

Peak + Skift Present:

The Rise of Experiential Travel



Intense global demand for travel experiences that resonate on a deeper emotional level is driving travel brands to develop product that is more adventurous, more personalized, and more attuned to local culture, inspiring consumers toward a path of self discovery.

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the report, please contact
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Our experienced local teams, utilising our company-wide operating standards deliver innovative, competitive, low-risk and high-quality travel products to retailers, wholesalers and operators.

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Executive summary

Few phrases in the history of tourism have been co-opted by travel brands as much as “experiential travel.” Seemingly every company today operating in the hospitality and tourism sector is marketing itself as an experience versus a product, based on rising demand from consumers for more authentic and engaging travel experiences.

This report examines how top travel brands are developing their services to answer that demand, and how that’s driving the evolution of adventure/active travel and rampant interest in local cultural immersion.

Underpinning all of this, technology has created an environment where we can watch people in our social networks visiting amazing places around the globe every minute of every day. For many travel-

“It’s about how we experience those places viscerally, and how they change us when a monk or winemaker provides a new way to understand our world.”

ers, seeing so many other people accomplish their travel goals, it inspires them to imagine and purchase their own travel experiences often aligned with those of their network peers.

This social media envy, sometimes referred to as the “Instagram Effect,” has a powerful impact on travel consumer behavior that travel marketers are trying to understand and exploit with increasingly sophisticated strategies.

As technology evolves and networks grow in widening circles, there’s also a qualitative shift happening where it’s no longer just about trekking to Buddhist monasteries in Bhutan or sipping Malbec in Mendoza. It’s about how we experience those places viscerally, and how they change us when a monk or winemaker provides a new way to understand our world.

The most forward-thinking travel brands are delivering those types of experiences by focusing on three things above all else: **inspiration, personalization and a path toward self-discovery**. Travelers

in this seamlessly connected era, from backpackers to billionaires, want to feel inspired by the places they visit and the people they meet, while pushing past preconceived notions of different cultures, both near and far, to become more dynamic and informed citizens.

Equally paramount, today's most savvy travelers of all ages want to experience that transformative journey in a way that is wholly their own. In the end we are all searching for something. We're all seeking our monk, and experiential travel is becoming a preferred road to the monastery.

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About Skift

Skift is a travel intelligence company that offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Skift is the business of travel.

Introduction



Source: Vayable

Arguably the most significant, systemic trend in worldwide tourism today is the demand for “experiential travel,” typically meant to convey the idea of more immersive, local, authentic, adventurous and/or active travel.

Some people will argue that travel is inherently “experiential” by definition, and that the phrase is overused, but the focus here is on the shift toward the mainstream. With travel consumer behaviors varying wildly in this space, it’s a matter of degree how we define and approach the overall trend.

People want to travel better, on a deeper emotional and more personal level. Consumers in growing numbers are shying away from the pre-packaged travel brochure, or in some cases, the prepackaged travel brochure looks a lot different than it did just a few years ago.

Today, travel brands are offering more connected, more social travel experiences relying on technology and global networks of small and individual operators. We live and travel in a highly connected world via an almost infinite online matrix of social media networks. But how connected are we, really? And how “social” are those networks?

“We’ve been relying on technology for connection, which has ironically left us isolated and given us a real life need for human connection,” says Jamie Wong, founder/CEO of Vayable. The online sharing portal pairs travelers with its network of local citizens around the

“We’re all seeking our monk, and experiential travel is becoming a preferred road to the monastery.”

world offering opportunities to experience their destination as much as possible like a local.

Wong says the most inspired types of travel today are

those “you would never find in the traditional tourism industry, such as going thrifting with a former Jean-Paul Gaultier designer in Barcelona, or eating with a food blogger in Queens.”

Another reason for the demand for more adventurous and experiential travel is the sameness of so many mainstream travel experiences.

“Globalization and technology have led to the homogenization of cities, which has resulted in travelers craving locally made and authentic experiences,” Wong says. “People want to reclaim what’s real. Mass tourism is no longer sufficient.”

The Relativism of Authentic, Adventurous & Experiential

With contrived, packaged tourism losing its appeal, that begs the question: Who’s to say what is truly authentic travel? How much authenticity do today’s travelers want? How experiential or adventurous? And how can travel marketers differentiate their product as more experiential experiences amid an increasingly crowded travel landscape?

Some of the answers to those questions are found in consumer data. By tracking social media, website analytics, location data, blog comments, search metrics, traveler reviews, etc., the travel brand who thrives in tomorrow’s travel economy is the one most aware and aligned with their customers’ purchase behaviors and travel values.

Evaluating, understanding and adapting to changing travel consumer trends is equally important for travel brands targeting specific niches. For those selling adventure travel, for example, that market has grown 65% yearly since 2009 according to last year's Adventure Tourism Market Study, co-produced by George Washington University and the Adventure Travel Trade Association (ATTA).

The growth is attributed in part due to the rise of interest in soft adventure by a wider range of age demographics than in previous decades. The survey states: "Nearly 54% of travelers plan to participate in an adventure activity on their next trip, compared to the 42% of travelers currently participating in adventure activities."

ATTA President Shannon Stowell says, "As we watch adventure travel tourism grow, it is imperative that we continue to provide travelers with transformative experiences."

The demand for those transformative experiences is driving business in almost every travel segment within the tourism and hospitality industry today.

Consumers Are Asking For Packages Beyond Packaged Travel

As we set about working on this report, we decided to get some survey data on how today's travel consumers are thinking about booking travel and tours and working with local companies. We turned to Google Consumer Surveys and polled U.S. and U.K. adult Internet users on their travel habits. Some of the answers are instructive on what we want out of our travels.

For the U.S. and UK consumers who have traveled internationally in the last year for vacations, it is clear that overall they're looking to travel with friends and family, as well as use local firms in their planned destinations. It is more prevalent in U.S. than in U.K., where historically big packaged tour companies like Thompson and TUI have ruled the roost.

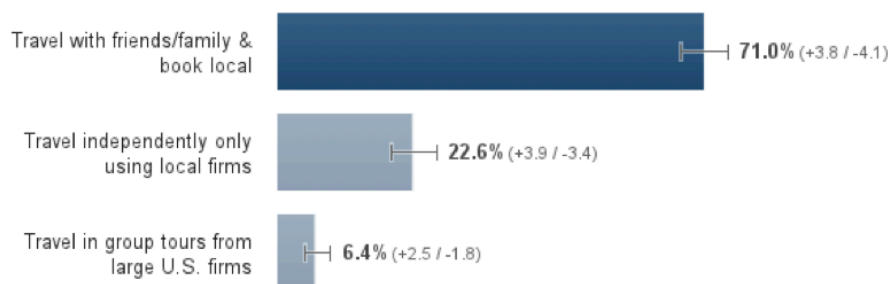
For U.S. travelers, only 6.4 percent are looking for the safety of big U.S. tour/travel brands anymore, our survey shows, while majority would like to book local, in a nod to the experiential travel needs. In the UK, that number is 16 percent, while the rest would prefer booking local. Below, see the U.S. chart, followed by the UK chart, for overall results.

SINGLE ANSWER

When booking your travels & tours, which do you prefer?

Results for all respondents. Weighting: Off. (500 responses)

Order statistically significant.



