



WHITE PAPER

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Journey to tomorrow: developing a destination strategy for 2025 and beyond



Contents

3	Introduction
5	The tourist of tomorrow: key trends driving future travel behaviors
8	Tapping into experiences: the engine of the future tourism economy
10	Harnessing insights: a transformational tool for destination planning
14	Protect, enhance and empower: how to support communities and strengthen destinations
17	Conclusion

In today's world, travelers' motivations, preferences and emotions have evolved

Tourists are increasingly seeking to visit destinations offering unique experiences. They prefer to have greater autonomy over their travel booking experience and to visit digitally enabled destinations. They prioritize value for money and are increasingly purpose-driven, showing care and concern for the communities and the environments they visit.

There are also, simply, more people traveling once again. After a broad-based recovery in the global travel and tourism sectors in 2022 and an acceleration of activity in 2023, 2024 will witness a return to – or, in some markets and segments, will surpass – pre-pandemic levels in terms of visitor arrivals, spending and global economic contribution.¹

The Mastercard Economics Institute's [2024 Travel Trends Report](#) analyzed data from the first quarter of 2024 to reveal that consumer spending on travel remains robust while passenger traffic is on the rise.² UN Tourism data for the same period showed international tourist arrivals reached 97% of pre-pandemic levels, with more than 285 million travelers on the move.³ And not only are they traveling again, but they are prioritizing leisure for longer – Mastercard's analysis revealed that the average traveler extended their trip by one extra day compared to the same period in 2019.⁴

The World Economic Forum's Travel & Tourism Development Index 2024 expects the sector's continued growth to be driven by sustained pent-up demand and the lifting of Asian markets' travel restrictions, a knock-on effect from the delay compared to other regions around the world.⁵ Against a backdrop of global economic and geopolitical uncertainty, consumers' desire to travel remains strong.

1. World Economic Forum. [Tourism is Back to Pre-Pandemic Levels, but Challenges Remain](#). May 21, 2024.

2. Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.

3. UN Tourism. [International tourism reached 97% of pre-pandemic levels in the first quarter of 2024](#). May 21, 2024.

4. Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.

5. World Economic Forum. [Travel & Tourism Development Index 2024](#). May 21, 2024.

Breaking boundaries: travel in 2024 and beyond

9/10

Globally, nine out of the last 10 record spending days for both cruises and airlines occurred in the first quarter of 2024

+1 day

Tourists are spending more time on vacation, about one extra day relative to pre-COVID-19 trends

12%

Spending on experiences and nightlife averages around 12% of global tourism sales



Memorable events are driving travelers, from concerts to sporting events

Source: Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.



Developing future-proof destinations

At Mastercard, we partner with organizations across the global travel and tourism sectors to cultivate rich insights from aggregated, anonymized data to understand what travelers want and expect, and we provide expertise and guidance around how destinations can and should respond. By enabling seamless payments experiences anywhere in the world, we help tourists in nearly every corner of the globe to pay like a local.

With an unparalleled view on global consumer spending on travel and experiences, as well as the vast resources of our global network and technological

expertise across AI, identity, cybersecurity and mobility, we collaborate with destinations across the world to help them to refine and improve destination strategies, while strengthening resilience with sustainable solutions.

As the travel and tourism sectors rapidly transform to meet and adapt to the evolving needs of tourists, communities and the environment, this white paper will seek to illustrate how tourism destinations are tailoring their offerings to tap into travelers' desire for rich experiences, how they are harnessing data and insights to improve marketing

and planning strategies, and how they are adopting cutting-edge technologies to enhance the traveler experience.

More than ever, tourism organizations need to optimize their marketing strategies to effectively manage over-tourism, capture the opportunities presented by an eventful economy and prioritize sustainability to mitigate environmental risks while ensuring inclusive economic development for communities and small businesses. The future success of the industry, and of our treasured destinations, depends on it.

