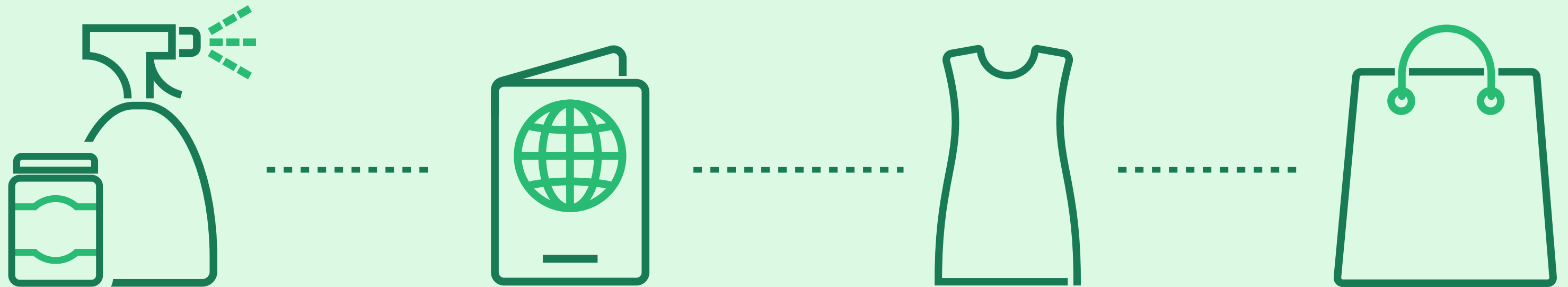


TRAVEL AND TOURISM

What the Data Tells Us About Digital Transformation, by Industry



The key findings for travel and tourism

Almost half of travel and tourism companies have successfully completed digital transformations—25% more than than the cross-industry average. But another 25% have created only limited value with no sustainable change, double the cross-industry average.

Leaders are prioritizing personalized and targeted marketing for offer generation within next-generation sales, Digital ID for check-in within customer experience, and payment fraud protection and detection within digital support functions.

Among the six success factors, the biggest challenges for travel companies are establishing an agile governance mindset and deploying high-caliber talent.

Within operations specifically, airline leaders are prioritizing new distribution capability, smart predictive maintenance, automated maintenance scheduling. Hotel/resorts leaders prioritize attribute-based pricing.

The top digital transformation objectives for the travel industry are improving their customer-experience and go-to-market capabilities. Digitizing ecosystems and partnerships and growth and business model innovation are other areas of emphasis.

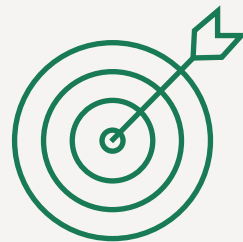
More than nine out of ten travel companies plan to increase investments toward ESG (well ahead of the cross-sector average), with the greatest emphasis on social priorities.

Next-generation sales and marketing and customer experience and service are the top digital priorities for all travel companies going forward, followed closely by digitizing support functions and—for airlines, hotels, and restaurants—operations.

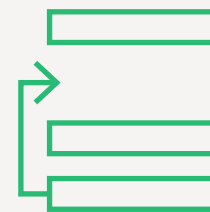
The data in more depth



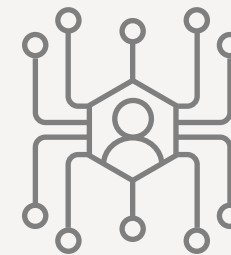
**Rates of success
in digital
transformation**



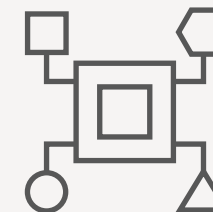
**Topics of focus for
travel and tourism**



**Top priorities for
the future**



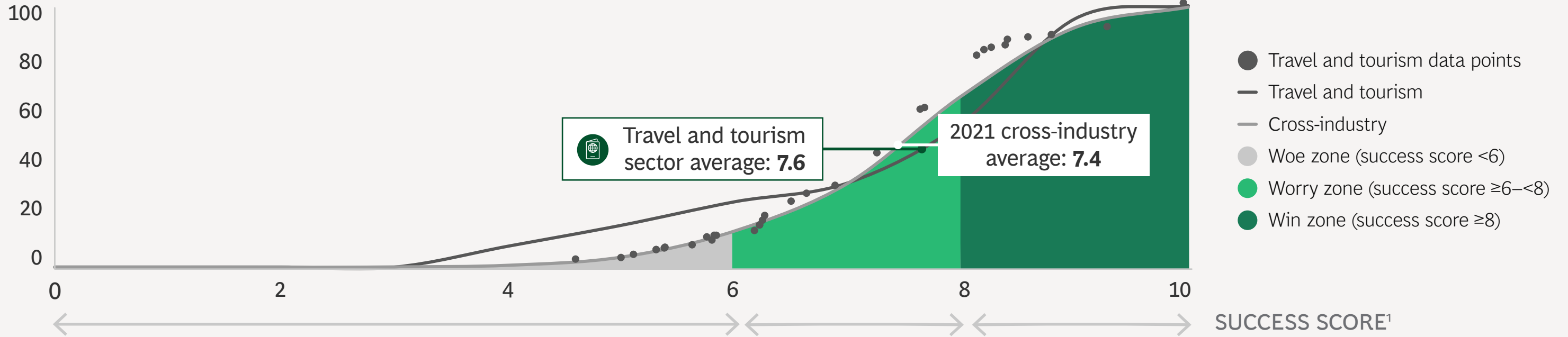
**The critical
human and
tech enablers**



