22nd Session of the UNWTO General Assembly
Chengdu, China
14 September 2017

Special Session on Smart Tourism

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New Platform Tourism Services (or the so-called Sharing Economy)
Understand, rethink and adapt

September 2017
Actual Trend vs. Tourism Towards 2030 projection World

Source: World Tourism Organization (UNWTO)
External factors continuously change the world and tourism

STEEPLED analysis (extension of PEST)
World, economy and tourism constantly changing

• Change as driver of development:
  – offering of **new or better** products and services, **enhancing** experience
  – **increase of choice**, further differentiation, diversification and sophistication
  – **lower price** through lower costs / use of economies of scale / increase of labour productivity & value added
  – changes **often incremental**, but can also **sometimes** lead to **major shifts and disruption**: need to stay competitive
  – **source of market growth**, through: inclusiveness, open up for broader part of society, enabling more frequent trip taking, opportunity for entry of new entrepreneurs
ICT: Connected world

- the ‘pre-history’
- from analog to digital
- connecting the world
- the Internet goes mobile and social
- Future

UNTWO survey
- destinations, national and local; private sector, associations and academia
- all UNTWO regions
- questionnaire with both quantitative and qualitative questions
- 114 responses

Covering:
- current and future effects
- opportunities and challenges
- governance issues

Available in UNTWO elibrary at;
New platform tourism services - stakeholders

Private tourism services
Supply

Digital platforms
Intermediaries

Visitors
Demand

Destinations NTA / NTO / DMO

Local communities

Traditional tourism businesses

Information
Acommodation
Transport
Food
Tourism activities
Other fields
It is important to distinguish between:

• Services that **do not generate an economic benefit** beyond the recovery of costs and generally involve only occasional economic transactions, which can be considered as *true sharing*; and

• Services that **generate an economic benefit** beyond the recovery of costs and generally involve frequent or systematic transactions, which can be considered a *commercial activity by private persons or entities*.

The latter generally works in the same way as a commercial business and should be treated as such. At the same time, it is important to acknowledge that this distinction is not always clear-cut in practice, as most platforms offer both *true sharing* and *commercial activities*. 
Current importance of new platform tourism services

Survey question B1: How do you rate the current importance of private tourism services through digital platforms for your activity/destination?
### Current impact of new platform tourism services

<table>
<thead>
<tr>
<th>Category</th>
<th>Very negative</th>
<th>More negative than positive</th>
<th>More positive than negative</th>
<th>Very positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>3%</td>
<td>37%</td>
<td>47%</td>
<td>82%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>16%</td>
<td>36%</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>Transportation</td>
<td>6%</td>
<td>47%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>Food</td>
<td>6%</td>
<td>47%</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>Tourism activities (&quot;things to do&quot;)</td>
<td>3%</td>
<td>47%</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Survey question D1:** How do you rate the current overall impact of private tourism services through digital platforms for your destination/activity?
Governance

- **tourism planning and sustainability** (unplanned development, crowding out of residents, congestion, nuisance, etc.)
- **fair competition, maintaining a level playing field** (rules, registration, licensing, certification, taxation, etc.)
- **consumer protection** (quality standards, safety and privacy, etc.)
- **labour conditions service providers / workforce** (e.g. Airbnb hosts, Uber drivers, exploitation, etc.)
Importance of areas of governance

Planning & sustainability: 60% (very important), 23% (important), 9% (somewhat important), 8% (not important/unable to answer)

Fair competition: 59% (very important), 26% (important), 7% (somewhat important), 8% (not important/unable to answer)

Consumer protection: 63% (very important), 22% (important), 7% (somewhat important), 8% (not important/unable to answer)

Labour conditions: 40% (very important), 39% (important), 11% (somewhat important), 10% (not important/unable to answer)
Area of governance: responses

- Planning & sustainability
- Fair competition
- Consumer protection
- Work conditions

Observing the situation
Planning/undertaking research
Adopted/enforced policies
Other actions
No action/unable to answer
Understand & monitor

Adapt: 4C approach
Communication, Collaboration, Cooperation & Coordination

Review, rethink & revise

The way forward

Understand & monitor
The way forward – no ‘one size fits all’

Understand & monitor
• Assess development of services through measurement and research to take informed and evidence based decisions
• Learn from other destinations and their experiences

Adapting
• Dialog with all stakeholders (vitamin 4C: Communication, Collaboration, Cooperation and Coordination)
• Raise awareness of rules
• Engage with platforms and encourage the sharing of information
• Adjustment to the new situation: foster and allow innovation (some destinations/companies already embraced elements of the new offer)

Review, rethink and revise
• Recognise that traditions, policies and regulations differ widely by destination
• Address the interests of all stakeholders involved and affected
• Review and rethink current situation, policies and regulation
• adjust and revise smartly if needed and possible. i.e. tailored to the new situation and proportionate to the scale of operation
• Guarantee enforcement
‘The only thing that is constant is change’
Heraclitus, c. 535 - 475 BC

Thank you very much for your attention!

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www.unwto.org