Key trends driving future travel behaviors

Consumers' desire to travel again is fueling new behaviors. Mastercard's travel and tourism experts have compiled the key characteristics and motivations of tomorrow's traveler to help inform, advise and inspire our partners across the travel and tourism ecosystem to bolster destination value propositions, enlighten marketing strategies, and establish initiatives to promote environmental protection and inclusive growth.



The experience economy: still surging

One of the most powerful trends arising from the pandemic is consumers' desire to prioritize spending on experiences versus things, with travel topping the list. Recent findings from Mastercard's SpendingPulse Destinations showed that expenditures on experiences and nightlife totaled 12% of global tourism sales in the first quarter of this year, the highest value in at least five years.⁶ Globally, travelers are spending approximately one in every ten dollars on experiences and nightlife.⁷

Furthermore, in a Mastercard survey of over 16,000 people across 24 countries, nearly nine in 10 consumers stated they planned to spend the same amount, or more, on experiences in 2024 compared to 2023.⁸ A desire to enjoy new experiences is a major factor fueling travel behaviors. Twenty-six percent of respondents said this is the primary reason they travel, while 41% reported they would travel to another country, or even continent, just to enjoy an experience they are passionate about.⁹



More digital: more autonomous

Modern travelers want to not only travel more, but also smarter. An emerging trend even before the pandemic, it has only gained strength in recent years as travelers want to take control of their travel experience from door to door. Tourists are increasingly seeking full autonomy over their planning, booking and travel management experience. A 2024 survey from McKinsey & Company revealed only 17% of travelers used a travel agent to book a trip in the past year — they increasingly want full control and visibility over itineraries.¹⁰

Increasingly, tourists want the booking management experience to be entirely digital, and a vast majority say the quality of the digital experience is a key factor in booking. Undoubtedly, generative AI will play a role in the evolution of the traveler experience, giving them greater information, choice, control and autonomy throughout the journey.¹¹

6. Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.

7. Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.

8. Mastercard. [Europe's experience economy set to spring forward](#). Mastercard. March 26, 2024.

9. Mastercard. [Europe's experience economy set to spring forward](#). Mastercard. March 26, 2024.

10. McKinsey & Company. [The way we travel now](#). May 29, 2024.

11. Dept. Agency. [Digital Trends shaping the travel industry in 2024](#). March 28, 2024. Hilton. [The 2023 Traveler: Emerging Trends that are Innovating the Travel Experience](#). November 2022.



Seeking value: money still speaks

The global economic backdrop may be rosier than a few years ago, on average, however, consumers are still seeking value for money. Recent Mastercard research shows that in some markets, in-destination tourism spending on casual dining is outperforming fine dining, highlighting tourists' preferences for more budget-friendly choices.¹²

A Booking.com survey of 27,000 travelers revealed 50% of respondents want to travel to destinations with a lower cost of living than their home country.¹³ This trend is particularly notable in Europe, the recipient of more than 50% of international tourist arrivals,¹⁴ increasingly benefiting budget-friendly destinations including Bucharest, Warsaw, Budapest and Prague, while better-value beach holidays across the Costa Brava and Costa del Sol in Spain remain popular.¹⁵



Purpose-driven: sustainability and community

Overall tourist arrivals may be on the rise, but so too is the purpose-driven traveler. Gradually, greater numbers of travelers want to make more sustainable choices and leave a positive bearing on the destinations they visit.¹⁶ Booking.com's Sustainable Travel Report 2024 found that 71% of travelers want to leave the places they visit better than when they arrive, up from 66% in 2023.¹⁷

This encompasses not only environmental impact, but wider socioeconomic impact on the communities behind destinations. As tourists seek out unique experiences with a reduced carbon footprint, they are becoming more mindful of choosing destinations, tours or activities allowing them to experience more authentic, truly local experiences, while being mindful of supporting micro, small and medium-sized businesses. For some travelers, it is important to align travel choices with values and to prioritize spending in businesses that offer ethical consumption and accommodation.

