

# WHAT HAPPENED TO THE FUTURE OF TRAVEL?

by Rafat Ali, Founder & CEO, Skift

**Who is Skift?**

**SEVEN+ YEARS  
IN...**

Skift has become the most influential media brand in global travel, it is how the travel industry and larger world decipher the sector

Opinion

# Who Says It's Not Safe to Travel to China?

The coronavirus travel ban is unjust and doesn't work anyway.

By **Rosie Spinks**

Ms. Spinks is the global tourism reporter for Skift.

Feb. 5, 2020



A Chinese family, whose flight to Shanghai was canceled after the Philippine government imposed travel restrictions to and from China, on Monday at the airport in Manila. Ezra Acayan/Getty Images

The coronavirus outbreak seems defined by two opposing forces:

**SKIFT IN NYT,  
TODAY! >>**

**Skift.**

**Skift.**  
RESEARCH

 **Skift.**  
FORUMS

**Skift.**  
**AIRLINE**  
WEEKLY.

**EV = NT** <sup>MB</sup>

 **Skift.**  
Wellness

**MEGATRENDS**  
DEFINING TRAVEL

**Skift.**  
DESIGN  
AWARDS  
2019 

**Skift.X**  
CREATIVE STUDIO

 **THE**  
**Skift.**  
FOUNDATION

 **Skift.**  
ASIA WEEKLY

 **AIRLINE**  
INNOVATION REPORT

 **TRAVEL ADVISOR**  
INNOVATION REPORT

 **Skift.**  
DAILY  
BRIEFING

 **Skift.**  
AIRLINE  
WEEKLY.  
**LOUNGE**

 **Skift.**  
PODCAST

 **NEW**  
LUXURY

 **MEETINGS**  
INNOVATION REPORT

 **BUSINESS**  
OF LOYALTY

 **CORPORATE TRAVEL**  
INNOVATION REPORT

**THE SKIFT UNIVERSE**

AIRLINE WEEKLY:

"THE ECONOMIST OF AVIATION MEDIA"

Skift  
**AIRLINE**  
WEEKLY.

Delivering the strongest business insights in the world of commercial aviation

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**Earnings**

Net result in USD; operating margin

October-December (3 months)
ANA: \$269m; 8%
Japan Airlines: \$230m; 11%
IndiGo: \$70m; 8%
Alaska: \$181m; 11%
Hawaiian: \$50m/\$46m; 9%
Allegiant: \$61m; 20%
SkyWest: \$73m; 17%
Wizz Air: \$24m/\$25m; 5%

\*Net profit excluding special items (all operating figures exclude special items)

► **This Week's Feature Story**

The last year was good for SAS, and it has a bright future. Or does it? The picture is complex for the Scandinavian airline. See the Feature Story on page 15 for what we think.

**PUSHING BACK: INSIDE THIS ISSUE**

The Wuhan coronavirus continues to spread, putting a virtual halt to parts of China's economy. Airlines there are feeling the pain, with empty seats that would otherwise be crammed full with holiday travelers. Airlines elsewhere temporarily suspended much of their China flying, with demand eviscerated. Yet most will likely benefit financially, with this lost demand outweighed by the virus scare's thunderous impact on oil prices. In early January, Brent crude oil prices came close to hitting \$70 per barrel. They open this week below \$60.

Japanese carriers have their own international problems to confront. But helpfully, both ANA and JAL produce more revenues domestically than they do internationally. And at home, trends were more favorable.

Not more favorable though, than capacity trends in Europe, where Wizz Air continues to thrive as it expands at a 20% clip. India's IndiGo is likewise growing 20%, extending its reach internationally as it contemplates even longer-range intercontinental flying. Will it again be interested in Air India?