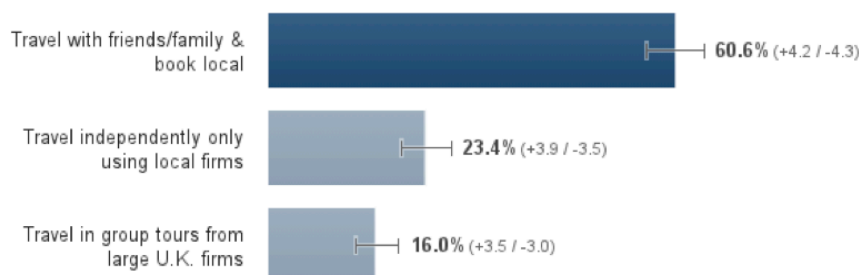
Methodology: Conducted by Google Consumer Surveys, April 22, 2014 - April 24, 2014 and based on 500 online responses. Sample: National adult Internet population.

SINGLE ANSWER

When booking your travels & tours, which do you prefer?

Results for all respondents. Weighting: Off. (500 responses)

Winner statistically significant.



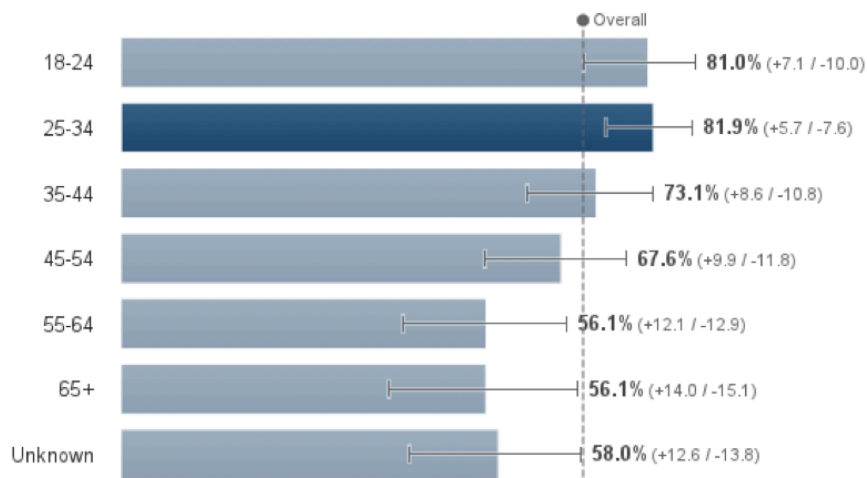
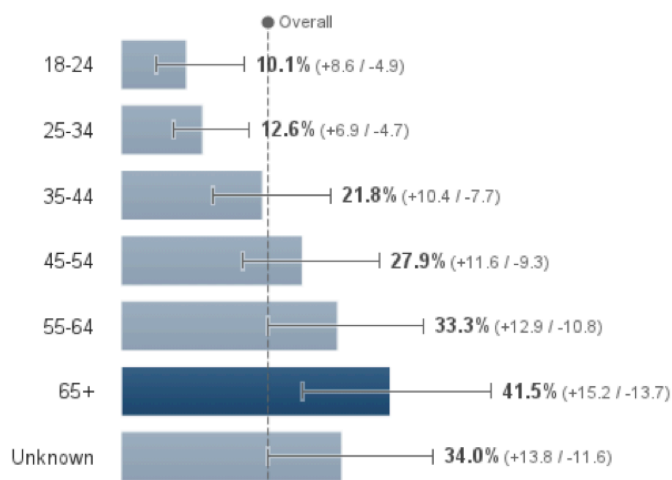
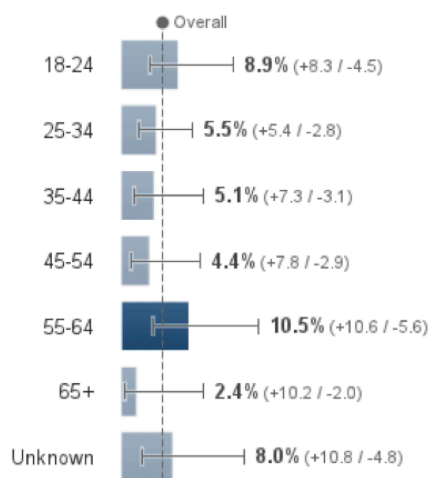
Methodology: Conducted by Google Consumer Surveys, May 08, 2014 - May 10, 2014 and based on 500 online responses. Sample: National adult Internet population.

Digging a little deeper into the survey, it is the older travelers that are still going for safety, while the younger travelers are thinking about local tour firms, to give them more authentic, deeper travel experiences. Both U.S. and UK survey numbers reflect that.

SINGLE ANSWER

When booking your travels & tours, which do you prefer?

Results for all respondents. Weighting: Off. (500 responses)

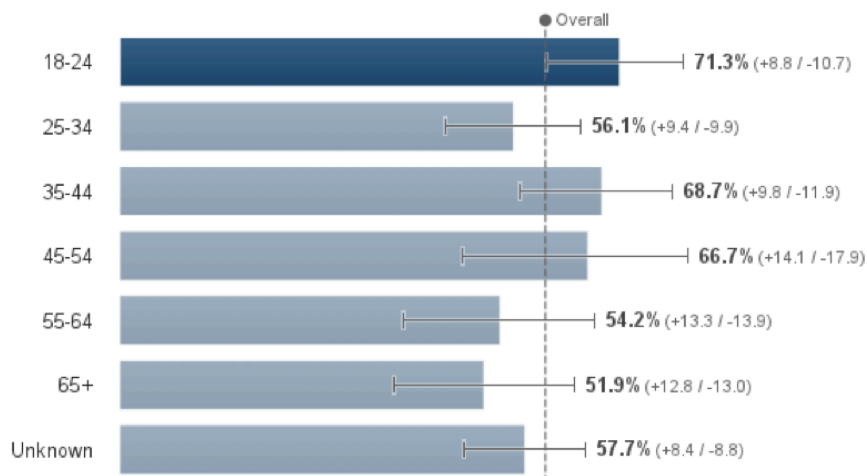
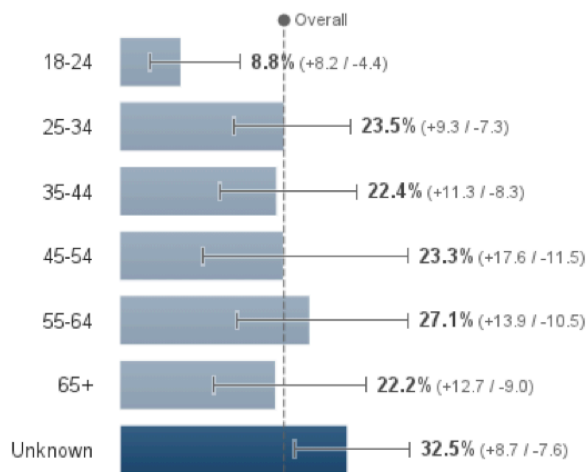
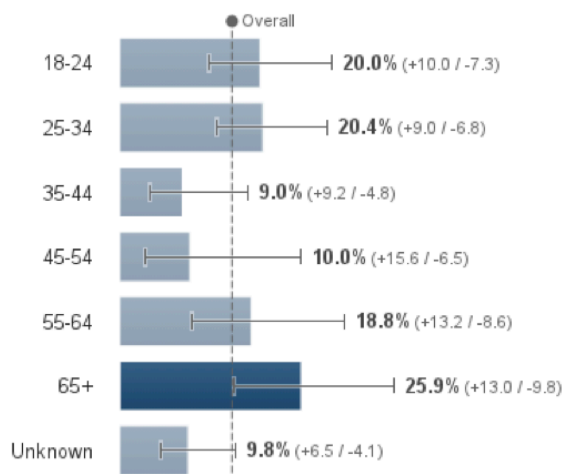
Travel with friends/family & book local (355 responses)**Travel independently only using local firms** (113 responses)**Travel in group tours from large U.S. firms** (32 responses)

Methodology: Conducted by Google Consumer Surveys, April 22, 2014 - April 24, 2014 and based on 500 online responses. Sample: National adult Internet population.

