

CONSUMER MEGA-TRENDS **Impacting Hospitality in 2016**



Sabre

Trends Identified by TrendWatching

FOREWORD



by Sarah Kennedy Ellis

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Sabre Hospitality Solutions

True hospitality happens when you know the unique expectations of each guest and find ways to exceed those expectations, time after time. Doing this takes dedication, which hoteliers have in abundance. But it also requires knowledge of how consumers' expectations change – and those changes can happen very quickly.

To help hoteliers stay ahead and focused on consumers' evolving expectations, we're highlighting six mega-trends that are impacting hospitality right now. This bespoke report is a deep-dive into trends that reveal what consumers will expect. As consumers' expectations are set from experiences across all verticals, it's not enough to just look at travel trends. It's important to look outside the travel industry to know your guests as people, not just travelers. The knowledge presented here gives hospitality decision-makers actionable innovation opportunities for their hotel brands in 2016.

It's dangerously easy to see today's trends as only passing fads. Hotel brands that leverage these emerging trends will strengthen their current customer relationships by providing experiences that go above and beyond what guests expect.

As you turn these pages, you'll notice that each mega-trend discussion includes a look at sub-trends and drivers on the WHY page, with examples of transformational innovations from other industries. On the NEXT page, we present ways that hoteliers can act on these insights and prepare for what consumers will expect them to offer – ways of bringing these trends to life for your guests.

But knowledge of trends is nothing if you don't use it to drive future business growth and success. We hope this report will inspire you to act on these insights in order to differentiate and advance your brand, attract customers and, by doing so, maximize revenue.

We all know the proverb that says "Knowledge is power." Those who can know and meet customers' expectations with true hospitality will have the power to build lasting relationships and authentic loyalty that transforms customers into lifelong guests.

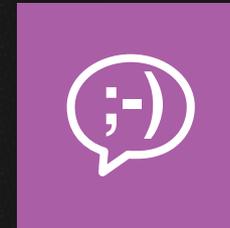
This bespoke report focuses on six mega-trends of particular relevance to hospitality:



YOUNIVERSE



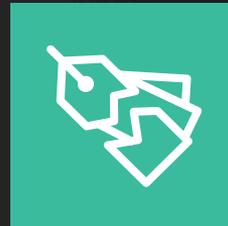
HELPFULL



HUMAN BRANDS



UBITECH



PRICING
PANDEMONIUM



POST-
DEMOGRAPHIC

INTRO

Each of the six mega-trends in this report includes sub-trends with cross-industry examples from around the world*, selected because they indicate future consumer expectations & behaviors relevant to hospitality.

** The examples that follow the trends are not limited to your industry or region. Seeing how a trend is being applied by other sectors and in other markets can highlight the potential within a trend in areas you may not have considered.*

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YOUNIVERSE

- TRUE SELF

HELPFULL

- CONTEXTUAL OMNIPRESENCE
- SYNCED SERVICES

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- TWO-WAY TRANSPARENCY

UBITECH

- BENEFICIAL INTELLIGENCE

PRICING PANDEMONIUM

- PERSPECTIVE SHIFTS

POST-DEMOGRAPHIC

- NEW NORMAL
- POST-DEMOGRAPHIC EMPOWERMENT
- TASTE-LED TARGETING
- POST-DEMOGRAPHIC CITYSUMERS



YOUNIVERSE

Where individuals' tastes,
needs & preferences reign.



YOUNIVERSE

YOUNIVERSE

The YOUNIVERSE is each person's consumption realm, where his/her preferences and tastes reign. Cater to an individual's YOUNIVERSE with brilliantly customized products, by enabling and encouraging personal expression, or by offering protection from identity theft.



YOUNIVERSE

TRUE SELF

Conventional personalization means letting consumers tell you what they want, and then giving it to them. Now, a raft of new technologies is allowing consumers to personalize travel experiences based on deeper, more *authentic*, subconscious aspects of their personalities.



WHY:

// IDENTITY TECH

Facial recognition, biometric sensing, brainwave readers: a new wave of tech is able to discern deeper truths about the hidden self.

// DEEPER SELF

Active personalization is empowering, but it means more decisions for consumers beset by choice paralysis. Now, they'll embrace services that seamlessly *reveal* what they really want.

// SPOOKY TECH

Consumers are used to the idea that brands (from Netflix to Amazon) can discern things about their taste that they didn't see themselves.

53%

*of consumers are willing to share
personal data in return for tools
that help them make decisions.*

Columbia
Business School,
October 2015



Your smile is a 0 out of 10

On a scale of 1 to HAPPY, use the slider to set how big a smile will save a page with Smile Suggest.



Save Settings

SMILE SUGGEST

Browser extension automatically bookmarks smile-inducing webpages



S7 AIRLINES

Muscovites 'fly' plane to dream destination with the power of their imagination



BOMPAS & PARR

Pop-up dining experience offers bespoke beverages based on DNA scans



NEXT:

// EMOTIONAL SERVICE

Can you recognize a client's true emotions or needs at a specific time and shape products and experiences around them?

// INTIMATE MATTERS

There are already people willing to share DNA for a more personal cocktail, don't be afraid to get intimate (with each customer's permission, of course!).

