



FRUIT JUICE MATTERS DECEMBER 2020

FUTURE TRAVEL & DIGITAL TRENDS: FOOD for THOUGHT

2020 has been a tumultuous year dominated by COVID-19, but also impacted by political, social and economic forces. Not only leisure, but also our businesses are subject to significant and evolving change. This certainly applies to the future of travel and digital trends especially in emerging markets.

TRAVEL CRISIS

A Euromonitor study indicated that nearly 60% of consumers will reduce their international travel in the short and medium term. Global tourism demand could plummet by as much as 80% in 2020 and only recover over 4 years. This will have a painful economic impact for travel destinations and the more they are dependant on travel for livelihoods and employment, the greater the pain. Over the longer term they will eventually return to international travel, but at that time things may be quite different as there are a number of forces at play.

Climate concerns: Even before COVID, studies indicated that 65% were concerned about climate change. The travel industry will therefore gradually shift away from health and safety protocols to focus more on sustainability and issues such as carbon emissions.

Digitization: Future travel will also be impacted by the accelerated digital transformation sparked by COVID and set to continue at pace.

Changing traditions: Various traditional aspects of travel will undergo change, for instance

- Online travel agents: beginning in a smart home environment where digital avatars could indeed be the travel agent using emotion recognition software to match individual preferences with travel opportunities and rate against for instance sustainability criteria and quality attributes.
- Urban mobility: driverless and electric with access to services and information through screen or window connectivity along smart roads
- Air travel: again electric – maybe even pilot free - with screen and window connectivity and boarding via biometrics with each passenger only having a digital ID.
- Hotels: Digital avatars to greet and robotic doormen for luggage and again loads of digital connectivity to provide services and information (and what about alternative use for empty rooms?)

Both the health crisis and climate concerns will together in conjunction with technology drive a sharp relook at the purpose (how & why) of travel.

COVID has reminded us of the fragility of life and people at home have focused on local commerce and the neighbourhood environment and services. It has also revealed major inequalities which have led to social tensions.

DIGITAL TRENDS

Consumers have been forced to change their daily habits and businesses have had to prioritize innovation; change their communication; and develop new product offerings & delivery services.

Emerging markets: Compared to developed markets, emerging markets lag in terms of availability of services and adoption of technology. In some developed countries access to internet is more than 90% whereas in many emerging markets less than 50% have the potential to access the internet. This has resulted in a slower adoption rate during COVID. In addition to their economic development, access to smart phones has grown substantially and of course emerging market consumers are younger which will lead to significant growth and adoption of digital services.

Digital platforms: There is a growing range of digital services such as streaming services, online classes and communication platforms. During one quarter Netflix acquired almost 16m users and great growth in emerging markets. Together with other global organizations such as Spotify they have familiarized consumers with the subscription based model creating opportunities for local business such as fitness and educational classes. In addition to leisure, there is a need for work related communication and engagement and Zoom was the most downloaded non-game app with close to 131m installs worldwide and again substantial growth in emerging markets.

The demand for alternative ways to work, study and have fun will increase. Platforms will therefore develop improved features. An example is Microsoft Virtual Breakout Rooms to enhance team collaboration and idea generation. Netflix Party allows friends to gather virtually and interact via a chat room.

Financial Services: Payment technologies have grown in emerging markets, but traditionally co-exist with access to bank accounts. Unfortunately access is lower in emerging markets where cash is still the most utilized and often only form of payment – an opportunity for more innovation!

E-Commerce: Global online sales received a huge boost in 2020 and these channels have also been growing in emerging markets. This will however require higher internet penetration and speeds as well as changing consumer behavior. The latter will have to be built on information, training and familiarization. In addition, distribution channels require development especially final delivery to customers.

As consumers spend more time at home delivery apps such as Uber Eats are competing to meet the demand for home delivery of food and a range of essential items within an hour of delivery. According to a study 98% of the population growth will be in urban areas and 60% of the population will be urban. This will in turn drive efficient methods of transportation as more businesses deliver to homes.

SEASONAL GREETINGS

SAFJA wishes you everything of the best for the upcoming harvests and festive season. There are positive signs on the horizon and may 2021 be a healthy year with renewal and prosperity. Stay safe!

RUDI RICHARDS

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Euromonitor studies acknowledged