In the U.S., Alaska is climbing out of a momentary funk while Hawaiian keeps margin declines to a minimum amid Southwest's attacks. Allegiant trumpeted an unequivocally successful transition to Airbus planes. And American finally struck a contract deal with mechanics... subject to ratification. ◀

**VERBULENCE**

"We are really serious about our mission of building the best transportation network in the world for India"

-IndiGo CEO Ronojoy Dutta



**COMING SOON,  
NOV 2020!**

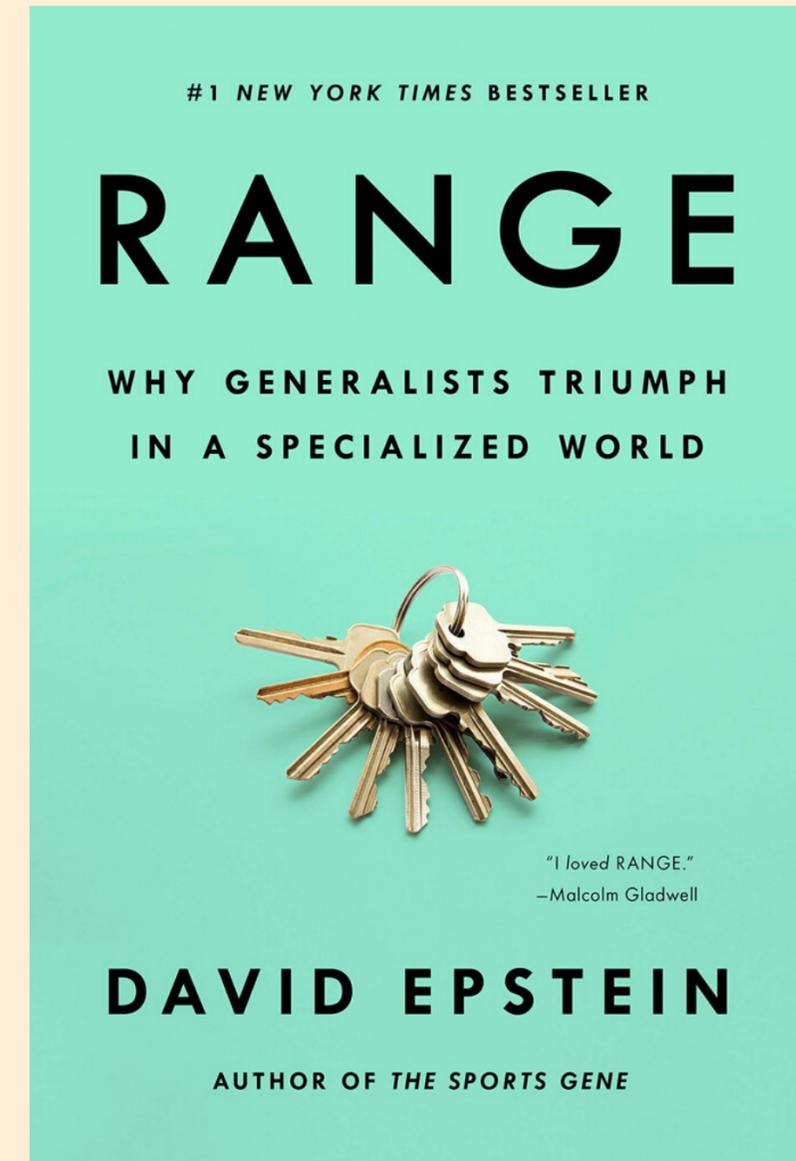
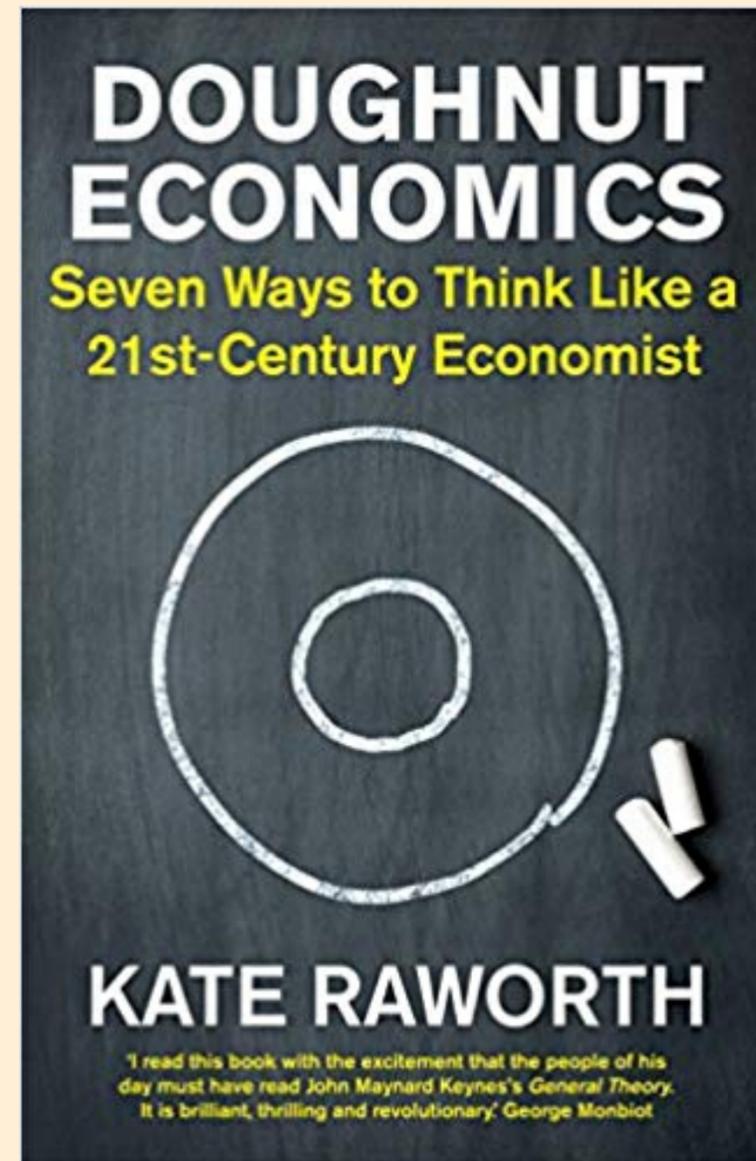
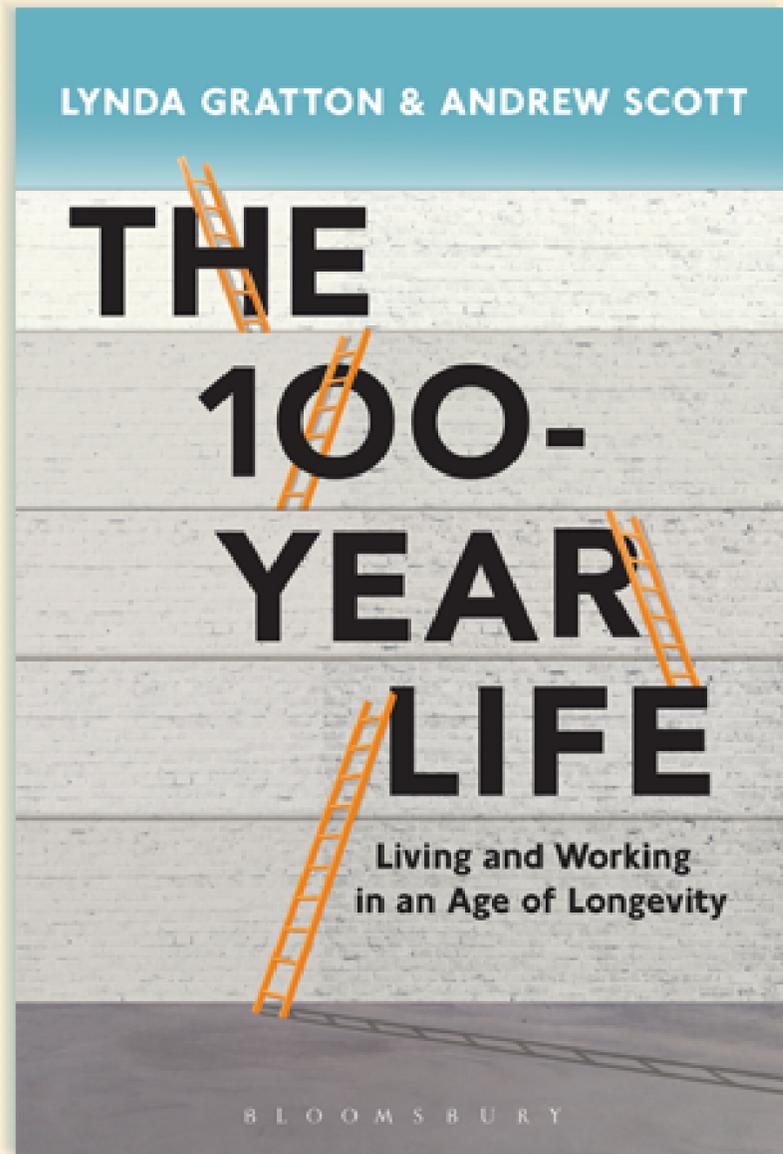
“There's always a story. It's all stories, really. The sun coming up every day is a story. Everything's got a story in it. Change the story, change the world.”