**The role of ESG
in digital
transformation**

Almost half of travel companies are in the win zone, 25% more than the cross-industry average, but the woe zone is almost twice the average

CASES BELOW SUCCESS SCORE (%)



2021 BCG Global Digital Transformation Survey overall

Travel and tourism sector

13%	52%	35%
25%	30%	45%
Limited value created (<50% of target); no sustainable change	Value created but total targets not met; limited long-term change	Target value met or exceeded; sustainable change created

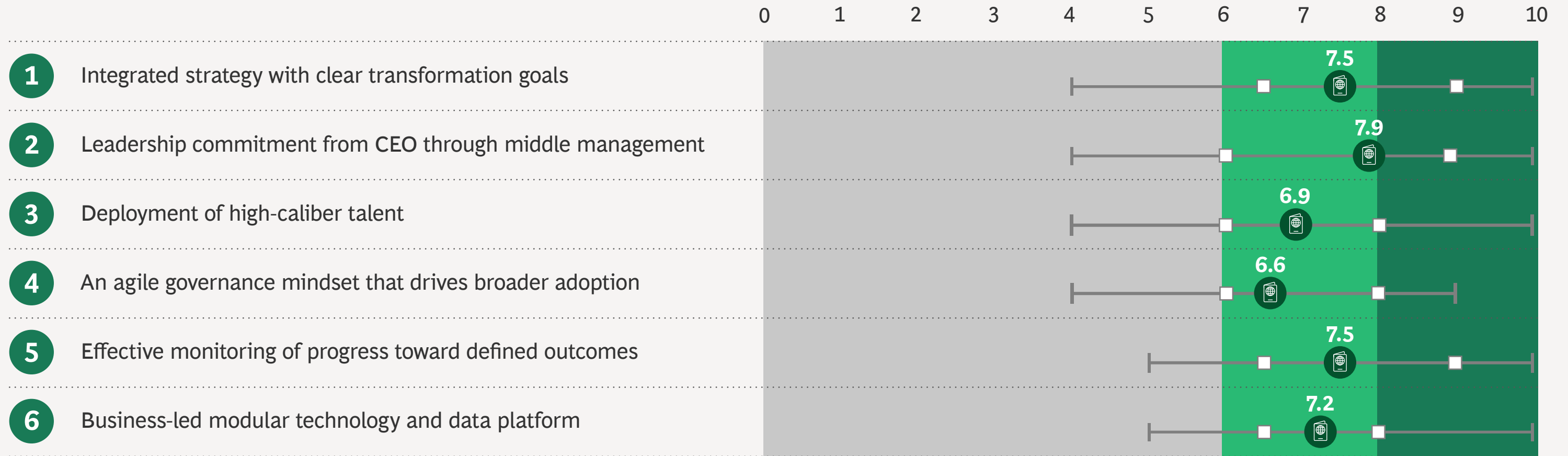
Source: 2021 BCG Global Digital Transformation Survey.

Note: Survey question: "Across the following dimensions, please rate your organization's digital transformation experience to date on a scale of 1 to 10, using the guidelines in the table below."

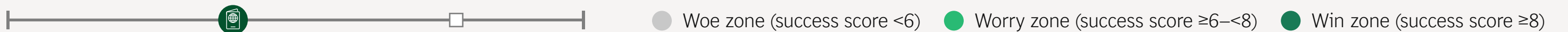
¹Success score is calculated from respondents' answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

The travel and tourism sector struggles most with achieving an agile governance mindset and deploying high-caliber talent

DISTRIBUTION OF SUCCESS SCORES ON INDIVIDUAL KEY FACTORS¹



Lower extreme Travel and tourism average Upper or lower quartile Upper extreme



Source: 2021 BCG Global Digital Transformation Survey, n = 22.

