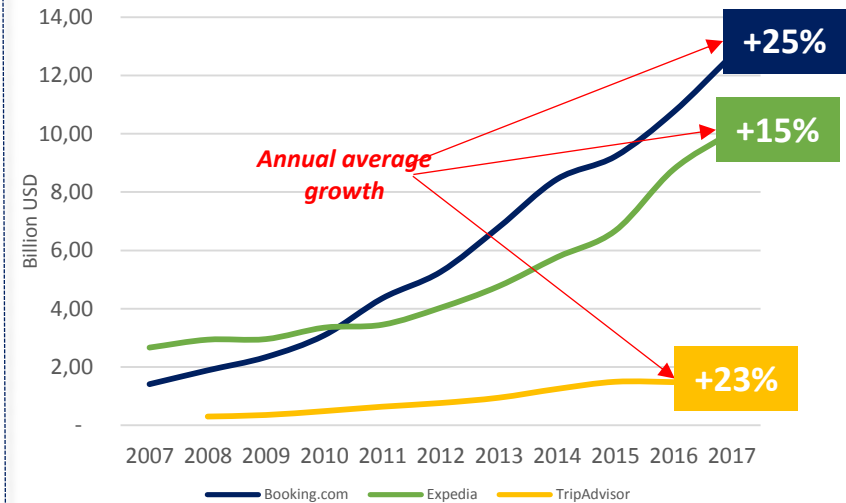
Note: Reformatics forecast was made separately from IATA forecast  
Source: WTTTC, WB, IATA

# Technological Progress and Tourism Sector (2/2)

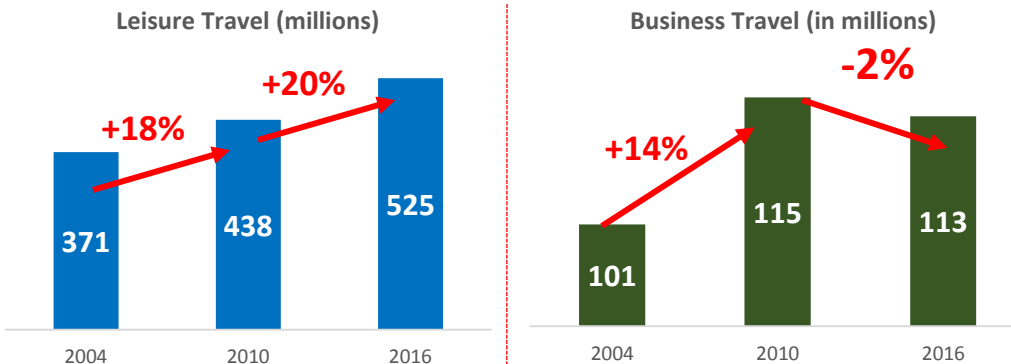
After the period of launching major tourism apps, the number of global arrivals significantly increased



Revenues of major tourism apps substantially increase



Share of business travel decreases stably due to technological progress and possibility of work on distance



Future of ICT in tourism is personalization

Trulayla



- Based on personal track record and machine learning technology offering most suitable choices for customer venues, restaurants, hostels etc.
- Good example of it is Trulayla App, which is newly established and so far applicable only in Georgia.

# Georgian Experience

From 2004, Government of Georgia successfully implemented reforms in order to develop tourism industry in the country:

Simplification of Rules and Regulations

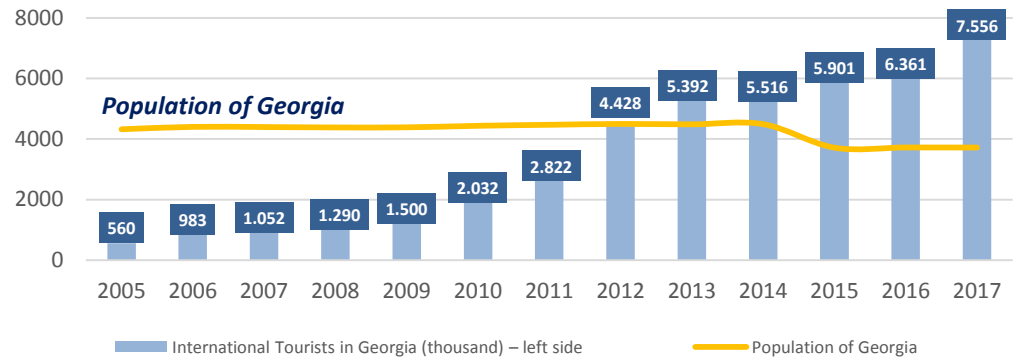
Visa Liberalization Policy

Diversification of Air Connections and Open Sky Policy

Investment and PPP in Infrastructure

Active Promotion of Georgia as Tourist Destination

According to the WTO Barometer for 2013, the increase in the number of foreign tourists in Georgia was the highest in Europe.



2005

Number of visits:

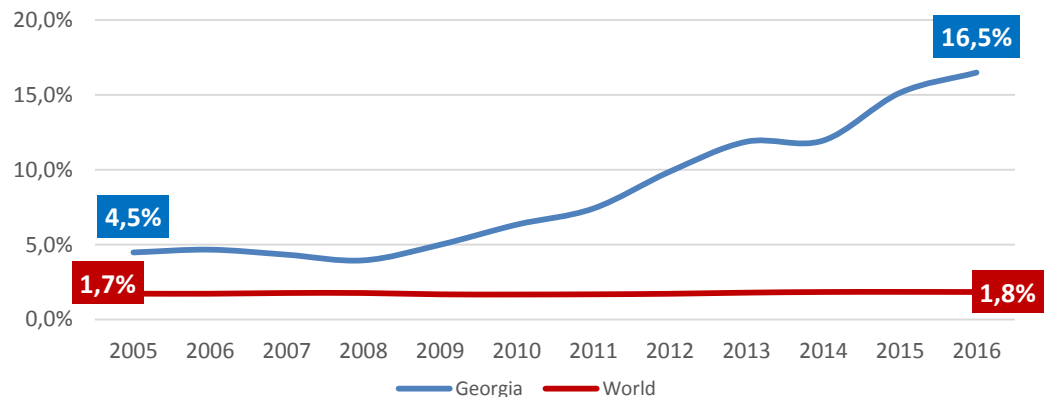


2016

Georgia  
**+1036%**

World  
**+54%**

Between 2005-2016, the share of international tourist receipts in GDP grew by 268% in Georgia



# Impact of Technological Development on Tourism

## E-tools in Tourism

### E-Visa

- ✓ Enables international travelers to apply visa electronically, **facilitates tourist arrivals and saves the time**

### Online Booking

- ✓ Online technologies give **opportunity to book tickets online** and **save time and expenses**.

### Individualization of Tourism

- ✓ E-tools give possibility to individuals to **plan tours themselves, without addressing tour agencies**.

## Modern tools and tourism apps

### Deregulation

- ✓ Due to the current phase of technological advancement **regulation of tourism industry loses its meaning**.
- ✓ People **make decisions based on online reviews**, the assessment of any tourist establishment by a state or private institution **loses importance and becomes irrelevant**.

## Work on distance opportunities

### Flexibility

- ✓ Technologies increase opportunities of working on distance.
- ✓ Classification of visits by main purpose becomes blurred and irrelevant, as **technological development makes travel with combined purpose possible**.

# Recommendations

Invest in innovation, internet literacy and ICT

Improve and liberalize the regulatory environment for tourism

Liberalize visa requirements

Diversify and liberalize air transportation market

Develop innovative, niche tourist products other than traditional

Promote actively