SINGLE ANSWER

When booking your travels & tours, which do you prefer?

Results for all respondents. Weighting: Off. (500 responses)

Travel with friends/family & book local (303 responses)**Travel independently only using local firms** (117 responses)**Travel in group tours from large U.K. firms** (80 responses)

Methodology: Conducted by Google Consumer Surveys, May 08, 2014 - May 10, 2014 and based on 500 online responses. Sample: National adult Internet population.

For full results, go [here](#) for survey results on U.S. travel audiences and [here](#) for survey results on U.K. travel audiences.

Experiential travel trends



Source: Trufflepig

Consumer Attitudes Are Changing

In an American Express survey commissioned last year, consumers illustrated their demand for more enriched lives and personal fulfillment through experience and learning. Over 72% of respondents said they would rather spend money on experiences than things. Further, 88% said travel is the number one dream on their life's bucket list, ranking higher than family or wealth.

"Consumers want to have life-fulfilling experiences when they travel, and they are seeking travel experiences that closely align to their own personal values," says Laura Fink, VP of marketing at American Express Travel. "For example, we are seeing customers looking for travel experiences that will allow them to interact with the local community; they want to visit private homes, schools, orphanages and smaller villages."

American Express recently polled a group of its travel "counselors" (agents) to ask them what trends they're seeing for summer travel. Of them, 34% responded that their customers are "specifically looking to immerse themselves in the destinations they visit and to travel like a local."

When the same travel counselors were polled about specific travel priorities, Fink says, "Over 20% indicated customers want adventure travel tours and arts and culture tour experiences. Our travel counselors are often receiving requests to plan trips that include gondola lessons in Venice and pastry-making classes in France."

One of the most interesting takeaways from the American Express survey is that this shift in travel behaviors crosses all age groups. With so much focus on Millennial travel trends, there is a tendency to sometimes overlook how Boomers and older Gen X are driving significant demand for more experiential and adventurous travel options. Their definitions of experiential and adventure travel are sometimes just a little different however.

Tour Operator Industry Shifts into Local Gear

For example, the United States Tour Operator Association (USTOA) is seeing increasing numbers that travelers today are looking for more immersive experiences, but the rise in demand is spread across both emerging and traditionally popular destinations.

In its 2014 annual member survey, the USTOA reported that 93.3% of active tour operator members anticipate a growth in sales, with 59.6% of members forecasting growth anywhere from 7-10% or higher. Regarding the top emerging destinations gaining popularity in 2014, members cited Myanmar, Vietnam, Cambodia and India. Meanwhile, the most popular destinations for USTOA member clients in 2014 are Italy, the U.K., China and Peru.

"According to our members, travelers want to forge deeper connections to the people, traditions and customs of the places they are visiting, and these experiences add a meaningful and memorable component to a vacation," says Terry Dale, president/CEO of USTOA. "Nearly 40% of members cited Europe as the region of the world offering the most experiential travel options, perhaps not surprising given the wealth of cultural and gastronomic experiences available. Asia ranked second, by 21% of participating members, followed by South America, named by 12% of members. With regards to adventure travel, nearly 30% of members cited Costa Rica as the region of the world offering the most adventure travel options."

USTOA has become more active online communicating these trends with its "Travel Together" campaign, featuring on-the-ground experiences culled from AFAR magazine stories and videos from Tripfilms, highlighting local experiences with USTOA members and their clients.

Travel brands have to be more active with online blogs to promote their product, but many are not doing it well. They're often afterthoughts relegated to pages buried deep in the website, poorly written with sub-par photography and/or too infrequently updated.

Equally important, just as much time should be spent promoting and sharing travel content as creating it, via social media and search/email marketing, to establish a two-way dialogue with consumers. With today's

travelers spending so much time on travel research, it's incumbent on travel brands to make their content compelling, actionable and readily available.

To do otherwise is turning their back on their customers.

Wendy Perrin, travel advocate at TripAdvisor and founder of wendyperrin.com, is one of America's most respected travel experts. Until this year, she was director of consumer news and digital community at *Conde Nast Traveler* where she wrote the practical advice column "The Perrin Report" since 1996.

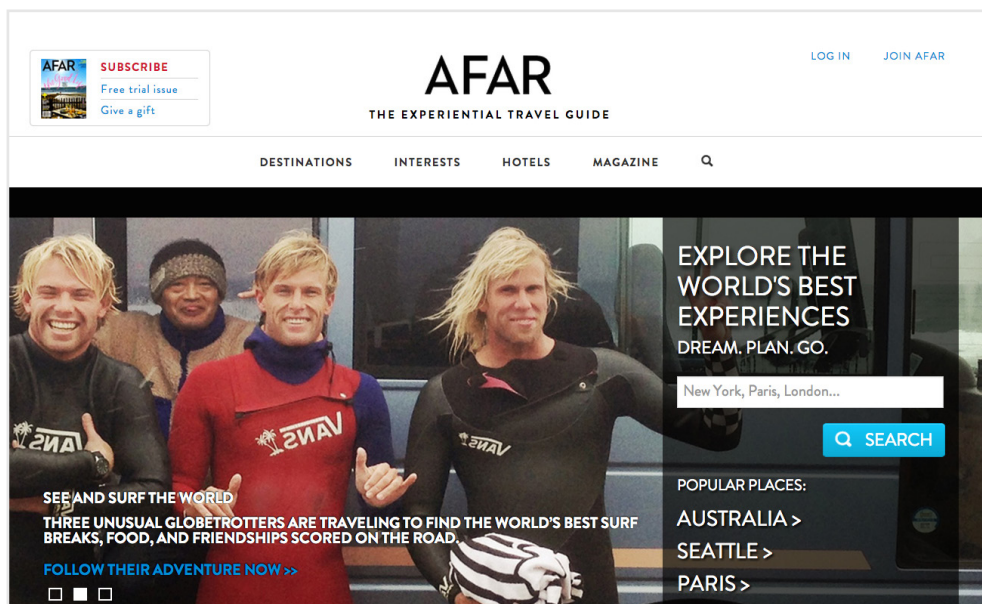
Perrin says she's used tour operators to create highly customized itineraries because they know how to move people efficiently.