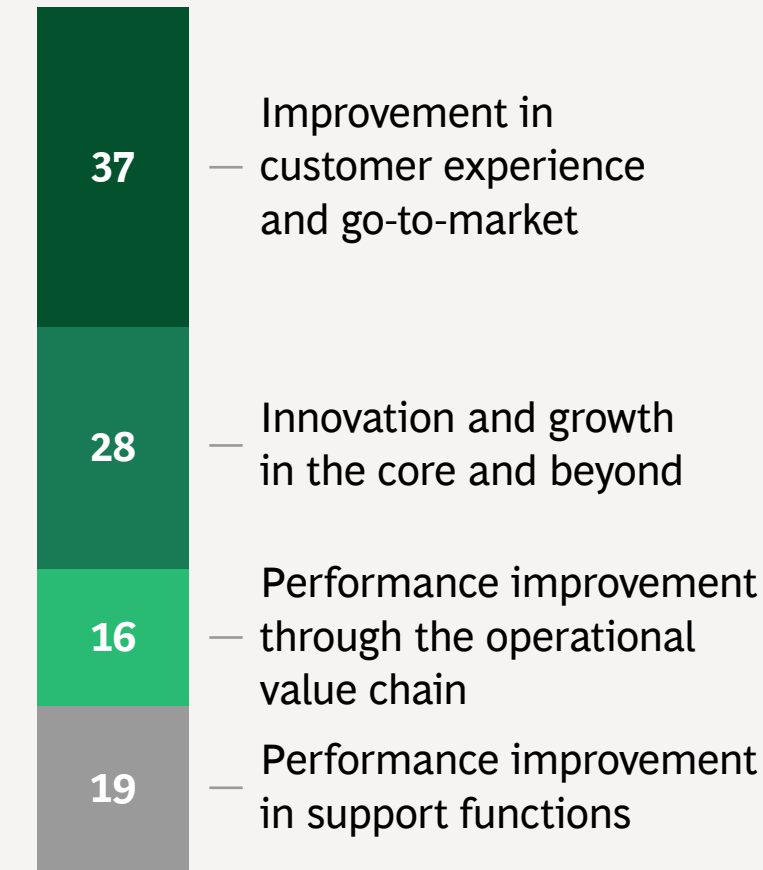
Note: Survey question: “Across the following dimensions, please rate your organization’s digital transformation experience to date on a scale of 1 to 10 using the guidelines in the table below.”

¹Success score is calculated from respondents’ answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

Transformation priorities for travel and tourism include customer centricity, business model innovation, and digital ecosystems

