LEADING INNOVATION

Redefining how innovation can transform the future of tourism
THE MIDDLE EAST IS PRIMED FOR GROWTH IN THE TRAVEL AND TOURISM SECTOR

Significant investments in Travel and Tourism (T&T) have positioned the Middle East as a leading tourist destination.

### THE KINGDOM OF SAUDI ARABIA

**Saudi Vision 2030**

- **100mn visitors a year by 2030**
- **NEOM**
  - The city of the future for 1mn citizens
  - $500bn investment

### QATAR

**Qatar National Vision**

- **10mn expected annual tourists by 2030**
- **$45bn in tourism-related activities**

### UNITED ARAB EMIRATES

**Expo 2020 Dubai**

- **15mn visitors over 6 months, 70% from outside UAE**
- **GITEX Technology Week**
  - **100,000 visitors**
  - **$15bn of hospitality projects underway in Dubai**

### INVESTMENT STREAMS

- Theme parks, mega shopping malls and new attractions
- Relaxed visa restrictions

### T&T INDUSTRY ABSOLUTE $ VALUE GROWTH

As a result, the industry’s contribution to the region’s economic growth and diversification is expected to accelerate at pace - with a projection of nearly 3X growth in the next 5 years.

<table>
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<tr>
<th>2015-19</th>
<th>2020-24</th>
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<td>$11bn (9% of 2015 base)</td>
<td>$29bn (22% of 2019 base)</td>
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### INTERNATIONAL RECEIPTS AND ARRIVALS

**RECEIPTS GROWTH:** $55bn (2015) to $67bn (2019) to $89bn (2024)

**ARRIVALS GROWTH:** $42mn (2015) to $46mn (2019) to $64mn (2024)
WITH GROWTH, COMES DISRUPTIVE THREATS THAT ARE INCREASINGLY ON THE RISE IN THE T&T SECTOR

T&T faces inescapable exposure to disruption.

Selected disruptive forces

60% More than 60 travel startups with headquarters in the Middle East

40% Of travellers would be more loyal to an airline, hotel or agency in return for a personalised service

TECHNOLOGY

AI | ANALYTIC BLOCKCHAIN | MOBILE

T&T executives are aware of the threat of disruption but are unprepared to effectively navigate it.

87% of companies expect their industry to be disrupted by new innovations in the next three years

70% of companies are unsure or dissatisfied that their company’s innovation efforts will position them well to overcome future disruption

Executives in the middle of a wave of disruption tend to make cautious moves – a mindset that could prove very risky in the reality of fierce disruption.

43% of companies continue to compete in their legacy businesses using mostly traditional approaches

67% of companies focus on incremental innovation
NEARLY ALL DISRUPTIONS ARE CAUSED BY INNOVATIONS, MAKING INNOVATION THE SOURCE OF DISRUPTION

Retail industry was upended by the arrival of online shopping. T&T has already seen shifts in the way people use technology to make hospitality and travel bookings.

MANAGING DISRUPTION SUCCESSFULLY IS WHY INNOVATION MATTERS

INNOVATION MATURITY INDEX

PILLAR 1 INNOVATION BY DESIGN | PILLAR 2 INNOVATION PRACTICES

- Innovation Strategy
- Innovation Architecture
- Innovation Culture
- Hyper Relevant
- Technology Propelled
- Data Driven
- Network Powered
- Asset Smart
- Talent Rich
- Inclusive

A sharp divide exists between those on the winning side of innovation and those being disrupted by it.

Innovation maturity index scores 2019 (out of 100)

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<th>Innovate by Design</th>
<th>Innovation Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of the Market</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>T&amp;T Industry</td>
<td>59</td>
<td>57</td>
</tr>
<tr>
<td>Innovation Champions</td>
<td>76</td>
<td>75</td>
</tr>
</tbody>
</table>

7% of the sample size
THE INNOVATION CHAMPION APPROACH

INNOVATION CHAMPIONS DO THINGS DIFFERENTLY

1. Champions use innovation to strategically pivot their business to the NEW.

71% of Champions (vs 40% of T&T companies) use innovation strategically to unlock value in the legacy and new businesses.

2. During design, Champions differentiate in Culture and Architecture building.

**15 point gap** between the T&T industry and Innovation Champions on the Index.

3. Champions stand out across all innovation practices and see data as the alpha trend.

Average point difference between T&T industry and Innovation Champions:

**18 points across all 7 practices.**

- **Hyper Relevant**
- **Technology Propelled**
- **Data Driven**
- **Network Powered**
- **Asset Smart**
- **Talent Rich**
- **Inclusive**

**89 points (highest scoring practice)**

Data Driven

Innovation Champions: +13

T&T industry
USING DATA EFFECTIVELY HELPS LEADERS POWER THEIR PIVOT

BUT MOST T&T COMPANIES ARE CHALLENGED TO CONVERT THEIR ACCESS TO DATA INTO VALUE - CREATING A DATA VALUE GAP.

The exponential growth in data amplifies the opportunity for enterprises to be more insight led in delivering business value. Data led activities applied at the foundation can help increase data quality, trust and create efficiencies to transform the core business and improve current value of operations.

At the same time building a solid data foundation is critical to set up an analytics and AI capability to power the new.

Closing the Data Value Gap

The exponential growth in data amplifies the opportunity for enterprises to be more insight led in delivering business value but most T&T companies are challenged to convert the access to data into value creating a Data Value Gap.

10X the amount of data in 2017 will be created by 2025

Only 30% of T&T companies in the Middle East reported being able to realise tangible and measurable value from data

Data Value Gap: Challenge 1
Poor data quality
1 in 2 companies say their data quality is incomplete, inaccurate, and unsecure

Data Value Gap: Challenge 2
Siloed and slow data
50% say the flow of data throughout their business is not seamless

Data Value Gap: Challenge 3
Lacking a data strategy and culture
77% lack a clear vision with defined objectives for their analytics journey with no underlying operating model
Located in Dubai, the Tourism Innovation Hub will help our industry partners address business challenges and keep pace with rapid change. The Hub brings together the region’s best minds and global cutting-edge technology to reinvent the future of tourism.

Accenture Middle East helps T&T businesses immerse themselves in an environment that encourages collaboration with our innovation leads, subject matter experts and tourism ecosystem partners to inspire, ideate and impact.

Offerings and capabilities:

At the Dubai Tourism Innovation Hub, industry leaders can co-create transformative experiences with pioneering digital solutions, global capabilities and local know-how.
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