// UNKNOWN PREFERENCES

Can hoteliers utilize customer data to reveal hidden travel preferences? Customers will thank you if you help them act on the resulting insights.



HELPFULL

Make life more convenient.

Make it easy.

Make it seamless.



HELPFUL

HELPFULL

Innovations, products and services that make life more convenient, simpler, easier or seamless will eternally find favor with consumers. Need we waste your time by saying more? ;)



HELPFUL

CONTEXTUAL OMNIPRESENCE

Consumers don't care about complex omnichannel strategies. They don't need (or want) every brand to be everywhere, all the time. Instead, they'll embrace brands that use new channels and nuanced contexts to be at *the right place, at the right time.*



WHY:

// INTERNET OF THINGS

Connected objects provide ever-richer data on consumers' preferences and habits (see TRUE SELF), along with the ability to reach them with tailored services. Consumers will expect brands to use both.

// BRAND ECOSYSTEMS

Smaller brands are able to extend their reach via partnerships (see SYNCED SERVICES) with tech giants from WeChat to Uber. This allows them to 'appear' in a whole variety of situations.



DOMINO'S

Omnichannel strategy facilitates pizza orders via SMS, TV, tweet and smartwatch

PIMKIE & HOTEL BANKS

Hotel's provides fashion minibars in rooms

VIRGIN HOTELS & GAP

Apparel available to order via hotel concierge



HELPFUL

NEXT:

// NEW CONTEXT

Thanks to smartphones, location has become a key customer context leveraged by brands to provide a relevant service. However, *anything* can be an actionable context, from a customer's stress level to their lack of recent travel plans, to the emoji they use on Twitter.

// NEW CHANNELS

Don't limit your products, services or marketing distribution to accepted channels. Put yourself in the shoes of your customers and ask where they're most likely to be struck with a need you can meet. Create a new channel and *get there first!*



HELPFUL

SYNCED SERVICES

Consumers will reward travel brands that bundle services – their own, or third party – to enhance the user experience, save time, provide travel recommendations or deliver some much-appreciated cost savings.



HELPFUL

WHY:

// **MOBILE! MOBILE! MOBILE!**

Consumer expectations are conditioned by the mobile experience of the online space: every service or acquaintance is just a few clicks (and increasingly, swipes or taps) away.

// **CRAMMING**

Busy lives and endless choice means consumers insist on squeezing the most from every moment. SYNCED SERVICES save precious seconds. Typing a password to log-in or even opening up multiple apps feels “arduous”.

57%

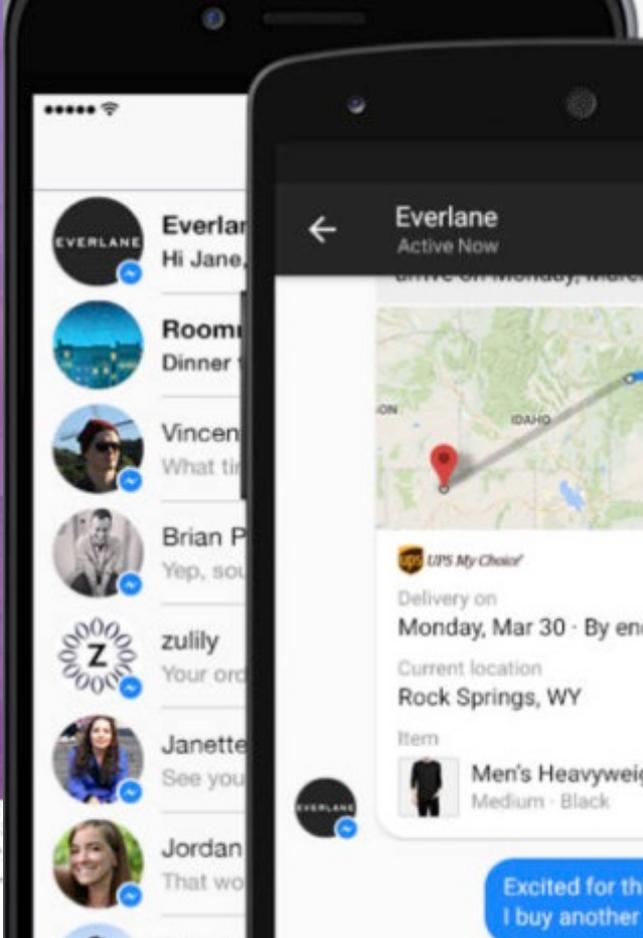
of US smartphone owners used their smartphones for banking by 2014. In 2011, only 18% of cell phone owners said they'd used their phone for banking.