Terry Pratchett, *A Hat Full of Sky*

**WHAT DOES INNOVATION  
MEAN TO ME?**

**NEW PERSPECTIVES AND  
NEW WAYS OF LOOKING AT  
THE WORLD**

# BOOKS THAT HELPED ME LOOK AT THE WORLD IN A DIFFERENT WAY



**SMALL IS  
HAVING A BIG  
MOMENT**

**REDEFINE SCALE AS  
RESONANCE**

To be big part of lives of those  
who really care about you

I wrote this in 2015



# TRAVEL

IS THE WORLD'S  
LARGEST INDUSTRY,

LETS START ACTING LIKE IT.

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SKIFT

#SKIFT2020

## THE SKIFT RALLYING CRY

ACI-NA CEO FORUM 2020

TECH SHOULD BE  
INVISIBLE.

DESIGN &  
EXPERIENCE IS THE  
NEW MARKETING

## WE BELIEVE

THE BUSINESS  
FUTURE OF TRAVEL  
IS AT THE  
INTERSECTION  
OF **TECHNOLOGY**  
+ **MARKETING.**

## WE BELIEVE

THE CREATIVE  
FUTURE OF TRAVEL  
IS AT THE  
INTERSECTION OF  
**USER EXPERIENCE**  
+ **DESIGN.**

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SKIFT

#SKIFT2020

"DESIGN IS THE NEW MARKETING. IT IS THE PRODUCT ITSELF, NOT THE ADS OR THE SLOGAN. DESIGN IS THE SUPPLY CHAIN OF PATAGONIA, THE ETHICS OF PURPLE CARROT AND THE CUSTOMER SERVICE AT UNION SQUARE CAFE. "

SETH GODIN



# THE TRAVEL BRANDS OF THE FUTURE

DIGITAL HAS ENABLED THE  
RISE OF EARLY ADOPTERS,  
FANBOYS AND PROSUMERS  
ACROSS VARIOUS INDUSTRIES.

**IF EVERYONE'S AN EXPERT, HOW DO  
YOU CATER TO THIS DEMOGRAPHIC  
SEEKING A DEEPER CONNECTION?**

BRANDS SHOULD BUILD A BUSINESS  
AROUND HELPING TRAVELERS CONNECT  
TO THEIR IMMEDIATE SURROUNDINGS AND  
THE PEOPLE AROUND THEM, RATHER THAN  
JUST DIGITAL CONNECTIVITY.

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**SKIFT**

#SKIFT2020

Still the Holy Grail in  
tourism: Connecting  
travelers to their  
immediate surroundings  
in meaningful ways.

THE MOST FORWARD-THINKING  
TRAVEL BRANDS ARE DELIVERING  
DEEPER EXPERIENCES TO TRAVELERS  
BY FOCUSING ON THREE THINGS ABOVE  
ALL ELSE:

**INSPIRATION,  
PERSONALIZATION  
&  
A PATH TOWARD  
SELF-DISCOVERY.**

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**SKIFT**

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**GIVE  
TRAVELERS  
CONTROL, OR A  
PATH TO  
CONTROL**

ACI-NA CEO FORUM 2020

YOU ARE,  
THEREFORE YOU BOOK.

FROM MAPS TO MOBILE TO WEARABLES TO PHOTO  
TO MESSAGING APPS & SERVICES, TRAVEL BOOKING  
IS BECOMING UBIQUITOUS, EVER-PRESENT.