"The way I travel, and the way a lot of people I know who travel, time is your most precious asset," she says. "So it might be for someone like me, who wants to see as much as possible and get back home to my children. Or it could be a lawyer who only has a week of vacation and needs to get back to the office. So one of the things these firms are good about is they don't waste your time.... They also know the best local truffle hunter or the best local winemaker. They have those connections."

Perrin believes the most significant shift in experiential travel over the last five years is less of a focus on the "travel to-do list" of iconic sites and monuments.

"I think more people are traveling for a personal interest or a theme," she says. "Like they'll fly to Lima to try out all the cool new Peruvian restaurants. Or they're going to Italy, and it's not about seeing the Leaning Tower of Pisa or Colosseum. It's about learning how to make homemade Tuscan cuisine, tiramisu or balsamic vinegar, meeting the chefs and winemakers, and stomping grapes during harvest season."

When questioned about her favorite tour operators, Perrin mentions U.K.-based Truf-



Source: AFAR Media

flepig, which leverages a network of local people worldwide to create fully customized travel experiences.

Trufflepig co-founder Charlie Scott says the company's philosophy revolves around finding and hiring "non-guide guides." These are people who are not affiliated with any large inbound travel companies, and often they're not even in the travel industry. Rather, these are people who have indepth knowledge of a specific niche in each destination who are passionate about sharing their wisdom with travelers.

"So let's say you're in Cornwall and you have an interest in tall ships," says Scott. "Who would you rather have explain everything there is to know about tall ships? Is it someone with a mass tourism industry background or someone who's working on the ship?"

Scott says he would walk down to the end of the dock and find a crew member who was outgoing and well-spoken, and then ask them if they wanted to be a guide for Trufflepig. A non-guide guide.

Experiential is All The Rage in Travel Media

In five years since its launch, AFAR Magazine has risen to the top echelon of the B2C travel magazine industry, and they did it right out of the gate with a focus on travel

off the mass tourism grid.

"When we launched we really saw a hole that wasn't being addressed in travel media that needed to be talked about, which was this idea of traveling as a way to connect with people, immerse in the culture and really get beneath the surface of a place," says co-founder Joe Diaz. "For us it's about a deeper understanding of the world and ultimately yourself."

Because of that focus, the magazine's reader base has jumped from 50,000 in 2009 to over one million in 2014. Diaz reports, "There's been a huge shift in the way that companies are talking about travel" in response to consumer demand and what people are sharing online.

"When people see through the beautiful lens of Instagram all these incredible things that their friends are doing, I think they find that extremely inspiring," he says. "And they only have to click a button or two to figure out what their friends did, and how to do it. So technology, like many things, has just really accelerated the shift. And at the end of the day we're human, so when we see our friends post these amazing photos of a street market in Bangkok, or an incredible outdoors experience in Montana, they want in and they have the technology to make that happen."



Source: Nihiwatu

On the Afar.com website, readers can create their own short, geotagged travel “Highlights” stories with one photo and 1,500 characters. To date, there are over 55,000 crowdsourced Highlights covering over 7,000 destinations.

“Now what we’re doing, and where the shift is happening for us, is we’re taking all that great content and curating it from the top down where our editors are going in and we’re reworking and relaunching our destination pages,” says Diaz.

The reason for the success of the Highlights is because they’re experiential and authentic, created by people who have participated in those experiences. The Highlights also provide a wide spectrum of data about reader interests. For example, India content is up over 50%, from 2011 to 2013. There’s been a 32% increase in visitation to Eastern European and Russian content, and a 43% increase in interest about the Middle East and Africa.

Clicks on family travel are also on the rise, jumping 15%, and adventure travel is up significantly, attracting a 30% increase in the last couple years.

“And another interesting thing is that not only is adventure travel up, but packaged

guided tours are up, so group travel is up in our segment,” says Diaz. “It’s still a relatively small segment in experiential travel but it’s up over 50% in the last several years, and I think that’s a testament to how operators are responding to what our readers are asking for, which are these deeper, richer, more authentic, immersive experiences.”

Q&A with Amy Farley, News Editor at Travel+Leisure

What are the most interesting trends in adventure travel that tie into local culture?

Where travelers once talked about what they saw or did, they now focus more intently on whom they met on the road. There’s a real interest in interacting in a genuine way with other people and cultures. And tour operators and hotels are responding. It’s now de rigueur to offer travelers some sort of moment where a local opens up his or her doors for a conversation, a meal and more.

What’s remarkable are the new ways in which this is possible, including village hikes and homestays, river cruises such as Aqua Expeditions, small-ship travel with Lindblad Expeditions, and bike trips in far-flung locations such as Morocco and Vietnam. But even as travelers get further off the grid, they still want to stay connected, especially

through social media. There's a new immediacy, a new urgency to share images and experiences.

What is trending in terms of local accommodations in adventure-themed destinations?

One of the most interesting developments is the rise of more curated/upscale homestays. Shakti Himalaya takes people on multi-day village walks through northern India. Travelers sleep in traditional houses that have been fixed up, but they still retain their original, authentic charm. G Adventures has been rolling out more of these programs throughout the world under the rubric of "Local Living." They now include everything from basic accommodations in Guatemala to stylish Italian agritourismos.

"Another trend we've been noticing is the TEDification of travel—the increasing priority placed on rubbing shoulders with influencers and experts."

Along the same lines is the new sophistication of locally owned and operated lodges that showcase indigenous cultures and act as economic engines for the surrounding area. At Newfoundland's Fogo Island Inn, locals are the heart of the operation. The inn, an architectural and design marvel, runs entirely as a nonprofit—by and for the locals—as a way to help preserve the island's distinct maritime traditions. Each guest is paired with a local host, who acts as a cross between tour guide and friend-of-a-friend.

A similar dynamic is at work at Australia's Cicado Lodge in the Northern Territory, which is owned and operated by the Jawyn people. In Kenya, the Maasai-owned Campi Ya Kanzi has set a precedent for community engagement with conservation and tourism that is being replicated throughout Africa.

How is experiential travel evolving in terms of learning and education?

Another trend we've been noticing is the TEDification of travel—the increasing priority placed on rubbing shoulders with influencers and experts. Note the popularity of TED, TEDx, SXSW and the Women in the World Summit. At the recently redone Nihiwatu Resort in Indonesia, there's a plan underway to create a "guru village"—a resort-within-a-resort where visiting artists, academics and assorted creative types are invited to stay for free. It is open to professional yoga instructors, surfers, photographers, dancers, etc., to come for a week, even a month. The only requirement is that they meet and mingle with guests, and contribute to the community in some way. On a side note, the resort's Sumba Island Foundation raises more than \$600,000 a year for education, health and development initiatives.

Likewise, the new Gateway Canyons Resort in Colorado, owned by Discovery Channel founder John Hendricks, has launched a series of Curiosity Retreats that offer travelers access to scientists, scholars and other experts in small, classroom-like settings.

How has adventure travel evolved in the luxury segment?

Total curation/customization is essential. High-end safari lodges are throwing away their old "rise before dawn and pile into the Land Rover" playbook to allow travelers to set their own schedules and agendas. Guests at the new Dhow Suites at Zarafa Camp in Botswana, for example, can sleep in, hop a luxury pontoon for a late breakfast cruise, and go on an all-night leopard-spotting drive in the bush. The guides and vehicles are there at guests' disposal.