Pew,
March 2015



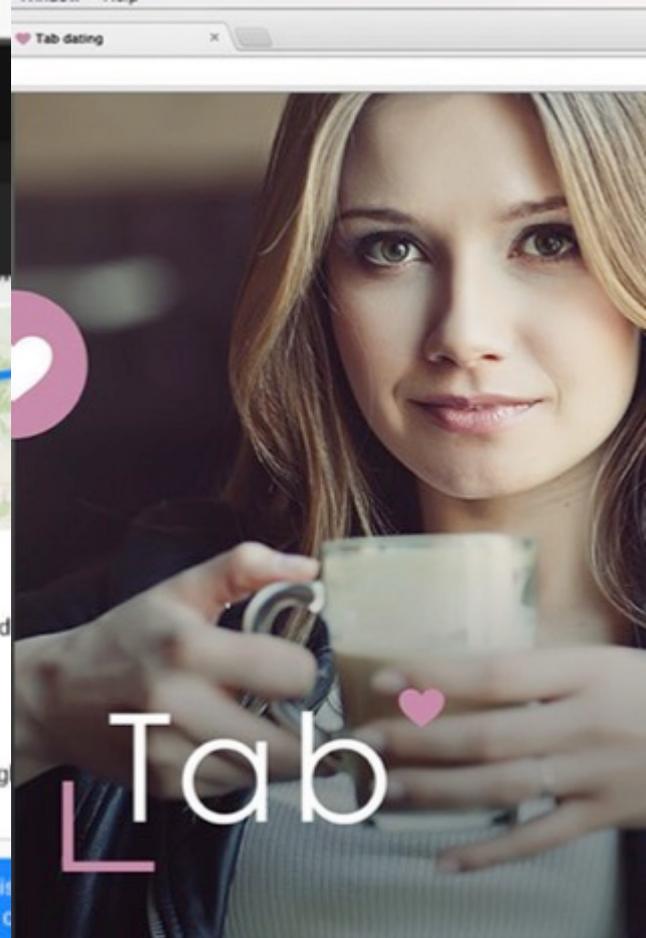
POCKETTOUR

Travel agency's service operates entirely within messaging app



HYATT

Guests can interact with hotel brand via Facebook Messenger



TAB DATING

Dating platform matches people each time they open a new browser tab



HELPFUL

NEXT:

// **BRANDED BRANDS**

This trend is about better services, *not* better cross-selling. Focus on enhancing the consumer experience. Successfully SYNCED SERVICES could help hoteliers deliver CONTEXTUAL OMNIPRESENCE.

// **SOCIAL FLOW**

Consumers appreciate services that allow seamless interactions between their peers. The epic shift towards retail, customer service, payments and even vacation planning via messaging apps like Viber or WhatsApp (where one's contacts are collected) has only just begun.



HUMAN BRANDS

HUMAN BRANDS are dead.
Long live HUMAN BRANDS!



HUMAN
BRANDS

HUMAN BRANDS

As consumption moves beyond the merely transactional, brands must change their attitudes to keep up.

Consumers love brands with meaning and personality: that are open, honest, generous, have some fun and stand for something.



PERKONOMICS

Perks satisfy consumers' desire for novel forms of status, privilege, exclusivity and / or convenience.

Brands that offer extras *outside* of traditional loyalty programs will strengthen relationships with all customers, attract attention and escape commoditization.



WHY:

// OVERWHELMING OPTIONS

In today's consumer arena, there are almost limitless buying options. Little extras can cut through the noise and make decision-making easier.

// (DIS)LOYALTY

Loyalty has been replaced by a quest for a brand that offers the most. Show that you understand your customer's concerns and / or needs with add-ons that bring something they can't get elsewhere.

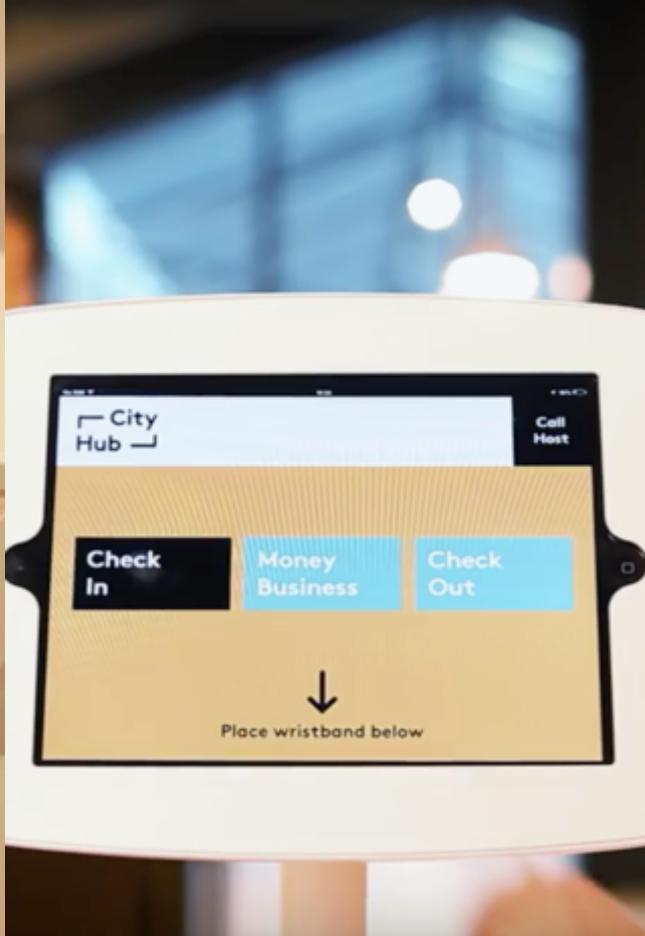
// STATUS STORIES

Consumers in the experience economy derive status from the stories associated with their products as much as the purchase itself. Perks and add-ons mean a great STATUS STORY to tell.



