accenture

LEADING INNOVATION

Redefining how innovation can transform the future of tourism

MIDDLE EAST
TOURISM
INNOVATION
MATURITY INDEX

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
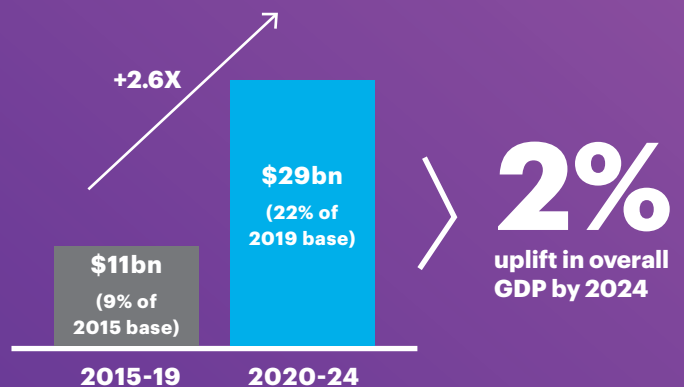
INVESTMENT STREAMS

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.
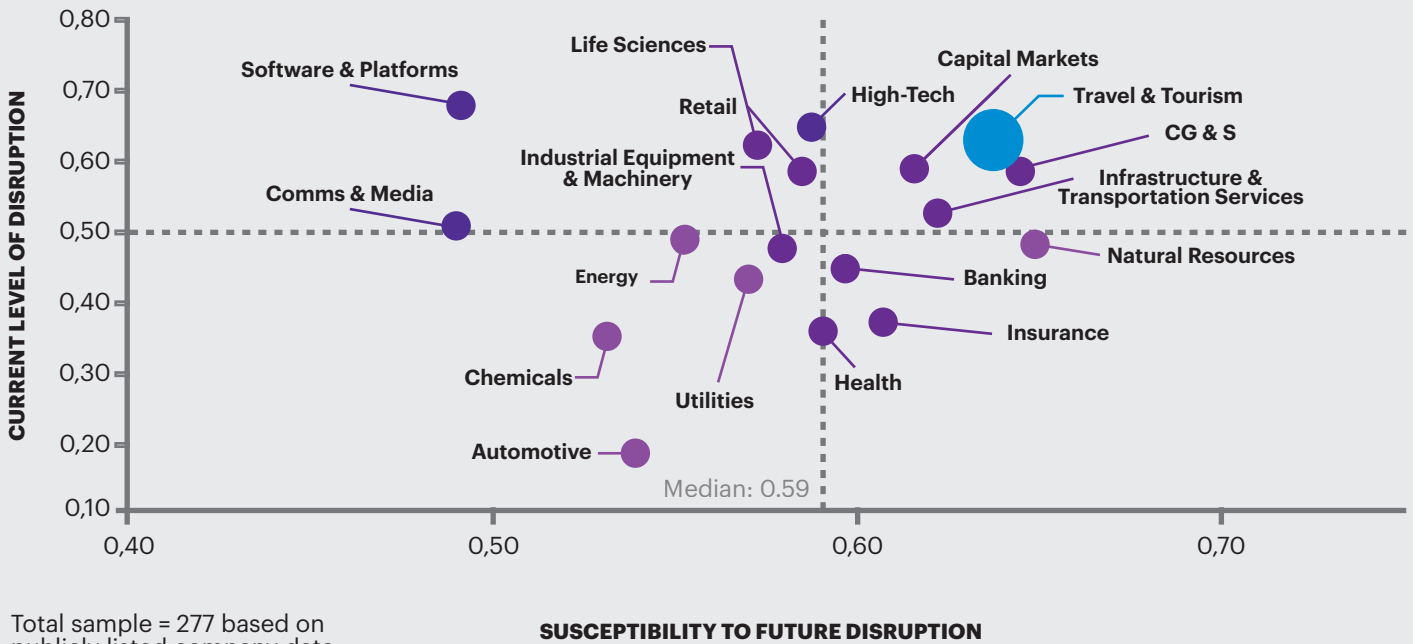
+2.6X

$11bn (9% of 2015 base) — 2015-19

$29bn (22% of 2019 base) — 2020-24

2% uplift in overall GDP by 2024

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.