**UBIQUITOUS BOOKING  
WILL BECOME THE NORM,**  
INSTEAD OF GOING TO  
BOOKING SITES OR APPS.

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**SKIFT**

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**UBIQUITOUS  
BOOKING  
HASN'T  
TAKEN OFF,  
TOO MUCH  
FRICTION  
STILL**

**Unlikely this will ever be part of a single travel brand, that is a realization I have come to.**

**UBIQUITY,  
EFFICIENCY,  
EASE OF USE,  
CONNECTION,  
CONVERSATION.**

CATERING  
TO THE  
ON-DEMAND  
GENERATION

THIS IS THE NEXUS OF  
WHERE THE NEXT GREAT  
TRAVEL BRAND OF THE  
FUTURE WILL BE BUILT.

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**SKIFT**

#SKIFT2020

The Future Has  
Arrived...And We  
Aren't There In  
The Future Yet

ACI-NA CEO FORUM 2020

# 2020

THE UNBUNDLING  
OF EVERYTHING.

THE ON-DEMANDIFICATION  
OF EVERYTHING.

THE MOBILITY  
OF EVERYTHING.

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SKIFT

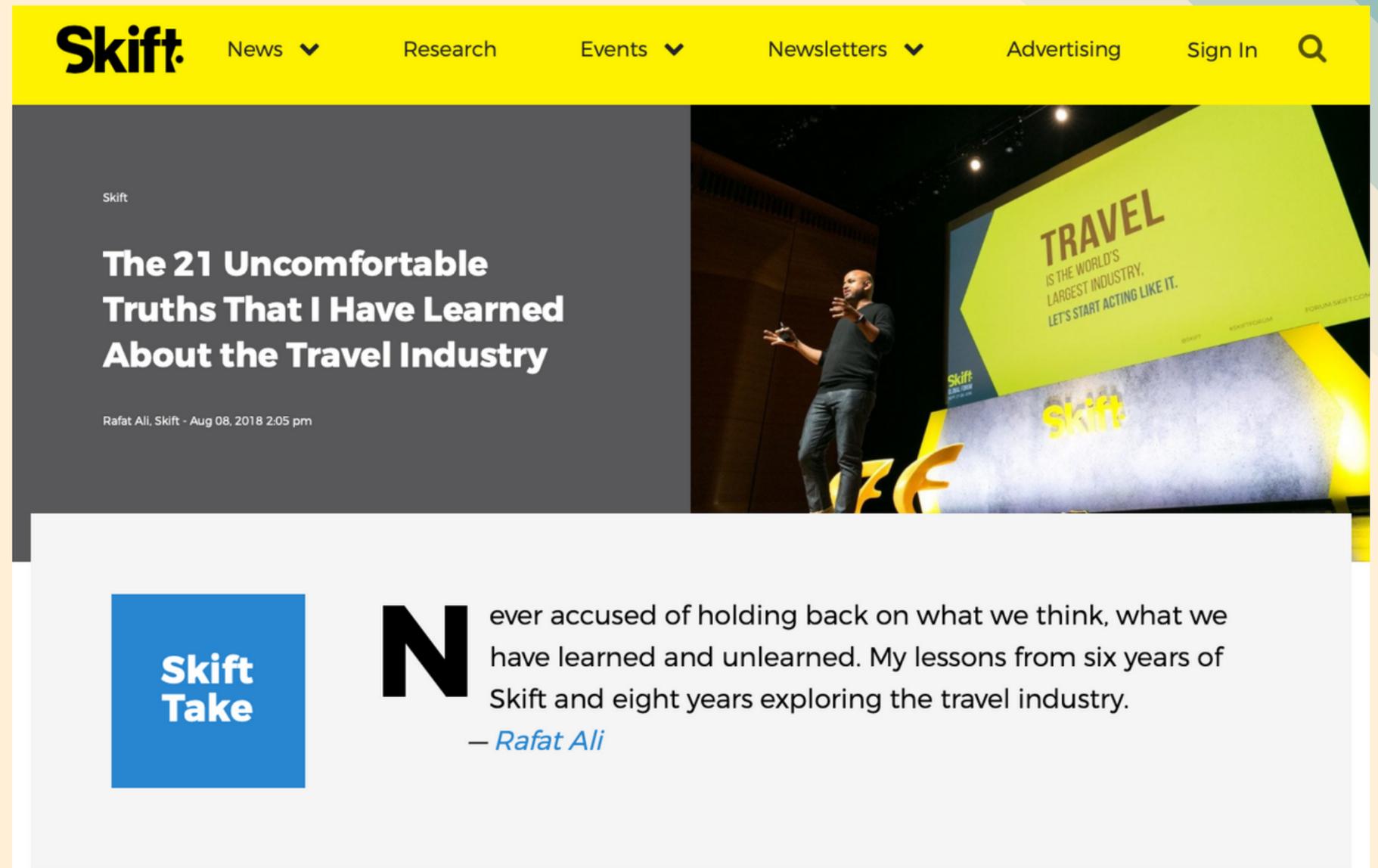
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2016 I wrote  
this manifesto



