

New technologies: challenges for the industry and new opportunities for consumers

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1.

In all Europe we are facing an extremely dynamic situation both in new technologies and in e-commerce, which represents the most evident part of it.

But the general trend, that is in fact very important, is not really a true representation of the different situations we can find at a national and maybe also at a regional level.

What I mean is that, even if technological trends are quite certain, they don't follow an unique rule, neither the same rule in every country.

So what happened yesterday in United Kingdom, or what is happening today in Germany, it is not sure will happen tomorrow in Italy.

I think that in these matters is not possible to say that somebody is the future, or somebody else is the past: I think that every country has its different patterns, and that the different patterns cannot be exported, cannot be automatically translated from a country to another one.

I would give you three examples from my country, that are in contrast with European trends:

- In Italy Travel Agencies and Tour Operators market share is still growing until 20% of internal market, and the number of Travel Agencies is still growing up to 11.000, but in most part of Europe all these data are getting lower and lower for years, after having reached levels even double than Italian figures.
- Italian hotel chains are getting lower, and some of them have been sold and de-structurated, when in other parts of the world and of Europe hotel chains are successfully working and growing more and more.
- Italian restoration, famous all over the world, is family owned and managed. Italian brands in restoration are famous and maybe diffused in other countries, but they are not Italy-owned, and most times they haven't Italian products even.

Now, Italy seems to be at the bottom of European ratings both for e-commerce, and for on-line tourism sales.

I am not sure that this is a kind of under-development, I suppose there is something else.

2.

New technologies are continuously incorporated by tourism industry:

- because there is an internal push factor due to cost reduction, labour saving and so on;
- because there is an external market competition that shows it is possible and convenient to do it;
- and because there is a pull factor by final demand of products.

If this incorporation process happens in an efficient way and at the right time, industry can survive and also grow furthermore.

But internal and external factors are not the same everywhere. To give an example, since online distribution in travel & tourism sector is now driven by sales of air tickets, it's evident that the different weight of this sector affects in a structural way national and regional trends.

In the same way, final demand known as "business travel", usually performed by medium enterprises and great companies, is more and more technological, and maybe also save-oriented in buying travel & tourism products, due to scale economies and budgetary controls.

So, it's not difficult to say that the more a Country is far, the more it has great industries, the more its demand is strong in e-commerce for travel & tourism products. On the other side, central countries with railways and motorways, and micro-SMEs, show a quite different demand.

But if this analysis is maybe correct, surely it is not complete: in any European country, furthermore, there is a country-specific model of retail, and travel distribution is related to this national pattern.

So, in some European countries it is normal to have shopping two times per month in a big hyper-market, and is normal to get a look at special offers shown by a Travel Agency in-planted.

In other countries, it is not so strange to remain at home, and to buy everything by phone or on the net. Holidays and Travels too.

Surely, in other parts of our enormous country called Europe, it is normal to walk every day in the streets in market-places, little shops, and so on. And maybe buying Holydays and Travels directly from railways, air Companies, Hotels, and so on.

Finally, a lot of European citizens usually live of self-consumption goods, working and living in countryside. And perhaps they never travel nor take an holiday.

3.

Before answering the General Questions, I'd like to tell something about a new experience we are performing in Italy: a quality brand of Travel Agencies created with Consumers' Associations Agreement.

In Italy we believe that customer loyalty is the most important asset for a Travel Agent, and that there is no new technology able to substitute the human contact between Travel Agent and Customer, particularly in after-sale problems.

We believe that new technologies are very important to ensure a better work to Travel Agents, and to inform always better their customers, also enabling them to buy directly (by phone, by internet, or something else) what they already know, what they are sure to want.

But at the same time we believe that customers still need our consultancy when they don't know which kind of product they want to buy, or they are not sure about their choice. And when they would like to change their choices.

So, in Italy we are trying to settle some rules in the commercial relationship between Customers and Travel Agents, such as:

- opening ours
- availability
- accessibility
- informations
- agency fees
- insurances
- complaints
- agreements
- communications
- Agent's experience
- and so on

4.

At last, some answers to General Questions.

- new technology have deeply changed information retrieval by Customers, but not so deeply their sales. In perspective, we think new technologies are not going to substitute human touch and tailor-made products.
- in our job micro SME's can benefit from the new technologies moreover creating or joining networks, or specializing themselves in very narrow market niches.
- modern day tourists have different points of view: usually they want new technologies before travelling, but when they are on holidays their opinion may change.
- in Italy there is an enormous access to websites in order to get information, but few web sales in Travel & Tourism. It may depend on our national attitude and tradition to self organize our travels and holidays.
- loyalty is a consequence of satisfaction, and satisfaction depends on various factors, including post-sale assistance. In Travel & Tourism it's easy to buy products, but very difficult –often impossible- to change them, or to renounce. The same rules affecting tourist packages sold in Travel Agencies should be extended to any other channel or form of sales.
- in Italy we still like to talk one another, face-to-face, and we make business and agreements in the same way. Why should be different when we buy an holiday?