12. Mastercard Economics Institute. [Travel Trends 2024: Breaking Boundaries](#). May 14, 2024.

13. Booking.com. [Travel Predictions 2024](#).

14. UN Tourism. [Global and regional tourism performance](#). July 22, 2024.

15. Mastercard Economics Institute. Did you know? [Where travelers go to splurge, save and party on European summer vacations](#). 2024.

16. Booking.com. [Sustainable Travel Data Reveals Ongoing Challenges for Consumers & Highlights a Heightened Opportunity for Cross-Industry Collaboration](#). April 22, 2024.

17. Booking.com. [Sustainable Travel Data Reveals Ongoing Challenges for Consumers & Highlights a Heightened Opportunity for Cross-Industry Collaboration](#). April 22, 2024.



Bleisure: here to stay

While business travel has been slower to catch up to leisure travel, its characteristics have evolved in recent years, creating new opportunities for tourism organizations.

Bleisure, the combination of business and leisure travel, is here to stay. A 2023 survey from Expedia Group found that over 75% of business travelers planned to incorporate leisure activities into their upcoming trips. Particularly prevalent with younger generations, 43% of millennials and almost 40% of Gen Z were committed to planning a bleisure trip over the next year.¹⁸



Next up

In the next section of this paper, we'll delve into each of these trends in further detail, showcasing how tourism organizations are responding to the challenges and opportunities presented by today's traveler, highlighting innovative approaches from countries and communities around the world.

18. Expedia Group. [2023 Traveler Value Index](#).

The engine of the future tourism economy

Passion is fueling today's travel. As tourists seek greater connections to natural landscapes, and with people, culture and history, destinations are tailoring their offerings accordingly. The absence of travel in 2020 and 2021 contributed to travelers' desire to prioritize moments that matter, particularly among younger generations.¹⁹ Today, personalization can go a long way in tapping into the desires of the average traveler.

Destinations are leaning into the experiences segment to highlight their diversity

For example, [VisitScotland](#) guides visitors to discover what it describes as "once-in-a-lifetime trips," itineraries that can only be found in the country. From traveling on a Jacobite Stream Train to sleeping in a centuries-old castle overlooking Loch Ness, VisitScotland highlights the significance of the country's exceptional experiences. That strategy appears to be paying off — there were 15% more international visitors in 2023, compared to 2019.²⁰



19. Forbes. [Gen Z Fuels the Experience Economy: Tourism & Attractions Brands Take Heed](#). May 8, 2023

20. VisitScotland. [International Tourism Performance](#).

Invest India is taking a similar approach to enhance its offerings to both domestic and international travelers alike

With support and guidance from the Ministry of Tourism, Invest India and Mastercard have launched an enhanced priceless.com[™] to redefine experiential travel in India while offering opportunities to encourage loyalty. Focused on developing compelling experiences across 10 dynamically evolving passion pursuits, including culinary, sports, entertainment and wellness, travelers can take advantage of unique India – partaking in a private yoga class with a celebrity yogi or staying at a historical mahal once owned by a royal family.²¹

India: redefining experiential travel with priceless experiences

This program seeks to tap into today's travel trends, catering to domestic and international visitors alike to explore hidden gems and satisfy travel enthusiasts' yearning for exploring incredible India.

- A sumptuous dinner coupled with breathtaking views of the iconic Qutub Minar
- Curated walks through the lanes and by-lanes of Old Agra
- A day of wellness with celebrity nutritionist Pooja Makhija
- A private yoga class with the celebrity yoga expert Anshuka Parwani
- Stays at grandiose mahals owned by royal families
- Bollywood special workouts with the famous Yasmin Karachiwala
- Exclusive food experiences



21. Mastercard. Mastercard and Invest India redefine experiential travel: unveil enhanced priceless.com in India for immersive cultural experiences. September 12, 2023.