THE GEOPOLITICAL REALITIES...ARE WORTH EMBRACING BY THE TRAVEL INDUSTRY, INSTEAD...WISHING THEM AWAY. AND EVEN MORE SO, TRAVELERS WILL REWARD ... BY TRAVELING MORE, BY BEING MORE AWARE OF THE WORLD AND TRAVEL'S PLACE IN IT, RATHER THAN STAYING IN ISOLATIONIST BUBBLES FOR PEOPLE TO INDULGE IN ...ONCE IN AWHILE.

# 2018: I WROTE THIS



Skift

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## The 21 Uncomfortable Truths That I Have Learned About the Travel Industry

Rafat Ali, Skift · Aug 08, 2018 2:05 pm



**Skift Take**

**N**ever accused of holding back on what we think, what we have learned and unlearned. My lessons from six years of Skift and eight years exploring the travel industry.

— *Rafat Ali*

"Data is everywhere in travel — it leaks from every part of travel — and no one knows what to do with it. Personalization is a buzzword, meaningless in implementation. Loyalty programs are at best the worst way to engender loyalty to a travel brand."

# **TRAVEL BRANDS' BIGGEST ADVANTAGE**

Bridges the divide between  
physical/experiences and the digital-first  
environment in which global consumers spend  
their time

**“LIVING LIKE A LOCAL” IS A SCAM  
PERPETRATED BY TRAVEL MARKETERS,  
ALL OF US ARE TOURISTS. AND THE  
TRAVEL SECTOR WOULD BE BETTER FOR IT  
IF WE EMBRACE THE REAL RESPONSIBILITY  
OF BEING ONE.**