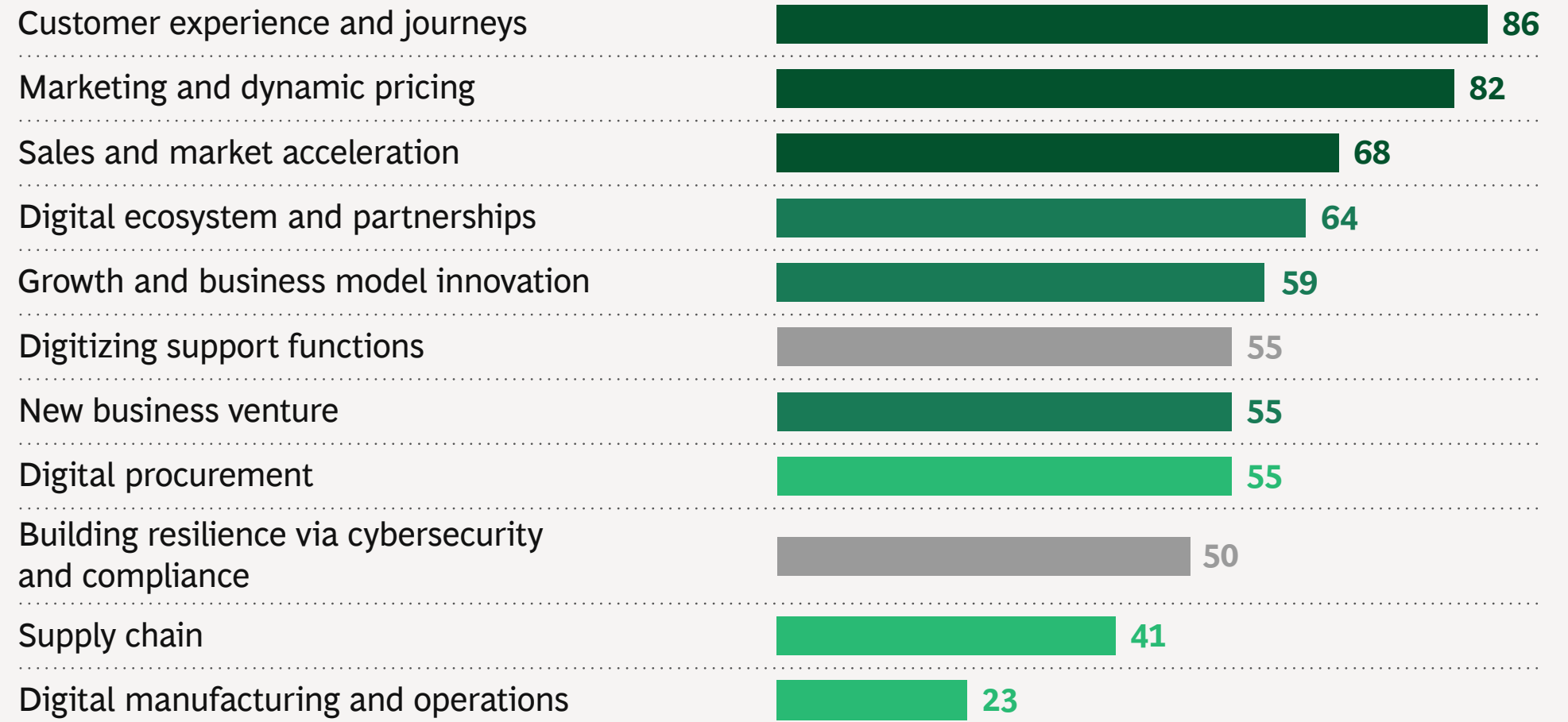
Strategic objectives

SHARE OF RESPONDENTS (%)



Scope of digital transformation¹

SHARE OF RESPONDENTS (%)

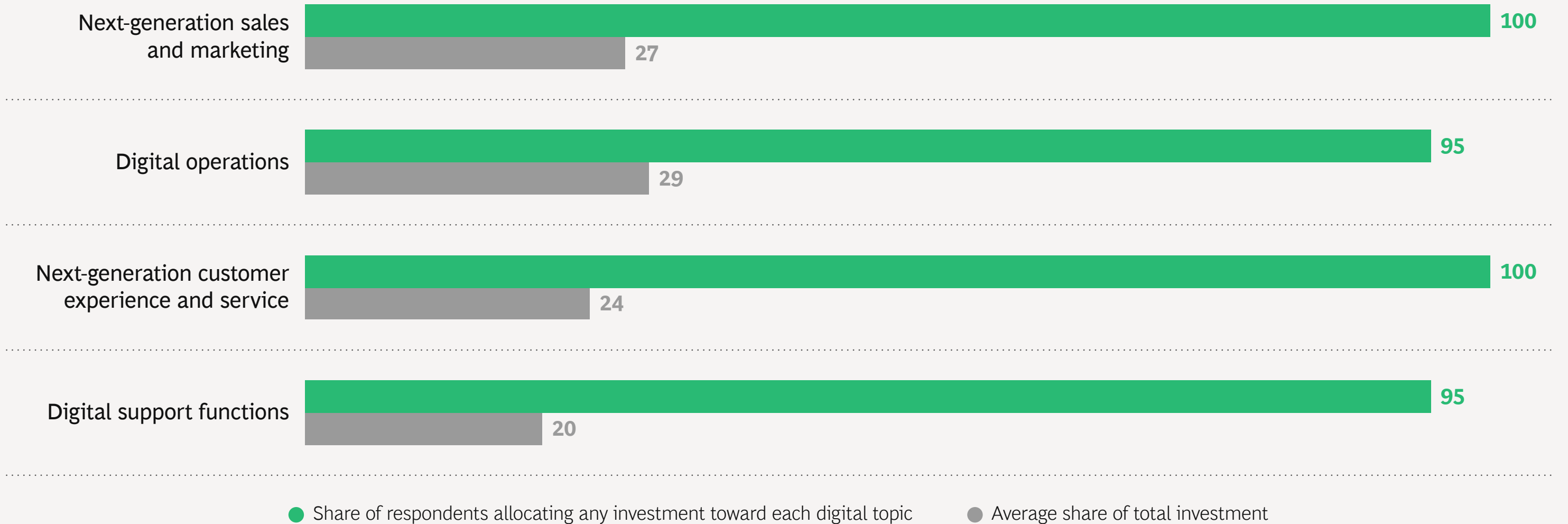


Source: BCG Global Digital Transformation Survey, 2021, n = 22.

¹Respondents were asked to select all priorities that applied.

Next-generation sales and marketing and digital operations lead the digital priority list going forward