A similar idea underpins Eleven Experiences, which is something of a mashup of villa rental agency and adventure tour operator. It operates luxury properties around the world like Crested Butte, the French Alps, and coming

soon, the Bahamas and northern Iceland. They have unprecedented access to adventure activities from bonefishing to back-country skiing, all led by experienced guides who work around travelers' schedules.

Luxury adventurers also have more opportunity to get off the grid and be closer to the ground. In Africa, companies such as Singita and Great Plains, and smaller lodges such as Tanzania's Chem Chem and Tanda Tula in South Africa, are all opening explorer-style mobile camps that harken back to the original days of safari, with bucket showers and tents on the ground. Safari-style tented camps are also appearing well outside of Africa, including Colorado's Dunton River Camp at Cresto Ranch, the Bespoke Hideaways camp in Wadi Rum, Jordan, and the Ultimate Travelling Camp and Jawai Leopard Camp both in India.

At the same time, we're noticing the emergence of high-design lodges seemingly

perched at the end of the world and bringing the outside in through ingenious architecture. Examples include Fogo Island Inn, Iceland's Ion Hotel, Mashpi Lodge in Ecuador, the forthcoming Pikaia Lodge in the Galapagos and Chile's Tierra Patagonia. Luxury adventure operators, such as Red Savannah, Epic Tomato and Wild Frontiers are incorporating these lodges into their itineraries.

The destinations that are on the rise also reflect more adventurous tastes—even among luxury travelers. We polled tour operators about new itineraries for our recent Adventure Travel 2014 package in June and identified Sri Lanka, Georgia [Eastern Europe] and Iceland among the up-and-coming destinations. In all of these locations, operators are focused on offering original and immersive experiences, whether it's experiencing a Georgian homestay with Wild Frontiers or heading deep into the UNESCO World Heritage Sites of Sri Lanka with Natural World Safaris.

Tourism bureaus promote their adventurous spirit



Source: Travel Alberta

While so many tourism bureaus worldwide have been jumping on the experiential marketing bandwagon, some of them have been doing it for generations. However, it's only within the last decade where these efforts have started to resonate with mainstream adrenaline-seeking travelers.

Not too long ago, Alberta and New Zealand were not considered at the forefront of destination marketing. But both of them are winning industry awards and public recognition today by showing their adventurous side in a way that relates powerfully on a human level.

Adventure travel is no longer a niche segment, proven by the success of these bureaus' marketing campaigns promoting both hardcore extreme sports and "soft" active travel. Both of them also manage to seamlessly blend ancillary market segments such as culinary, cultural, luxury and family travel into their spectrum of adventure product.

Case Study: Travel Alberta

Travel Alberta's "Remember to Breathe" campaign has achieved significant success

for a second-tier destination by focusing on how experiential travel resonates with travelers' hearts.

The "Remember" theme is also topical with so many travelers today hyper-connected to their devices, who can forget to connect to their immediate surroundings and the people around them.

"It's critical that we differentiate Alberta's destination story for the potential traveler, and we do this by connecting with the traveler at an emotional level," says Royce Chwin, chief marketing officer at Travel Alberta. "So in other words, what does travel 'feel' like in Alberta? Where other destinations focus on the 'what there is to do' message, Alberta focuses on the 'how will it make me feel' message. We don't want to bombard the traveler with a laundry list of things to do. For us, less is more."

Chwin explains that Remember to Breathe speaks to the inner voice of youthfully spirited adventurers of all ages. It's a reminder to do what you love, enjoy the moment and take it all in. He says, "We've seen an increase in aided destination awareness in



Source: Tourism New Zealand

long-haul North American markets from 39% in 2012/13 to 52% in 2013/14.

Since the campaign launch in 2012, Facebook likes have jumped from 9,500 to 159,000. Twitter followers increased from 57,000 to 117,000, and Instagram followers (joined in 2011) total over 22,000. The original Remember to Breathe video has received more than 2.7 million views on YouTube, and collectively, Travel Alberta's brand videos have received almost five million views since October 2011.

"Our destination videos inspire travelers by magnifying those genuine human moments found in experiences across the province," says Chwin. "We have a series of short vignettes that feature hidden gems introduced by unique Alberta characters."

The tourism board fosters and embraces user generated content by engaging with advocates and influencers such as bloggers and photographers to share their authentic Alberta moments. Chwin says, "We're very appreciative of the genuine conversations this creates for Alberta and our tourism industry partners. We don't want to pretend to be something we're not."

In terms of trends, a growing number of adventure outfitters in Alberta are making "extreme travel" more accessible. This compels more travelers to try new experiences,

and in many cases, it allows avid adventurers to access new terrain in lesser-traveled landscapes. Examples include "Cat" skiing utilizing heavy duty equipment to access high-altitude slopes, multi-day pack horse trips into the backcountry, and heli-trips for hiking, fishing and snowshoeing.

"We've seen adventure product expand in all areas of travel packaging with traditional group tour operators adding Alberta programs with adventure elements like rock climbing and whitewater rafting," says Chwin. "Many of these companies offer tours in smaller groups which allow for a better guest-to-guide ratio and an enhanced level of service. We're also seeing itineraries built with flexibility, allowing more opportunity for travelers to decide what to do once they get here."

Case Study: Tourism New Zealand

Interest in New Zealand has exploded for the U.S. long-haul market in the last five years because its travel product is so well aligned with experiential travel—including adventure, culture and culinary/wine—as well as today's demand for lesser known destinations. Tourism New Zealand has broken down its target traveler demographics into distinct sub groups to maximize marketing efforts.

"We have three distinct segments that we work very closely with," says Jacqui Lloyd,

trade development manager for Tourism New Zealand, Americas. "We have what we call our "Active Considerates," who are actively considering a trip to New Zealand. Ideally, New Zealand is in their top five destinations to travel to, and we try to push their preference so that we're the next trip they take overseas. And that's allowed us to target in the U.S. market what we believe to be about 22 million. Then we break that down into three segments. We have our Young Adventurers, who are aged between 22 and 45. Our Independent Explorers, which are the 45 to 65 year olds. And then our organized tours, which are in that older bracket, the 65-plus crowd. And what we've found in all of those segments, all of them have a very strong want for experiential travel."

Lloyd says even with traditional-style organized group tours like cruises or a bus coach, today's travelers still want to get out and explore and experience the real New Zealand. Popular stops include meeting locals at farmer's markets and winemakers at wineries.

"And that's something that's interesting from a product standpoint because New Zealand in many ways is designed around all of those experiences," says Lloyd. "About 95% of our tour operators have less than five people on staff, so you're always going to meet the locals, you're always going to meet the person who runs the company, whether it's parasailing or hiking or even a garden tour. You're always going to meet the people connected to those, and that's worked out really well for us because we haven't really needed to create that product. It's already existed organically, and continues to evolve."

Few other countries have so many extreme travel experiences like bungee jumping, cliff swinging and jetboat river tours so easily accessible to major urban centers. For example, the world's first permanent bungee jumping attraction is Kawarau Bridge Bungy outside Queenstown. Adjacent to the bridge, there's a large viewing deck jutting out from the side of the gorge, where a DJ cranks out Aerosmith and AC/DC music to pump up the audience.