# **FAULTLINES WE WORRY ABOUT AT SKIFT**

- **OVERTOURISM**
- **CLIMATE CHANGE**
- **TECH BACKLASH**
- **PERMANXIETY**
- **HATE-SELLING**

# **THINGS THAT EXCITE ME**

**ABOUT THE  
PRESENT & FUTURE  
OF TRAVEL**

**TRAVEL'S  
RESPONSIBILITY TO  
THE WORLD IS  
FINALLY  
CLEAR...AND THE  
INDUSTRY IS  
REPPONDING TO IT**

# SUBSCRIPTION TRAVEL IS THE NEXT FRONTIER OF LOYALTY



**EMBRACE A  
MEMBERSHIP MODEL  
THAT TOUCHES VARIOUS  
ASPECTS OF THE  
TRAVELER'S LIFE  
BEYOND THE TRIP.**

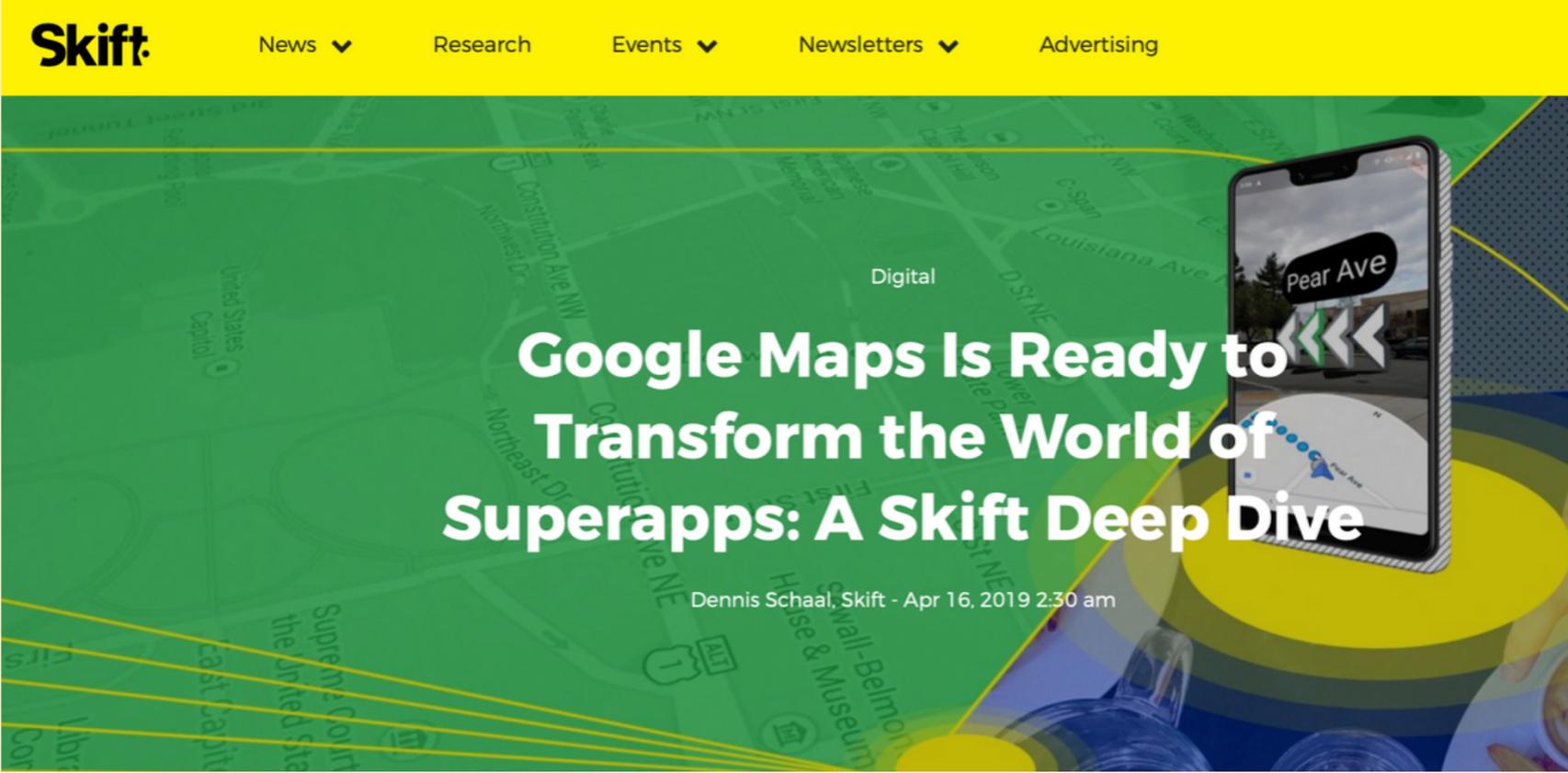
# **EVERYTHING IS CONVERGING IN HOSPITALITY**

CONVERGENCE OF  
ACCOMMODATIONS,  
RETAIL, LIFESTYLE,  
WORK, AND  
ENTERTAINMENT

# **FIVE DIFFERENT EXPERIENCE MODES OF INTERACTION**

TASK, SOCIAL,  
DISCOVERY,  
ENTERTAINMENT, AND  
ASPIRATION

# EXCITED -- AND SCARED -- ABOUT GOOGLE'S 360 VISION OF TRAVEL



**WHAT KEEPS ME  
HOPEFUL & EXCITED  
ABOUT THE FUTURE OF  
TRAVEL?**

THAT TRAVEL IS THE  
MOST PROGRESSIVE  
MANIFESTATION OF  
HUMAN CURIOSITY.