A transformational tool for destination planning

Understanding every tourist to optimize each campaign

As tourism authorities seek to inform and shape their strategies and policies, the private sector can support them with data and analysis to generate valuable insights, creating long-term value and delivering a higher return on investment. Rich insights aid destinations in understanding and defining target travelers, attracting and scaling said travelers, enhancing and delivering destination offerings, and, importantly, measuring and improving initiatives. With quality data, destination management organizations can move beyond the merely insightful to the transformative.



One critical way in which public-private collaborations leveraging data are transforming destination planning is through sustainability policies and initiatives. With better quality data revealing traveler perceptions around sustainability, destination management organizations can tailor offerings to produce a more sustainable trip and encourage responsible consumption.



Turespaña, Spain's destination marketing organization, has upended its marketing strategy in recent years to prioritize sustainability. As global traveler interest in Spain touches new highs, the world's second most-visited country is seeking to reinforce its commitment to environmental protection and incorporate sustainable procedures across its tourism value chain while facilitating more genuine connections between tourists and local Spanish culture.²²

To support this objective, Mastercard performed an analysis exploring international tourists' attitudes visiting Spain, while analyzing the potential spend propensity for sustainable experiences in the country. The findings demonstrated nearly 70% of tourists interviewed would pay a 5% premium for a more sustainable trip. Yet, nearly a third of travelers reported that the main barrier to making more sustainable choices was due to insufficient data around which travel options were most sustainable.²³

+5%

The majority of tourists said they would pay a 5% premium for a more sustainable trip

1/3

Nearly a third of travelers said that a lack of data around sustainable travel options is a barrier

Insights can similarly inform destination strategy and marketing campaigns to better monitor and mirror evolving tourism corridors. The first quarter of 2024 witnessed a robust recovery in China's inbound and outbound tourism economy, reaching 141 million travelers, or 83% of the total volume in the same period in 2019.²⁴

Like travelers across the world, the outbound consumption behavior and preferences of Chinese tourists have evolved. A Mastercard analysis of aggregated, anonymized spending data across the top 10 destinations for Chinese outbound travelers revealed high-spending tourists were the first to resume outbound travel, with expenditures on flights and hotels coming in significantly higher than pre-pandemic levels.²⁵ Equipped with granular data produced by anonymized and aggregated spending data, tourism authorities can make informed decisions about marketing strategies, with greater precision in identifying target travelers, and therefore deliver a greater return on investment.

22. Skift. Q&A: [Spain Launches Global Dialogue on Sustainable Tourism with New Series](#). July 12, 2024.

23. Mastercard. [España, considerada uno de los mejores destinos turísticos para los viajeros sensibles con la sostenibilidad](#). June 5, 2023.

24. World Tourism Alliance, Mastercard, trip.com, Alipay. [Cross-border Tourism Consumption Trends Report](#). July 2024.

25. World Tourism Alliance, Mastercard, trip.com, Alipay. [Cross-border Tourism Consumption Trends Report](#). July 2024.

Seizing the moment in the eventful economy

Eventful Economy: The Swift Lift

+68%

Spending growth at restaurants was lifted by an average of 68% per day over the duration of the tour in the immediate vicinity of the stadium (2.5-mile radius)