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

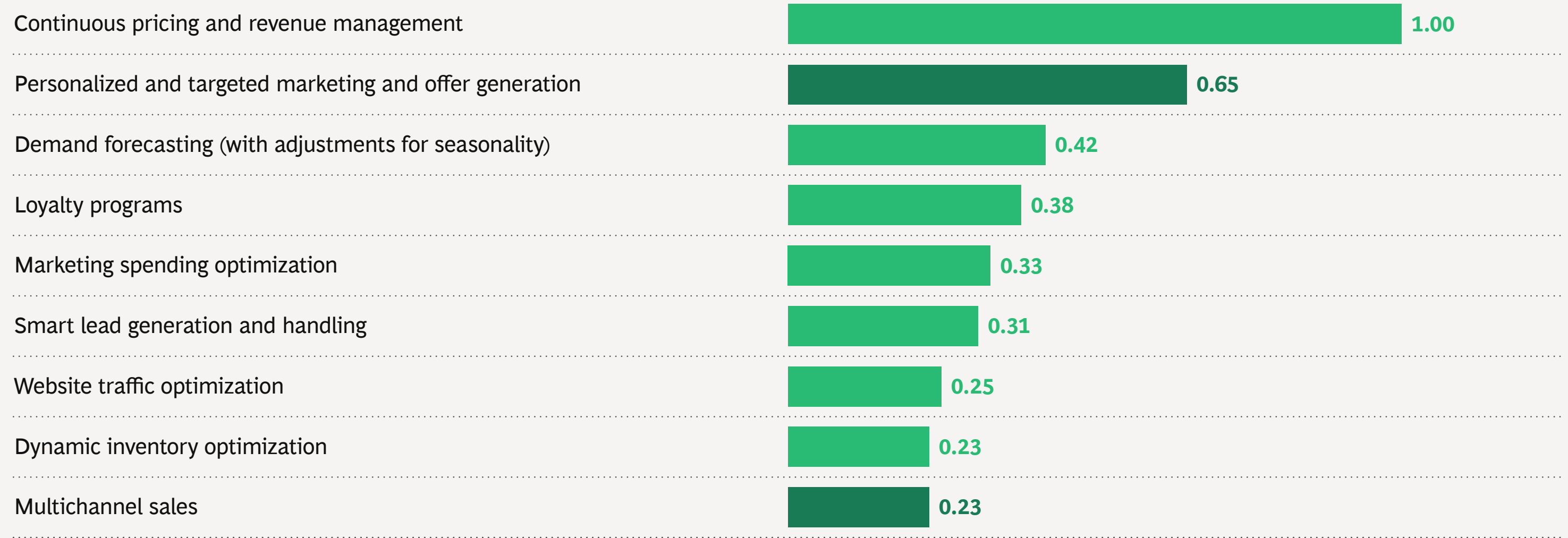


Source: 2021 BCG Global Digital Transformation Survey, n = 22.

¹For example, the uppermost pair of bars can be read as “100% of travel and tourism respondents plan to invest in next-generation sales and marketing, allocating an average 29% of total digital investment.”

Travel and tourism digital priorities: Next-generation sales and marketing

Digital initiatives (bars indicate relative prioritization of initiatives)

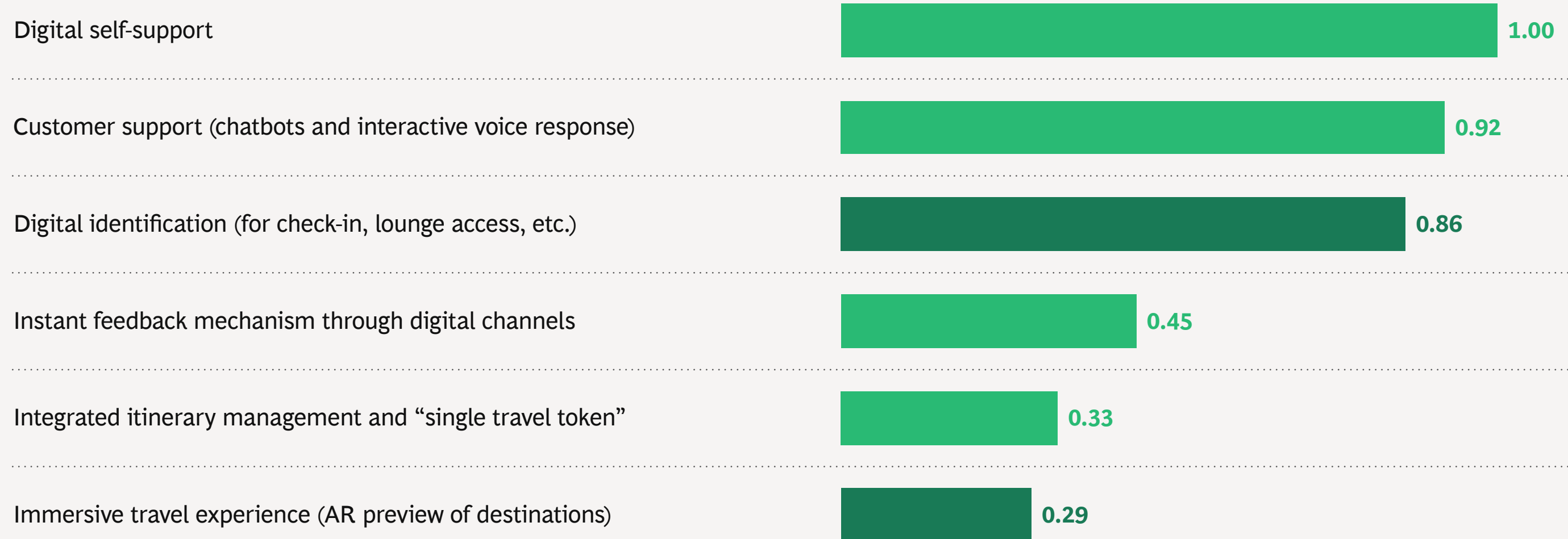


● Relative prioritization for all travel and tourism companies

● Top priorities for win-zone companies

Travel and tourism digital priorities: Next-generation customer experience and service