In 2013, over 400,000 people visited the bridge, with about 10% actually making the jump.

"So even if you're not doing it yourself, you're part of the adventure and that's why they built that center to be able to cater to people like me," says Lloyd. "I don't think I would ever jump off that bridge, so it's about creating a product for all different levels that's really important."

New Zealand is also an interesting case study with regard to the country's reliance on travel agents.

"The travel agent is still very, very important for us," says Lloyd. "New Zealand is a long haul destination, it's not something you can easily book online. Yes, you might be able to book your flights and accommodations, but a lot of people will still use a travel agent to discover more of the country, because although it's small, it's not as well known as other destinations. So you find the travel advisor can tailor the adventures to whatever their client needs. And sometimes it takes an agent to push people a little out of their comfort zone to try something new."

SPRINGHILL SUITES SURVEY

SpringHill Suites by Marriott's 5th annual travel attitude survey illustrates how Americans are looking to step outside of their comfort zones to achieve their travel dreams. According to the survey, conducted by Kelton Global, 48% say vacationing to see new places is important to them.

Some of the results:

- Part of the survey compared Millennials (18-34) to those 35 and up. The most notable differences are related with adventurous activities, including setting foot on all seven continents (37% vs. 17%), bungee jumping or skydiving (26% vs. 6%) and hiking a famous mountain or trail (29% vs. 11%).
- Across all ages, 51% of those polls say they are not encouraged by their bosses to take all of their allotted vacation days, and 23% claim they get no paid vacation days at all.
- 55% of employed Americans with a boss have used an excuse to sneak an unplanned day off from work, with Millennials even more likely to use this tactic (63%, compared to 48%).
- 41% of Americans say keeping an eye on their budget is the most stressful thing about vacationing.
- 28% wouldn't be able to go without checking their email today compared to 17% just four years ago.
- Travelers use their smartphones to take photos and videos (37%), search the web (22%) and use GPS/map apps to get around (20%). And 59% of social media users access their networks on vacation, with 51% posting content at least as often as they would during their daily routine.

Hotels evolve into community portals



Source: Ranch at Rock Creek

The Rise of Experiential Hotels

Traditionally, hotels have always tried to keep their guests within the hotel grounds to maximize guest revenue. With the boom in experiential travel, hotels are more and more acting like community portals by introducing guests to popular local experiences.

Forbes Travel Guide, rebranded from the Mobil Travel Guide in 2009, is the originator of the five-star rating system in America dating back to 1958. Travel content, reviews and ratings are delivered at both forbestravelguide.com and forbes.com's travel section.

"In 2009 we became the exclusive partner for Forbes Media, so we're not owned by Forbes Media, we're the exclusive licensee of their brand globally in travel," says Mike Cascone, president of Forbes Travel guide. "So we're a private entity at forbestravelguide.com with our star rating system and our star-rated hotels, restaurants and spas worldwide."

Cascone says he's seeing the demand for experiential travel manifest in the hotel space in various ways. One is new product

such as The Ranch at Emerald Valley, operated by The Broadmoor in Colorado, which has the longest continuous 5-star ranking in the country. The luxury cabins are tucked away in 100,000 acres of forest just a few miles from The Broadmoor.

There's also widespread acceptance among hotel industry executives that their customers are more interested in exploring outside the hotel walls than generations past.

"For our hotels that are committed to great guest service, it is literally about meeting those guests' needs, and with the trends the way they are, guests want to get out of the hotel," explains Cascone. "They want to experience the local culture, cuisine, activities and so on, so what we've found is a lot of the properties have taken their concierge service to the next level. While you may still have the desk-side concierge, you have these specialized concierges that plan activities and adventures long before the guest arrives. And I think that connection with the guests, where the hotel staff provides great seamless connectivity to the local experiences, is where the hotel in the guest's mind really drives value."



Source: Deer Valley Resort

Q&A with Hotel Writer Barbara DeLollis

Long a fixture at USA Today as arguably America's most learned hotel expert, Barbara DeLollis seeks out hotels that offer the complete package. Following is a brief Q&A about how hotels can deliver more experiential travel.

What types of hotels and active experiences do you look for personally?

When it comes to active travel, we get excited about a trip that combines great activities, food, options for when we're tired or when it rains, a comfortable hotel, and amazing food. For spring break, for example, I usually take my boys skiing in Park City where we know we can get everything in one spot.

We've skied the Canyons and Deer Valley; the boys love hotels so we book hotel rooms instead of condos. We always stay right on the slopes so we can get first tracks in the morning, and then we ski until we break. After a day of moguls, terrain park adventures and long runs, they hit the outdoor pool and I hit the spa.

What's the difference between travel brands who use the word "experiential"

superficially and those who deliver real experiences?

This is a great question, and one that we should keep thinking about as more big-brand marketers sprinkle the term "experiential" in their advertising messages. To me, it smacks of a lack of creativity, and even perhaps a lack of confidence in the product. After all, isn't all travel about experience?

For many travelers, throwing around a word like that sounds forced and fake. Today's Gen X and Millennials have sparked a new skepticism about traditional marketing, and yet many suppliers don't get it. Inundating consumers with a slogan doesn't help win their trust.

This topic came up recently during a conversation with Laurie Wooden, a former top marketer for brands such as Ritz-Carlton and Waldorf Astoria who's now in charge of revamping the face of Hostelling International USA, the non-profit association that runs about 55 hostels around the country. Staying in a hostel is all about the experience, so instead of a marketing slogan, expect to see stories and visuals describing the experiences that guests can have while staying in a hostel.

Basically, she said there is no need to promote the word “experience” because it’s inherently part of a hostel stay.

How can hotels brands best communicate the emotional connection you can make with a destination?

In a nutshell: Less talk, more action. It’s critical to keep in mind in 2014 that virtually

every traveler reads reviews on TripAdvisor, Yelp, Orbitz and other sites, so they know tons of details about a given hotel, tour operator, airline or destination. What I’d recommend hotel brands do is to focus on consumers’ emotions and sense of curiosity. Suppliers should be sharing stories that show their overall experience via their websites, social media channels, email newsletters and digital campaigns.

Reinventing tour operators around deeper experiences



Source: Sienna Charles Travel

More flexibility, more tech integration and new online programs are a few ways that tour operators today are evolving and morphing their product in line with experiential and adventure travel trends. There's movement at both ends of the age spectrum, and at times, some tour operators are managing to create experiential travel opportunities suitable for multi-generational families and groups, one of the fastest growing markets in tourism.

For younger generations, the Adventure Travel Trade Association reported this year that, "Tech-savvy Millennials are adept at researching destinations and experiences online, however tour operators that personalise their offerings still have a role to play."

For example, it's implicit that tour operators catering to Gen Y only package accommodations with free and fast WiFi. Mariette du Toit-Helmbold, CEO of the tourism consultancy Destinate, adds that Millennials expect instant email confirmation, web tickets and digital boarding passes delivered to their smartphones.

There's also significant evolution among tour operators that traditionally attract middle aged and older travelers, due in part to the fact that the 45+ crowd today vacations more actively than their predecessors did a generation ago.

Xanterra Parks & Resorts, for example, which is the country's largest concessioner of national parks, has been acquiring numerous biking and walking tour companies of late. Within the last 16 months, Xanterra's holdings now include CW Adventures (formerly Country Walkers), VBT Bicycling & Walking Vacations and Austin Adventures.