MAR ADENTRO

Luxury hotel rooms instantly customized via tablets



CITYHUB

Low-cost hotel provides guests with citywide internet access



DELTA

Airmiles members' upgrades include private jet flights



NEXT:

// PINPOINT A PAINPOINT

Are there any traditional pain-points typically associated with your service that a PERKONOMICS add-on could help alleviate? Maybe you can't solve the problem, but you can make it as pleasurable as possible ;)

// TAILOR-MADE

Elevate perks above the norm by making them as customized as possible. After all, consumers will always appreciate brands that go the extra mile and show they really care about their TRUE SELF.

Remember: perks created with potential customers in mind are great. But don't forget to show some love to your existing (or long-term) customers, even if they're in no danger of switching!



SYMPATHETIC PRICING

Savvy brands are trying a bold new approach in the quest to prove *they care*. They are using dynamic pricing and targeted discounts to relieve lifestyle pain points, offer a helping hand, or support a shared value.

63%

of global consumers claim to only buy products and services that appeal to their beliefs, values or ideals.



WHY:

// MESSAGE SATURATION

Consumers have tuned out the white noise (marketing) issued by a multitude of travel and hospitality brands on how much they care about people, society and the planet.

// ONLINE FLEXIBILITY

Shoppers got used to the flexibility of pricing they enjoy on e-commerce and m-commerce platforms. Today, the expectation that prices adjust according to time, location, and personal data is not limited to online interactions.

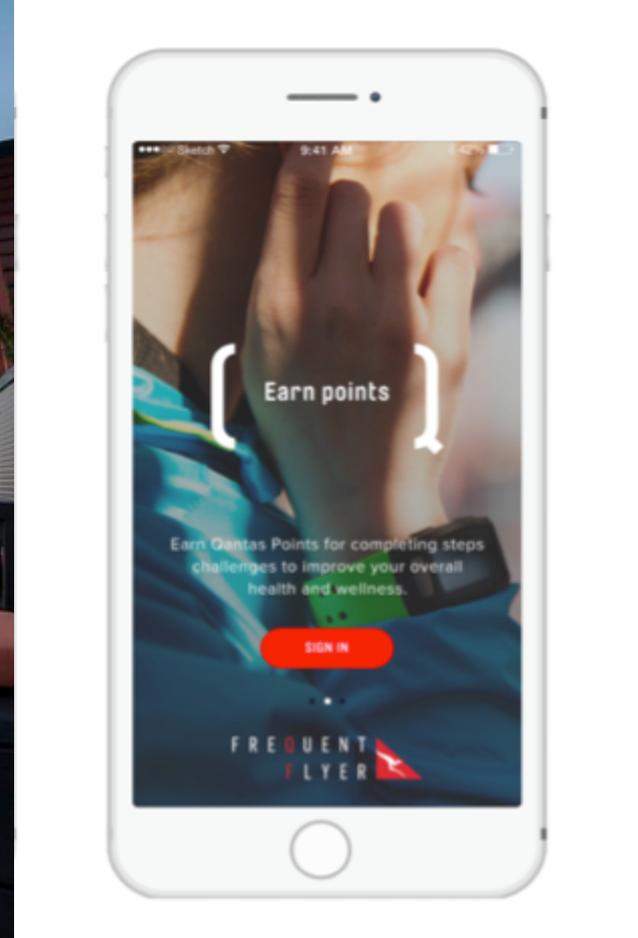


DESC
R\$ 1
EasyS



HOTEL CAPPUCCINO

Hotel rewards guests for making ethical choices



QANTAS

Airline's health insurance policy encourages customers to stay active

EASY TAXI

Taxi discounts offered after heavy rainfall limits public transport



NEXT:

// PAINKILLER PRICING

Consider offering discounts that provide relief from lifestyle pain points. These may be targeted personally, or to a wider group.

// COMPASSIONATE PRICING

This is pricing that offers a helping hand at a difficult time. Could your hotel provide low-cost (or even free) services to those in need, in response to catastrophic events or crises.

// PURPOSEFUL PRICING

Utilize discounts in support of a shared societal or environmental value or belief.

45%

*of global consumers would be
happy to be rated by a company
whose services they had used.*

The Future
Foundation,
November 2015



TWO-WAY TRANSPARENCY

Primed by the P2P economy and on-demand services such as Uber – which sees drivers rate their passengers – in 2016, consumers will embrace brands that subject their customers to reviews and ratings. Yes, a counter-intuitive trend. But consumers have seen ample proof that two-way ratings can mean a better experience for everyone.



WHY:

// UBER EFFECT

P2P giants such as eBay and Airbnb (with over 6 million users as of March 2016) mean peers are accustomed to being rated as sellers *and* buyers, as hosts *and* renters. Recently, Uber's two-way rating system has shown users TWO-WAY TRANSPARENCY creates a virtuous circle of better customer behavior and better service.