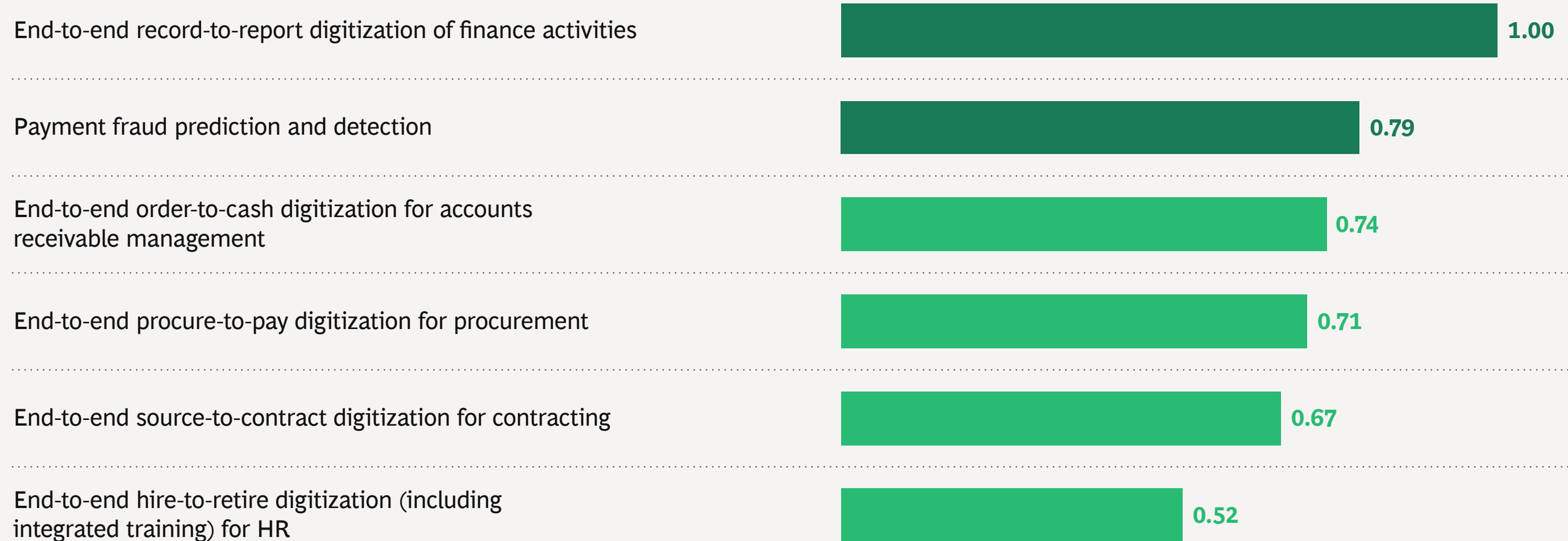
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all travel and tourism companies ● Top priorities for win-zone companies

Travel and tourism digital priorities: Digital support functions

Digital initiatives (bars indicate relative prioritization of initiatives)