What's notable here is that these tour companies are catering to wider age brackets and budgets, including high-end groups, and their operations have rapidly expanded across the globe due to hefty demand. VBT, for instance, which began in Vermont now operates everywhere from the Dolomites to Vietnam.

"You know, we'll be sitting at a table, whether it's in California or Europe, where we're



Source: Visit Ljubljana

drinking wine and eating great food, and we can see the vineyards from where the wine was made," says Gregg Marston, president of VBT. "Because of those types of experiences, we're seeing a lot more multi-generational programs since this is something that all ages can do together."

Case Study: Urban Adventures

Urban Adventures introduced three new unique programs this year designed to immerse travelers deeper within a destination. Home Cooked tours pair travelers with local families to cook and share a meal together and get a unique insight into local family life. Customized Private Tours are tailored excursions based on particular interests, ranging from culture to ecotourism. And Festival & Seasonal tours provide a behind-the-scenes look of major events, rather than just experiencing them from a tourist's perspective.

Earlier this year, Urban Adventures launched Fun Independent Travel (FIT) passes, which combine a flexible ground transport pass with Urban Adventures day tours at major destinations, plus an international SIM card.

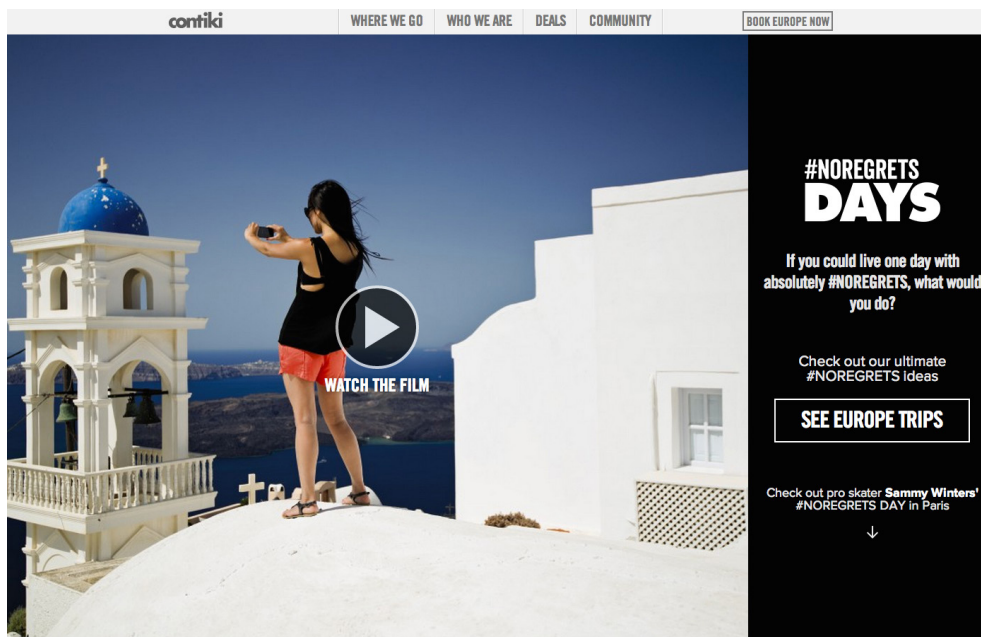
"These enable travelers to benefit from local know-how, while seeing their destination at their own pace, staying where they wish and making their plans on the fly," says Tony

Carne, general manager of Urban Adventures. "It's a great value way to travel, as you're not locked into a fixed itinerary and can take advantage of late deals and specials. Plus it suits travelers who want to be a bit more spontaneous, as the international SIM card means you can make your transport and tour bookings when you want to."

Consumers are responding. Carne says, "We reported a H1 revenue growth figure of 48%.... In September we are expecting to finish the year around the 60% growth mark for the full fiscal year."

Urban Adventures has also extended its range of free city guide apps known as "Treasure mApps." Launched in 2013, these provide travelers the inside scoop on where to eat, drink, shop and sightsee off-the-beaten-track, thanks to the recommendations of Urban Adventures' guides. The apps work offline and use geo-fencing technology to let travelers know when they're within 100 yards of a recommended spot. To date, there have been more than 15,000 downloads of the iOS app.

New apps have just been released for Sydney, Philadelphia, Siem Reap and Phnom Penh. New destination tours, ranging from 1-12 people, include Ljubljana and Taipei.



Source: Contiki

"The places listed in Urban Adventures Treasure mApps aren't crowd-sourced or cloud-sourced, they are all genuine recommendations from locals who have the inside scoop on their city, and you can't get better recommendations than that," says Carne.

Case Study: Contiki

Contiki has been a youth-centric tour operator for over 50 years, originally focused on summer trips to Europe. The company has always resonated especially well with young travelers because Europe has always been considered a rite of passage after college.

"However, we have definitely noticed a shift towards more experiential and adventure travel with the increase in interest for our Asia products, including Cambodia, Laos, Thailand, Vietnam and China, and our Latin America product in Peru, Brazil, Argentina, Costa Rica, Ecuador and the Galapagos," says spokesperson Vy-Uyen Spear. New destinations for 2015 include Belize, Guatemala and Colombia.

"We've noticed that young travelers have become interested in destinations that offer hands-on, adventure activities, and getting off-the-beaten path and doing activities like cooking classes, whitewater rafting, hiking Machu Picchu, etc.," says Spear. "Experi-

ential travel also includes our conservation opportunities with Celine Cousteau and our Contiki Cares initiatives."

Since the launch of these tours in 2009, Contiki has seen an increase in departures for Peru (25%), Costa Rica (40%) and Mexico (70%). The theme of adventure and the growing trend towards experiential travel is evident in Contiki's popular #NOREGRETSDAYS Adventure Challenge. The 8-week competition highlighted eight different regions offering great deals with "a focus on adventure for the Millennial market," says Spears.

The Wealthy Adventurer's Changing Needs

"Experiential travel can mean different things to different people, and it is 100% overused, but for me it's about experiencing the core of the destination," says Jaclyn Sienna India, owner of the Sienna Charles luxury travel agency. "When I design trips for my clients, whether it's Italy or South Sudan, that experiential element is always the common thread in everything I create."

India, who says her clients range from celebrities to billionaires, reports that wealthy vacationers have always been the pioneers of adventurous travel into emerging destinations. This flies in the face of the myth that adventure travel is primarily dominated by

hearty youth willing to risk life and limb for heart-stopping thrills.

"The wealthy were going into Papua New Guinea and Bhutan and Mongolia before they started hitting *The New York Times*," she says. "They thrive on that, like The Explorers Club. Many people don't know that, but these people are the ones who have the money to pay for the right kind of tour guides to take you into a place safely, and they do get a kick out of that. They're getting the most authentic experience and that's the most important thing you can create as a travel advisor."

India says tourism in Ethiopia and Uganda have been popular in recent years, which is causing some challenges. Due to their exposure with Western travelers, some of the tribes look and act much different than when she visited just a few years ago.

"A lot of white travelers gravitate to those tribes, and you can see how different those tribes are over the years," says India. "They've started asking for money, they dress differently, they're wearing New Balances now, they have drinking problems. I mean, everything is changing in some of those areas."