// SUBVERSION

A minority of travelers can ruin shared experiences for others. Now, well-behaved guests will expect brands to shine a light on, and stop, bad behavior.



ART SERIES HOTEL GROUP

*Guests rated by hotel staff
to earn discounts and
rewards*



PRET

*Staff reward favorite
customers with free coffee*



NEST PROTECT

*Discounts on home
insurance for customers
who share smoke alarm
data*



NEXT:

// VARIATIONS

For some brands (on-demand P2P services), this trend is core to their entire proposition. For others, it could inspire a light-hearted campaign. Your variation?

// DATA

Consumers don't have to be physically present to be rated. Think shared data. Analyze, rate and reward. Could you partner with an insurance company to offer rewards for good behavior?

// CULTURE

Move beyond concrete ratings and reviews and encode a spirit of transparency in your hotel's culture. Empower your staff to reward customers that treat them well.



UBITECH

The ever-greater pervasiveness
of technology.



UBITECH

UBITECH

Technology has become ubiquitous, universal and impossible to live without. Consumers continue to crave (and build their lives around) the unparalleled ‘superpowers’ that technology offers them: instant information, seamless convenience, limitless choice and more.



UBITECH

BENEFICIAL INTELLIGENCE

The lives of many consumers are already touched by intelligent, automated infrastructure. But in 2016 and beyond, rising numbers will expect that brands use machine learning and AI to put truly smart products and services into their pockets, homes, inboxes and more.

50%

of global smartphone users think smartphones will be a thing of the past in the next five years, with increasingly artificial intelligence superseding many of its functions.

Ericsson Consumer Lab,
December 2015



WHY:

// RACE OF GIANTS

Google, IBM, Facebook, Baidu, Microsoft, Amazon and Apple are all furiously working on AI. This is leading to new developments and heightened expectations that AI serves real, *human* needs.

// HEAD IN THE CLOUDS

IBM's Watson Developer Cloud now lets smaller developers include cognitive computing features in their apps; it's used by more than 77,000 developers globally.

ight Now ⓘ

Ranked **1st** **Very good conditions**

Overall score: 8.2

Weather conditions: **Good**

Geography: Altitude: **9,065 feet**; Vertical drop: **3,366 feet**

Facilities: Open trails: **61 / 88**; Longest run: **N/A**

Ranked **2nd** **Very good conditions**

Overall score: 8.1

Weather conditions: **Good**

Geography: Altitude: **8,540 feet**; Vertical drop: **3,579 feet**

Facilities: Open trails: **N/A**; Longest run: **1.0 miles**

Book with SkiSure™

Only the best hotels: closest to the ski trail and with the best skiing facilities

Hotels from

DISCOVERY TOOL **BETA**

REMA
UNCO

where should I travel if I'm a foodie?

Where should I travel if I'm a foodie?

Where should I stay that has a tennis court?

Where are the best hotels to stay with my family in

Where should I stay for my honeymoon?

About Us



Press Center



Total Savings: € 20

Initial Booking Price: € 70

Rebooking Price: € 50

Date 18-02-2016



QALENDRA

Algorithms & data used to help travelers compare destination conditions four months in advance

WAYBLAZER

Luxury hotel group beta tests cognitive discovery service

SAVE A TRAIN

Site helps customers combat fare fluctuations by telling them when to cancel and rebook tickets



NEXT:

// NEW TECH, OLD PROBLEMS

Tech changes, but your customers face the same ol' issues. Can your hotel help them save money and time, have fun, get the best hotel room, ski the deepest powder or find the perfect golf course with smart services?

// HUMAN SAFEGUARDS

When it was discovered that The Princeton Review charged more for online tutoring in neighborhoods with a high proportion of Asian residents, the discrimination was blamed on an automated pricing scheme. Keep a human eye on your initiatives.