CURRENT LEVEL OF DISRUPTION (y-axis: 0,10 to 0,80)

SUSCEPTIBILITY TO FUTURE DISRUPTION (x-axis: 0,40 to 0,70)

Plotted points: Software & Platforms, Life Sciences, Capital Markets, Retail, High-Tech, Travel & Tourism, CG & S, Industrial Equipment & Machinery, Comms & Media, Infrastructure & Transportation Services, Natural Resources, Energy, Banking, Chemicals, Utilities, Health, Insurance, Automotive

Median: 0.59

Total sample = 277 based on publicly listed company data

🔵 **Selected disruptive forces**

60 More than 60 travel startups with headquarters in the Middle East
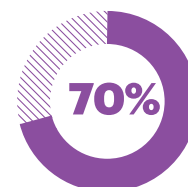
40% Of travellers would be more loyal to an airline, hotel or agency in return for a personalised service

TECHNOLOGY
AI | ANALYTIC BLOCKCHAIN | MOBILE

T&T executives are aware of the threat of disruption but are unprepared to effectively navigate it.
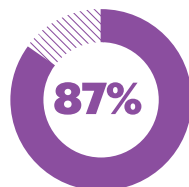
87% of companies expect their industry to be disrupted by new innovations in the next three years

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
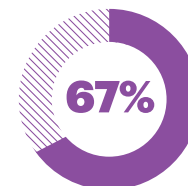
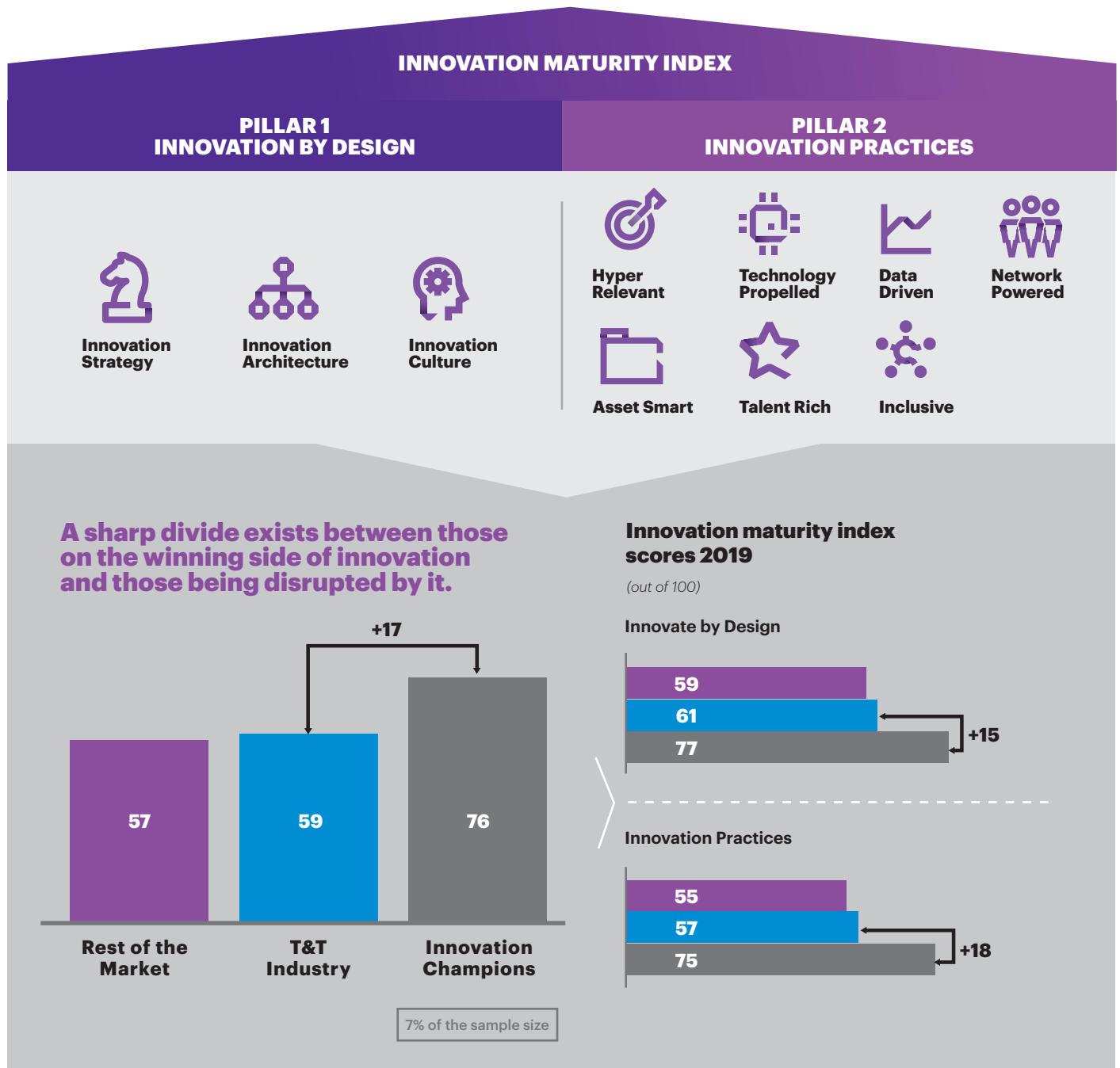**67%** of companies focus on incremental innovation