+47%

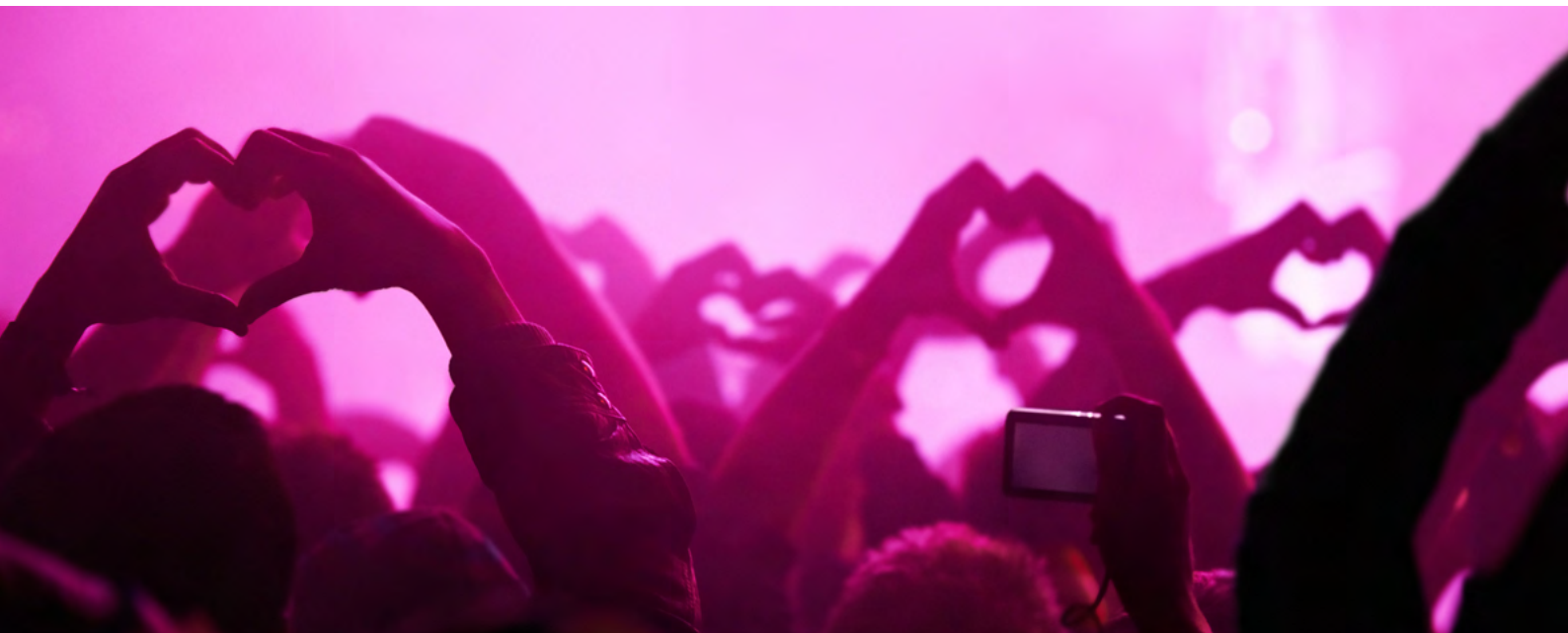
Spending growth at accommodations was raised by 47% in the immediate vicinity of the stadium and up a similar 32% for the 10-mile radius

Source: Mastercard Economics Institute.
[Eventful Economy: The Swift Lift](#).

Buoyed by passion-driven travel and the desire for experiences, destinations can also leverage data to measure the impact of major events, including sports, exhibitions, festivals and more. Spending data can help destinations to assess key dimensions across geography and time with embedded granularity, addressing both the macro and the micro. Aggregated, anonymized spend data can help destinations to answer questions including "What is the cumulative economic impact of a major event?" and "What are the relative contributions of residents versus international and domestic tourists during this period?"

The Mastercard Economics Institute analyzed the "[The Swift Lift](#)" to dissect the economic impact of pop star Taylor Swift's "The Eras Tour" to provide better visibility on the local economic boost across the tour's 20 stops in the United States in 2023. The findings showed spending at restaurants, accommodation and retailers saw a major boost.²⁶

By deploying a "synthetical control" methodology using machine learning to create a simulation where the event never took place, tourism organizations can measure impact and ultimately improve future decision-making around major events.



26. Mastercard Economics Institute. [Eventful Economy: The Swift Lift](#). February 2024.

Coordinating visitor movement

Data and insights are also critical tools when optimizing visitor flows. With support from the private sector, destinations are empowered to build and manage comprehensive data monitoring and forecasting systems. With inputs from governments, online travel agencies, social media platforms and payment networks, anonymized and aggregated data can be gathered and analyzed, safely and securely, from multiple sources in near real time.