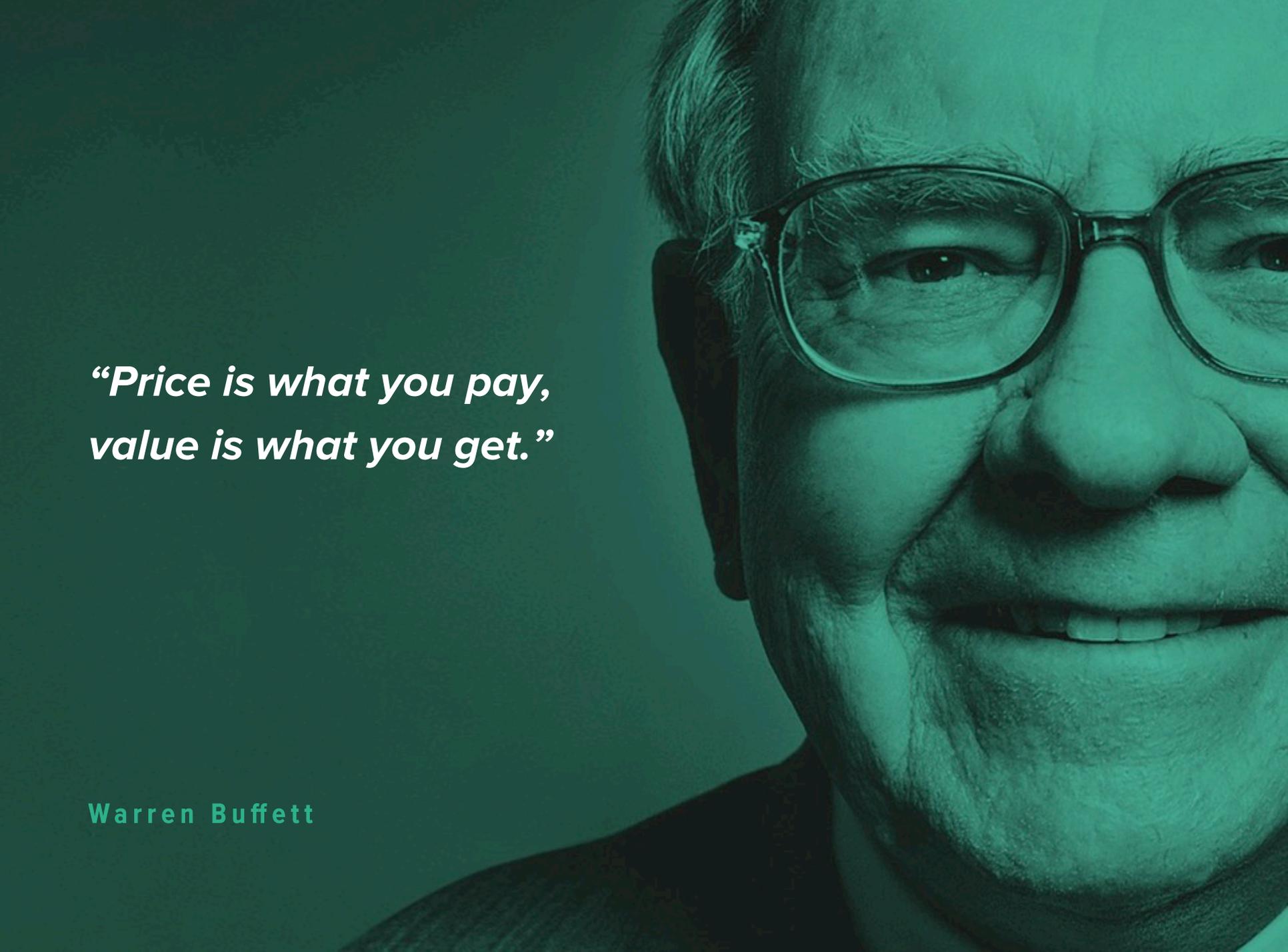
PRICING PANDEMONIUM

Pricing is increasingly
dynamic, targeted and
personal.



PRICING PANDEMONIUM

People have always been concerned with price, but thanks to a range of new technologies & services, perceptions of price have become more complex. High or low (if not zero), fixed or fluid, universal or personal, brands must keep up with new expectations.

A close-up portrait of Warren Buffett, an older man with glasses, smiling slightly. The image is overlaid with a teal color. The text is positioned on the left side of the image.

*“Price is what you pay,
value is what you get.”*

Warren Buffett



PERSPECTIVE SHIFTS

In 2016 consumer attitudes to price will be more malleable than ever. One opportunity? Playfully reframe your offering as an entirely different product in order to shock consumers into a radically new perspective on – and appreciation of – the value you deliver.



WHY:

// PERSPECTIVES

Digital continues to show consumers that, when it comes to pricing, perspective is all. Pay for music on new platform Tidal – no way! Direct fund a musician on crowdfunding site Patreon – sure! Now, consumers are open to a more playful perspective on pricing.

// PERKFUNDING

Crowdfunding, PRETAIL platforms (from Kickstarter to Indiegogo), new forms of charity fundraising – a welter of innovation around pricing and funding means consumers have permanently shifted their expectations.

// PLAY

New perspectives of value are eye-catching, playful and fun. It's that simple!

USD 2 billion

of pledges have been made on crowdfunding site Kickstarter, by around 9.5 million people. It took nearly five years to hit the USD 1 billion mark, and 19 months to get to USD 2 billion.

Kickstarter,
November 2015



TRANSAVIA

Budget airline turns chip and candy packets into airline tickets

STOCKPILE

Gift cards are shares in publicly traded companies

DUTCH AIDS FOUNDATION

Donate by buying 'pills for first world problems'



NEXT:

// BE FEARLESS

When it comes to reframing your offering, be bold. Could you re-frame candy and chips (casual purchase, grab quickly) into hotel nights (considered purchase, carefully researched)? Be creative – anything goes!

// CAUSES

Think beyond consumer spending to consumer giving. Apply this trend and you can re-frame a charity drive or call for donations and acts of generosity.

// ENGAGEMENT

How can you reframe value to draw in travelers who wouldn't typically engage due to what they perceive as prohibitively high costs?



POST-DEMOGRAPHIC CONSUMERISM

Time to throw out the
old demographic models.