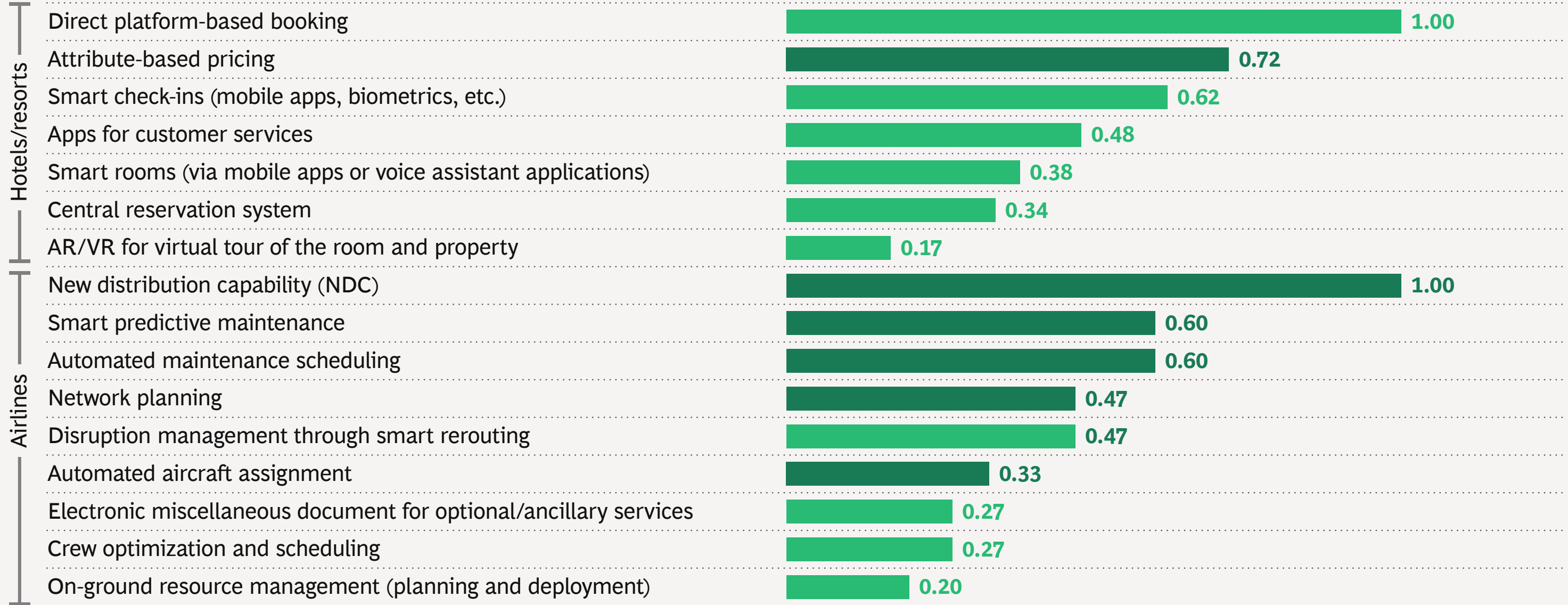


● Relative prioritization for all travel and tourism companies

● Top priorities for win-zone companies

Hospitality and airlines prioritize digital operations

Digital initiatives (bars indicate relative prioritization of initiatives)



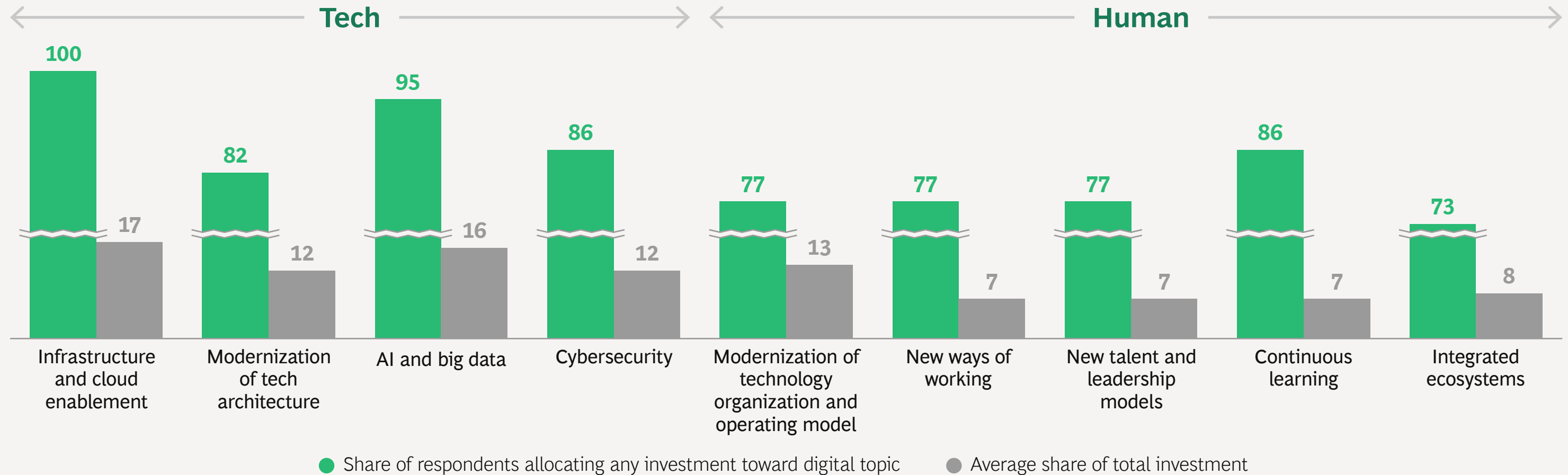
● Relative prioritization for all travel and tourism companies in each subgroup

● Top priorities for win-zone companies

Travel and tourism companies intend to invest across broad range of tech and human enablers, with a stronger emphasis on tech

Nine out of ten travel and tourism companies plan to invest in infrastructure and cloud enablement, and AI and big data account for about 33 % of total digital enabler spending allocations in these areas, on average

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS ENABLER DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