Instead, India tracks nomadic tribes and drops people into the region from helicopters. Different tribes are chosen every time "so that way we don't overuse the same tribes," says India. "We're providing the more authentic experience."

In Peru, Marisol Mosquera founded her luxury tour company Aracari 18 years ago. At the time, she says no one was offering adventure travel product for upscale clientele.

"From the beginning, Peru offered a destination to do cultural and adventurous activities all together, but when I started this company nobody was doing that," says Mosquera. "Back then, people were doing hardcore trekking adventures, and they were young and strong, and they liked to travel in groups

to do wilderness travel and mountain climbing. For people who were traveling as a family or couple, there wasn't anything for them."

Originally, the demand for luxury adventure was coming primarily from the British, and a few companies began offering group tours. Mosquera then stepped in with Aracari to offer customized, upscale adventure travel for individuals.

"My vision was people wanted flexibility and they wanted to do their own thing, and they didn't want to be with people they didn't know," she says. "Since I started that niche it has grown like crazy and everyone now wants to get in there."

Oftentimes, the connotation around "authentic" travel in emerging destinations refers to engaging with rural classes and disadvantaged urban communities. Mosquera had other ideas.

"My view when you go to a country, and when you talk about authenticity, I don't talk about meeting the poor people or the uncultured people," she explains. "I mean authenticity in a way that includes all the things a country can offer. In Peru, we have a very sophisticated elite of intellectuals, writers, journalists and business people. So if someone is visiting Peru and they don't have friends, I think it's very cool to mix these people with them."

The biggest trend for Aracari is how clients are now providing so much feedback after trips via email and online, which Mosquera often relies on for constantly updated information. She says that older clientele in the 50s and 60s are especially interested in engaging with the brand and other clients.

"They see what you can't see, and they come back to us and say they love the trip, it was fantastic, but I would suggest that you do this, this and this," says Mosquera. "It's really great. They're like a partner."

TRAILS OF INDOCHINA

Trails of Indochina is a leading Southeast Asia tour operator with over 14 years of experience and 250 staff members, offering both individual and group programs. The company specializes in programs delving into local culture in Vietnam, Cambodia, Laos, Thailand, Myanmar, Bali and China.

"We customize our itineraries rather than just printing out a standard program," says Matt Masson, CEO of Tours of Indochina. "One of the things in Asia that's a big advantage is offsite experiences are accessible and not overly expensive. So you can create a lot of wow factor, like dinner and a live show at the foot of Angkor Wat Temple in Cambodia."

Another one of the most popular experiences is Henry Cabot Lodge, the restored house of President Nixon's one-time U.S. ambassador to South Vietnam in Ho Chi Minh City. Masson says his cooking class in the elegant courtyard is one of the company's most in-demand activities.

Also, more travelers are requesting customized experiences in the countryside, from raft building lessons to surfing in Da Nang.

"People will have a go and break out of the city to somewhere like the Mekong Delta in Vietnam, a couple hours south of Ho Chi Minh City," he explains. "Then they'll jump on a small boat or go mountain biking. We're also the only company to do a farmland dinner in a rice field. That is something not off the shelf."



Source: Travel Alberta

Aracari just launched a new program called "Go Local with a Friend in the City." Guests contact locals directly to set up customized visits, which can mean a day in the market, lunch at a museum, or dinner in someone's kitchen.

"For example, the woman who does our cooking classes in her house doesn't want to be driven in a car that isn't hers," says Mosquera. "She wants to drive to the hotel with her baskets and her maid and collect the guests as if they were her friends, and a lot

of companies don't work with her because there are liabilities."

So why does Aracari work with her?

"Because that's the whole point," says Mosquera. "There's a lot of demand for learning and education. People want to understand how things are done in foreign places much more these days, and the only way you can achieve that is by empowering people to be themselves."

Key takeaways: the future of experiential and adventure travel

- **Add value by building connectivity** – Travel brands that connect consumers with people, especially non-tourism industry people, in a destination are opening up the experience to be more spontaneous and surprising. When travelers engage with locals, they're creating their own personal experience leading to new discoveries. Our most cherished travel memories often revolve around the people we meet and moments of serendipitous fortune.
- **Social media is a conversation** – While it might seem like old news by now, many travel brands are still not dedicating the people and resources required to effectively curate two-way discussion with their clients. Social media is much more than a marketing tool. It is a wholly integrated part of the travel experience, with infinite possibilities to engage consumers and locals, and create unexpected moments along the journey.
- **The travel experience is no longer just the travel experience** – Travel brands are now engaging with consumers longer before and after a trip. Communicating through email and social media before the travel window helps build a relationship with the travel brand, so the consumer is arriving with some sense of connection to the destination. Post travel, client interaction and feedback provides a wealth of insight into how to develop better, more unique and more targeted travel experiences.
- **More data equals more revenue** – Capturing location data, understanding macro level trends, and using that information to personalize travel for individual client psychographics is one of the highest priorities for any travel brand today. While it often seems overwhelming, a good data partner/provider pays for itself many times over. "Know thy customer" is the mantra of the 21st century travel landscape.
- **Adventure travel means many different things** – For some people, adventure travel means diving with sharks in Palau. For others, it might be biking or walking historical trails in Ireland or Nantucket.

The common denominator across the complete adventure travel segment is coaxing people out of their comfort zone to try new things and push past preconceived, limiting beliefs. That offers the greatest potential for rewarding experiences and longheld memories.

- **Adventure travel caters to all economic and age brackets** – Sometimes adventure travel is perceived as something for backpackers and young people. When in fact, it's often the wealthy thrill seeker who can afford to venture into unknown territory long before there's any tourism infrastructure in place. Designing luxury adventure travel experiences requires a special skill set to marry the requisite sense of wow with the expected level of pampering and service.
- **Emerging destinations are everywhere** – Emerging destinations can often be off the edge of the earth where few Western men and women have ever ventured for recreational pursuits. Or they can also be just down the road from major trafficked destinations with long established mass tourism infrastructure. More and more, savvy travelers are searching for those up-and-coming destinations to travel to, whether for a day or an entire vacation.
- **Variety equals value** – With one-size-fits-all package travel dying a long deserved death, tour operators providing scheduled itineraries should build in time or a variety of activity options so travelers can customize their experience. For Millennials especially, there's a strong desire to shift between social and independent travel experiences on a whim. The more options to explore a destination and its local culture impacts the overall sense of discovery, which for many is the most important aspect of travel.

FURTHER READING:

<http://www.ustoa.com/press/2014-Member-survey>

<http://files.adventuretravel.biz/docs/research/adventure-tourism-market-study-2013-web.pdf>

<http://about.americanexpress.com/tc/lifetwiststudy.pdf>

<http://keltonglobal.com/in-the-media/bungee-jumping-taking-a-safari-and-flying-first-class-survey-reveals-game-plan-for-travel-bucket-lists>





About Skift

Skift is a business information company focused on travel intelligence and offers news, data, and services to professionals in travel and professional travelers, to help them make smart decisions about travel.

Founded in 2012 by media entrepreneur Rafat Ali, Skift is based in New York City and backed by Lerer Ventures, Advancit Capital and other marquee media-tech investors.

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