79%

*of boomers describe
themselves as part of the
'boomer generation'.*

Pew Research Center,
September 2015

40%

of millennials describe themselves as part of the 'millennial generation'.

Pew Research Center,
September 2015



POST-DEMOGRAPHIC CONSUMERISM

Demographics are dead! Today's consumers – free to construct their lifestyles according to their own ideals and tastes – will choose products and services with little regard for traditional demographic conventions.



WHY:

// ACCESS

The internet has created a global brain with access to the same information, culture and ideas. And consumers from Boston to Beijing are served by global megabrands (think Apple, IKEA, Airbnb, Uniqlo). The result?

A worldwide convergence in tastes and aspirations.

// PERMISSION

Meanwhile many old social norms that ensured people lived the lives they 'should' are collapsing.

// ABILITY

An increased desire to live a self-constructed life is being matched by the increased ability to do so, thanks to rising affluence, the explosion in product/service choice and the risk-free digital experimentation.



NEXT:

Demographics are dead! What now? Below are four strategies for surviving in a POST-DEMOGRAPHIC world:

1. NEW NORMAL

2. POST-DEM' EMPOWERMENT

3. TASTE-LED TARGETING

4. CITYSUMERS



1. NEW NORMAL

Across the globe, many consumers are discarding tradition and embracing new beliefs on everything from family to marriage, sexuality, gender roles and more. Travel brands must adapt to represent this increasingly diverse range of lifestyles, relationships and family units.



CLEAN & CLEAR

Skincare brand's ad campaign features transgender teen



SANIA BROW BAR

Brow bar offers grooming services for men



SELFRIDGES

Department store hosts gender-neutral shopping project



2. POST-DEMOGRAPHIC EMPOWERMENT

While many are embracing the NEW NORMAL, there are still billions of individuals around the world – from a gay couple planning a vacation, to an elderly person living alone – who face obstacles and are unable to pursue their desired lifestyles (or travels!). Empower these people to live the lives they desire.

65%

*of consumers say brands should
take a leading role in supporting
individual happiness.*