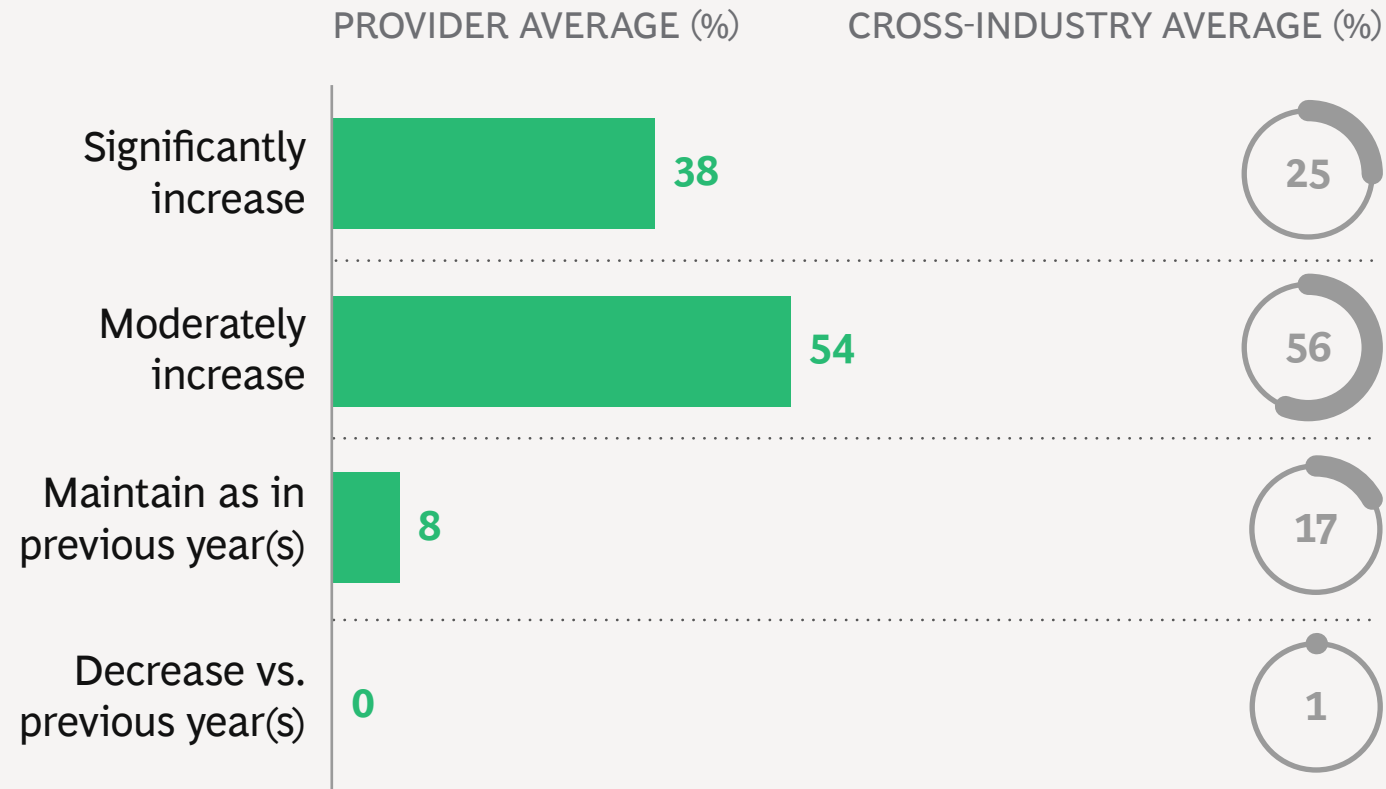


Source: 2021 BCG Global Digital Transformation Survey, n = 22.

¹For example, the leftmost pair of bars can be read as “100% of travel and tourism respondents plan to invest in infrastructure and cloud enablement, allocating an average 17% of their total digital enablers spending.”

92% of travel and tourism companies plan to increase investments toward ESG, above the cross-sector average

Share of respondents planning to increase/decrease/maintain investment toward ESG in coming years



Source: 2021 BCG Global Digital Transformation Survey, n = 22.

... with the greatest emphasis on S

Leading digital initiatives being prioritized to support E, S, and G goals



If you would like to discuss this topic, please contact one of the authors:



AMANDA LUTHER

Managing Director & Partner, Austin

luther.amanda@bcg.com

+1 214 850 4916



PRANAY JHUNJHUNWALA

Managing Director & Senior Partner, London

jhunjhunwala.pranay@bcg.com

+44 7769 932014



JASON GUGGENHEIM

Managing Director & Senior Partner, Atlanta

guggenheim.jason@bcg.com

+1 404 434 6694



TAYLOR SMITH

Managing Director & Senior Partner, New York

smith.taylor@bcg.com

+1 917 327 1829
