



TOURISM IN 2014: MAKING THE  
CONNECTIONS

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Every new year, as midnight brings on 365 new days of possibility, the moment of the turning of the calendar page is marked. It happens through reflections of days past, predictions of those facing us in the future. It also inspires a pausing to ponder how best to prepare oneself for what lies ahead.

Then, on particularly special occasions, the milestone is magnified - one hundred times over! And one cannot help but pause with a sense of awe.

2014. For the travel and tourism sector, not only is this new year one to celebrate for its continued growth as millions of travellers continue to venture out each day to new places, cultures and curiosities, it represents a milestone year for one of the most critical links in the travel experience chain: aviation. Commercial air travel to be specific.

The year was 1914, the day, January 01<sup>st</sup>. As the first hours of the new year unfolded, the aspirations of a team of adventurers took their strength, hope, vision and courage to the skies, along with their commercial sensibilities. Piloted by Tony Jannus, the first scheduled flight took off, SPT Airboat Line became the world's first scheduled winged airline service. Flying for 23 minutes across Tampa Bay in the south of Florida, USA at a ticket price of US\$400. The first fare-paying passenger: Abram Pheil, the then mayor of St. Petersburg. History was made.

### **NEW GLOBAL POSSIBILITIES TAKE FLIGHT**

In those 23 minutes, not only was a new business opportunity unlocked, so too were the skies, with commercial air travel breaking boundaries across not only nations, but mindsets.

Fast forward one hundred years to today. As proudly stated by IATA:

- more than an estimated 8 million commercial passengers take their seats, buckle up, and fly each and every day
- this equates to over 5,500 passengers per minute.
- in 2013 total passenger numbers were 3.1 billion—surpassing the 3 billion mark for the first time ever
- this number is estimated to grow to 3.3 billion in 2014, which is the equivalent of 44% of the world's population

Translating the past century's achievements in commercial aviation into numbers,:

- an estimated 50 million tonnes of cargo are transported by air each year, representing 35% of the value of goods traded internationally,
- over 57 million jobs generated through commercial aviation,
- direct economic contribution is valued at estimated \$540 billion

Tony Tyler, Secretary General of IATA, is clear in his calculations of the benefits of commercial aviation.

*“Aviation is a force for good. And the potential of commercial flight to keep changing the world for the better is almost unlimited. Aviation has always been a*

*team effort. Growing and sustainably spreading the benefits of connectivity will require that industry, governments, regulators and local communities keep true to the 'all-in-it-together' ethos that was the bedrock of that pioneering first flight. And we should be guided by the long-term interests of all whose lives are positively transformed by commercial aviation every day."*

### SEEING THE CONNECTIONS

Recognising and making the connections within travel and tourism goes far beyond those essential to growth and development within aviation.

Vital to the continued advancement of the tourism sector as a whole, and its positive impact, is seeing the aerial map of connections across the greater landscape, namely:

1. across the TRAVELLER EXPERIENCE, ensuring that links of the holistic travel experience are smooth, swift, safe, inviting and fulfilling;
2. in terms of ECONOMIC ACTIVITY, translating tourism sector activity into jobs and revenue generation, and also trade and investment attraction for the destination as a whole;
3. to strengthen COMPETITIVENESS, shaping and reinforcing identity, appeal and invitation;
4. conscious of ENVIRONMENTAL impact, stimulating tourism activity in a way that responsibly and sustainably protects, preserves and promotes environmental development;

and importantly,

5. between tourists and LOCAL COMMUNITIES, proactively building the social fabric within destinations through meaningful, equitable local participation in visitor experience creation and execution.

True leaders in the travel and tourism industry know that not only are these dimensions of connection essential for growth for the long term, they ultimately are five inter-connections for the engineering of a solid tourism business model.

The question often asked, however, is how is it possible to ensure all five of these dimensions are incorporated into a tourism business of a size and scale greater than small, local enterprises?

How can this model work for a regional or global corporation, ensuring that the principles are consistently applied across and through various countries, cultures, business units and operating teams? Especially in the hotel segment, and at high-end?