Edelman,
April 2015



PINK TAXI

Female-only taxi service launches in Egypt as a safe option for women passengers



MARRIOTT

20% of training hotel's staff have disabilities



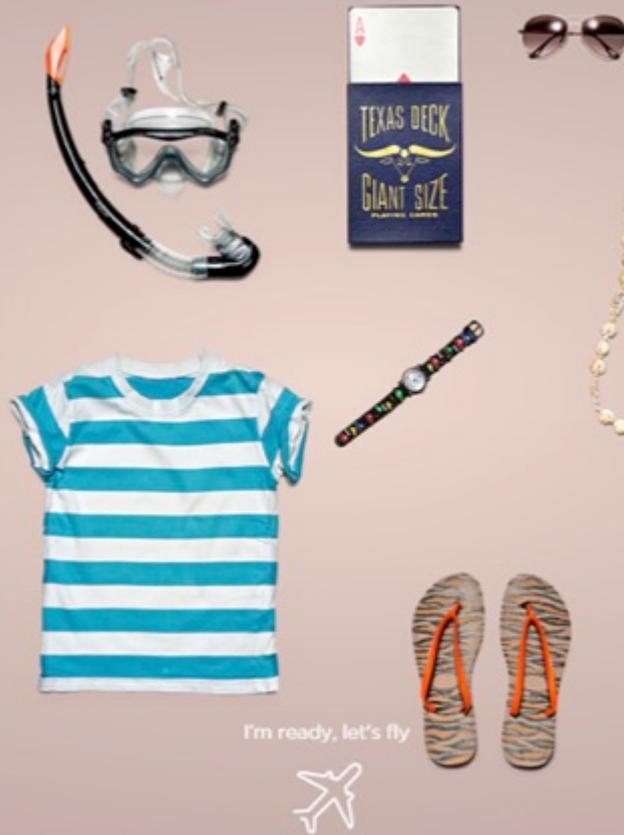
AVIS

Free car hire if you bring an elderly person with you



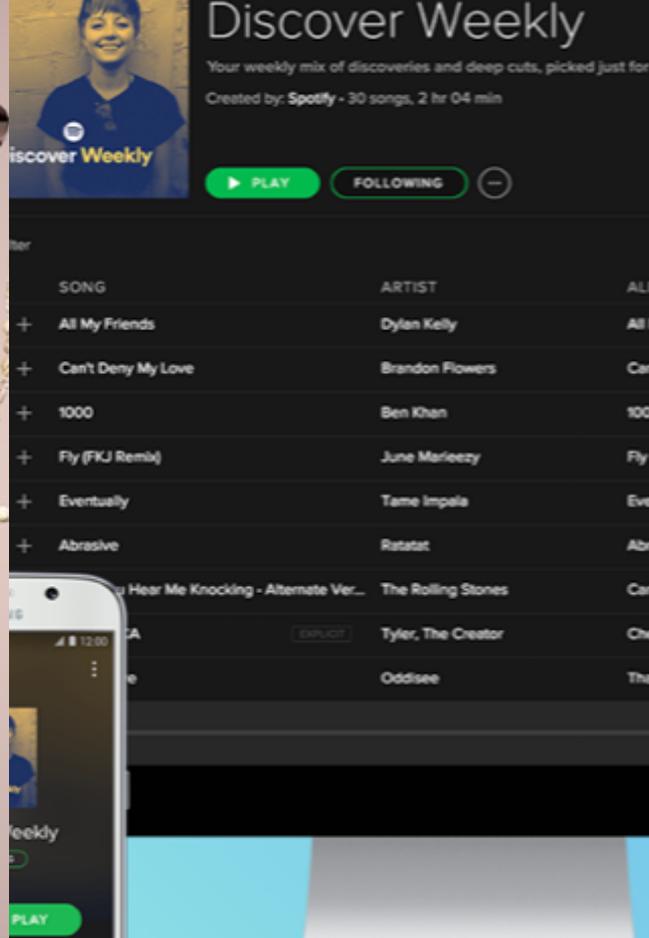
3. TASTE-LED TARGETING

Bespoke offerings come more easily to retailers or digital media providers (from Netflix to Spotify), but even physical products or travel experiences must now be tailored and unique to the individual. Use technology to target your marketing, products and experiences for a segment of one.



VIRGIN ATLANTIC

Find your perfect vacation by packing a virtual suitcase



SPOTIFY

Personal playlists delivered weekly to users



TAM AIRLINES

Airline produces personalized on-board magazines



4. POST-DEMOGRAPHIC CITYSUMERS

Cities are one of the central drivers of POST-DEMOGRAPHIC CONSUMERISM, and they are also where this trend finds its purest expression. The tribes within cities are delightfully diverse, yet share common pursuits (for convenience, unique experiences, and holistic self-improvement) and problems (stress, congestion, pollution, & time-constraints) that you can tackle!



MINDFL

Urban center offers on-demand meditation classes



FACTORY FRESH

Nutritionally-balanced meals delivered to Beijing commuters



METRO TRANSIT AUTHORITY

NYC subway modernized with wifi and USB-charging points



NEXT:

**Want to apply
the trends?**

1. UNDERSTAND

🔥 Basic Needs

What deep consumer needs & desires does this trend address?

⚙️ Drivers of Change

Why is this trend emerging now? What's changing?

Shift: Long-term, widespread macro changes

Triggers: Recent, short-term changes or technologies

📈 Emerging Consumer Expectations

What new consumer needs, wants and expectations are created by the changes identified above?
Where and how does this trend satisfy them?

💡 Inspiration

How are other businesses applying this trend?

2. APPLY

🔗 Innovation Potential

How and where could you apply this trend to your business?

👥 Who

Which (new) customer groups could you apply this trend to? What would you have to change?

YOUR INNOVATION(S!)

Use the
**CONSUMER TREND
CANVAS**

CONSUMER TREND CANVAS

ANALYZE



INSPIRATION

How are other businesses applying this trend?



EMERGING EXPECTATIONS

What points of tension and new customer expectations are emerging?



BASIC NEEDS

Which deep consumer needs and desires does this trend address?



DRIVERS OF CHANGE

Why is this trend emerging now? What's changing?

SHIFTS (long-term)

TRIGGERS (short-term)



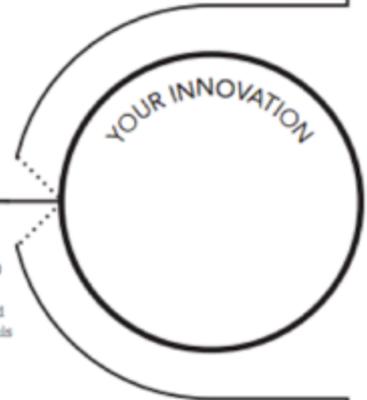
INNOVATION TARGET

How/where could you apply this trend to your business?



WHO

Which (new) customer groups could you apply this trend to?



Use Post-it notes to unpack a trend and come up with INNOVATIONS!



How & when to use the CONSUMER TREND CANVAS

1.

Print a copy of the CONSUMER TREND CANVAS (the previous slide). Print it as big as you can!

2.

Take the trend (or trends) that you are interested in exploring further from the above selection.

3.

As you **analyze** the trend, fill out the left hand side of the canvas ('Understand') with insights, data and examples. Then use the 'Apply' section on the right hand side to capture your ideas!

4.

Keep on circling back to **re-examine how the segments relate** to each other. Insights in one segment may highlight other elements of the trend and help you uncover truly novel concepts!

5.

Also, try using it to **structure an innovation session** with your team. Then enjoy that 'a-ha!' moment as people both understand what a trend is all about, and how to make the most of it.

The Sabre logo is displayed in a bold, white, italicized sans-serif font. The word "Sabre" is followed by a registered trademark symbol (®). The logo is positioned on the left side of a red horizontal band that spans the width of the slide.

Sabre®

Sabre Hospitality Solutions® enables hoteliers to enhance the guest experience, identify cost savings, and increase revenue. The cloud-based, SaaS solutions powered by the SynXis® Enterprise Platform, used by more than 32,000 hotels, resorts and chains, provides unlimited scalability to manage all distribution, operations and retailing needs across every touch-point of the guest's journey.



THANK YOU!

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