Subject to intense overcrowding in its dense center, Prague's municipal government wanted to better understand visitor behavior to effectively manage and ease congestion. Prague City Tourism collaborated with Mastercard to conduct a microanalysis analyzing spending, visitor activities, movement and concentration to inform the city's tourism recovery. The study established a new data framework to avoid overcrowding in Prague's 300x300m city center, empowering the city government to inform strategic and operational decision-making, while providing better visibility into tourist behaviors and preferences.²⁷

POWERING PRAGUE'S TOURISM RECOVERY



Tourism Insights provide us with trends, developments and consumer spend insights in the travel market. These data points are essential for taking qualified and data-driven strategic decisions and therefore streamline the efficiency of our activities.

–Josef Říkovský, Prague City Tourism

Similarly, in Amsterdam, the city's tourism organization harnesses data gathered from social media and tracks traveler behavior through the tourist-friendly Amsterdam City Card. It deploys marketing tactics to promote lesser-known areas of the city with the goal of routing tourists away from some of the more crowded neighborhoods.²⁸ As over-crowding continues to pose challenges for destination management organizations, data providing visibility into traveler behaviors will be crucial in attracting desired travelers at appropriate intervals and in off-peak seasons.

27. Mastercard Tourism Innovation Hub. [Propelling Prague's tourism revival through data insights](#).

28. McKinsey & Company. [The state of tourism and hospitality 2024](#). May 2024.

How to support communities and strengthen destinations



Today, public sector tourism authorities in every continent are grappling with the tremendous challenge of balancing the sector's growth while mitigating the severe risks presented by climate change, uneven economic development and a growing digital divide. Technologies across the tourism value chain offer solutions to protect ecosystems, enhance offerings to encourage responsible consumption, and empower tourism micro, small and medium-sized enterprises (MSMEs).

Mastercard's global [Tourism Innovation Hub](#) (the Hub) collaborates with governments, public sector tourism authorities, the private sector and NGOs to co-create solutions, harnessing technological expertise and public-private partnerships, with the shared goal to build a more sustainable, inclusive and resilient sector.

[The Travel Foundation](#), an NGO, sustainable tourism organization and early member of the Hub, partners with destinations and the private sector to advocate for and enable a different model of tourism that is in balance with community needs and the environment. Together, we are working with tourism organizations to develop an end-to-end strategy to decarbonize the tourism value chain, while deploying solutions to SMEs to help them cut carbon emissions.

Another ambitious and pioneering initiative is the Smart Destination Platform, a project developed by Spain's State Secretary of Tourism through [SEGITTUR](#). The digital public infrastructure platform aims to merge, gather and unify public and private data to enhance competitive intelligence for interoperability across the ecosystems of Spanish destinations, while seeking to also foster continuous innovation, connect and address the needs of all stakeholders in the tourism value chain: tourists, destinations and businesses.²⁹



Digital public infrastructure fosters digital and economic inclusion by providing essential services in a more equitable and accessible way. This paradigm strengthens the ability of destinations to respond quickly to crises and drastic changes in markets through technological solutions and innovation.

–Enrique Martínez Marín, President, SEGITTUR

29. SEGITTUR. [Smart Destinations Platform](#).

At Mastercard, we're committed to leveraging our technology and data expertise to bridge the digital divide by providing MSMEs across the world with tailored guidance and tools to support their growth. Policies and investments that encourage the use of digital solutions, enhance digital skills development and improve access to credit can significantly benefit tourism-focused MSMEs.

In Costa Rica, the Instituto Costarricense de Turismo, a member of Mastercard's Tourism Innovation Hub, is advocating for such measures to ensure that increased tourist traffic translates into better opportunities for MSMEs. In 2023, the institute launched Tico Treasures, a platform that connects tourists with Costa Rica's Crafts with Identity program, which supports more than 300 artisans from 17 collectives across the country.³⁰

The platform enables visitors to discover local Costa Rican products, learn about artisan communities, and purchase and ship goods back to their home countries, all within a single digital platform. In collaboration with Mastercard, Correos de Costa Rica and Banco de Costa Rica, the initiative provides tourists with more authentic experiences, expanding citizens' access to the digital economy and strengthening the resilience of MSMEs.