How can a business afford to invest in what can seem to be low R.O.I. programmes and partnerships at a time when margins are so low and competitive pressure is so high?

Interestingly, and impressively, for some tourism businesses, the question is, instead, *how can it not?*

### ENGINEERED FOR EXCELLENCE

Across the globe examples can be found of companies committed to a tourism business model that goes beyond the property to the places and people of the offering. They are few, but they can indeed be found.

Looking at the Hotel and Resort sector as an example, one globally recognized brand with an ever-widening property portfolio that has successfully developed a business model with clear connections to the destination is *Banyan Tree Hotel And Resorts*. With strong, deep roots in Asia, and actively branching out to the Middle East, Americas and Africa in tandem to further Asian expansion, *Banyan Tree Hotel And Resorts* represents a leading luxury hotel offering with an overt focus on, and investment in, achieving balance between brand, business and belief systems.

The approach taken by *Banyan Tree Hotel And Resorts* is not a reverse engineering of ethos into operations. Quite the contrary.

The first seeds planted by *Banyan Tree Hotel And Resorts* reflect the company's genuine commitment to local development through business operations. Its first property opened in Thailand in 1994, transforming an ecological wasteland in Phuket into an environmentally sensitive resort.

Over the past two decades, *Banyan Tree Hotel And Resorts* has grown in brand equity, business operations and investor value. Staying focused on the *Banyan Tree Group's* vision to grow into a global business with a carefully defined portfolio of properties strategically located across the globe, and operating with an active commitment to corporate social responsibility and sustainable growth, *Banyan Tree* has become a case study in the tourism sector for its consistently impressive performance. From investor communication and in-room messaging of ongoing programmes aimed at conservation and community upliftment, to in retail opportunities for guests to make a personal investment into lovely, locally crafted pieces of art and products of origin, the commitment is clear, consistent, comprehensive.

While appreciating recognition from industry peers for *Banyan Tree's* approach to business, people, community and environmental development, Abid Butt, Chief Executive Officer of Banyan Tree Hotels & Resorts Pte .Ltd., remains focused on the fundamentals of what makes their business deliver on its promises to its guests, employees, investors, partners and neighbours, worldwide:

*“At Banyan Tree Hotels & Resorts the mission of business and the purpose of growth are to build a better society for all. We see sustainability not only in terms of the environment, but also in terms of the benefits to the communities we operate in. This has been Banyan Tree's ethos since the company was founded, and continues to be the guiding principle behind the operation and expansion of our hotels and resorts worldwide.*

As stated by the company's latest reportback to the investor community, at present and with an estimated 8,000 associates spanning over 50 nationalities, 'the Banyan Tree Group manages and/or has ownership interests in close to 36 hotels and resorts, around 73 spas, 91 galleries and 3 golf courses in 28 countries.'

Butt continues:

*“Our vision is to for tourism to stimulate holistic and sustainable development. Part of this involves giving our guests authentic, memorable experiences and an appreciation of a sense of place when they stay with us. This is why our hotels and resorts faithfully reflect local heritage and culture. We believe that our business can do well and do good at the same time.”*

[http://www.banyantreeglobalfoundation.com/our\\_focus/education](http://www.banyantreeglobalfoundation.com/our_focus/education)

### **STAYING CONNECTED, STRENGTHENING IMPACT**

As 2014 unfolds, and day to day demands turn big picture, visionary thinking into practical, close-up emphasis on ‘getting the job done’, the risk of weakening focus on, and firmness of, critical inter-connections will be there. It happens every year, and is understandable.

But this year can be different.

By taking the thought and time now to put in place key connections and interconnections as a framework for working forward, the synergies, sensibilities and successes yielded from a more connected approach to operations will rapidly emerge, and will strengthen depth and duration of impact.

Ours is an industry that performs at its best when we keep people, places and passions connected. This applies as much to those working for and within the industry, as to the travellers themselves.

**- ENDS -**