30. Instituto Costarricense de turismo. Mipymes turísticas ahora podrán vender sus productos en línea a través de la plataforma tico treasures. December 14, 2023.



From generative AI to Tap & Ride: staying ahead of what comes next

Interview with Quim Martínez Bosch, Vice President, Public Sector Center of Excellence and Tourism Segment Lead, Mastercard

Q: How is artificial intelligence establishing new opportunities across the tourism value chain?

A: AI may be the defining tech of our time, heralding a new era of innovation. AI tools have democratized access to vast amounts of data, allowing for governments, businesses and people to synthesize information at the speed tourists and tourism businesses demand. Use cases for generative AI in the tourism sector are still emerging, but we know that the only AI is responsible AI — ethical, transparent, reliable and beneficial for all tourism stakeholders.

Q: How will destination platforms, or super apps, transform the traveler experience?

A: Today, travelers are confronted with a confusing, often multi-channel experience when trying to plan and manage a trip. Increasingly, destination platforms, or super apps, provide an opportunity to streamline the traveler journey and provide a greater level of personalization. Super apps and destination platforms, including the Visit Greece app and SEGITTUR's Smart Destination Platform, can enhance the traveler experience while delivering benefits to the local economy. A more seamless visitor experience consolidating multiple services into one platform can encourage longer stays and repeat visits, while integrated payment systems encourage tourists to explore and provide a continuous spending experience within a destination.

Q: What does the future of frictionless transit in tourism look like?

A: As tourism destinations seek to enhance the traveler experience while improving environmental sustainability, seamless transportation options must be established to help tourists get from A to B. Integrated transportation networks that combine many different modes, including flights, trains, buses and micromobility options, can allow seamless transitions between transportation networks with a single ticket. Furthermore, tap and ride will become ubiquitous, as contactless payment networks expand, facilitating the use of mobile wallets and super apps allowing travelers to pay for transit seamlessly.

Q: How is emerging technology driving sustainable outcomes in the tourism industry, and what specific innovations do you believe will have the most significant impact in the coming years?

A: In recent years, various technologies have helped the tourism and travel industries to optimize the management of facilities and infrastructure by enabling access to greener energy, reducing resource consumption and emissions, and improving waste management. However, these efforts alone are insufficient to achieve net-zero emissions. Mastercard's Tourism Innovation Hub recognizes the potential of AI to move the needle on developing more sustainable tourism. Our experiences and insights from sustainability research highlight that one of the main barriers preventing SMEs and travelers from adopting more sustainable behaviors is the lack of trustworthy information or the ability to navigate through it effectively. With the advent of generative AI tools, both SMEs and travelers can be empowered to make better, more informed consumption decisions in real time. We are collaborating with Hub partners to integrate new solutions to support destinations in the promotion of sustainability across the value chain.

In an era where traveler expectations are evolving rapidly, destinations that wish to stay ahead must do more than just keep pace

By offering unique, memorable experiences that resonate on a personal level, destinations can differentiate themselves in a crowded market. Harnessing the power of data insights allows destinations to understand and predict traveler behaviors, informing and improving campaigns. Embracing new technologies enhances the visitor experience, creating seamless, personalized journeys that begin long before arrival and continue long after departure.

As destinations embark on a journey to tomorrow, Mastercard's Tourism Innovation Hub stands ready to partner and seize the opportunities presented by the industry's transformation, co-creating innovative solutions that benefit travelers, communities and economies. Through collaboration with industry stakeholders, the Hub is pioneering new approaches to elevate the traveler experience and create a more sustainable, inclusive and resilient tourism sector.

Together, we can create a future where destinations not only meet but exceed the expectations of the modern traveler, driving long-term success for all.

Learn how Mastercard is working towards a more sustainable, resilient and inclusive tourism industry.

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