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.

amazon

airbnb

Uber

holidayme

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.

+17

Rest of the Market	T&T Industry	Innovation Champions
57	59	76

7% of the sample size

Innovation maturity index scores 2019

(out of 100)

Innovate by Design

59	
61	
77	+15

Innovation Practices

55	
57	
75	+18

4

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.**

Innovation Culture

15 point gap

between the T&T industry and Innovation Champions on the Index.
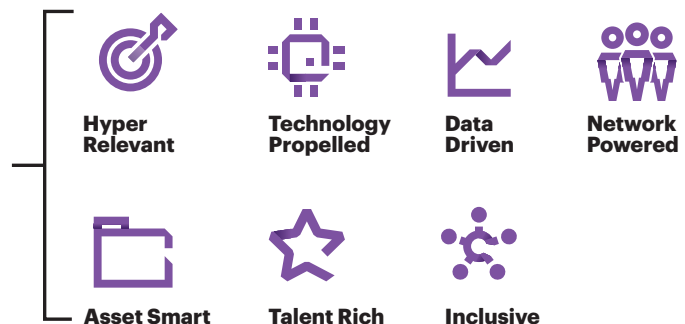
Innovation Architecture

27 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.**

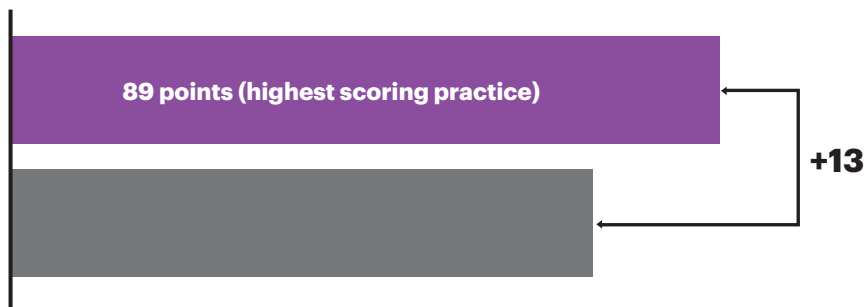Average point difference between T&T industry and Innovation Champions:

18 points across all 7 practices.

Hyper Relevant

Technology Propelled

Data Driven

Network Powered

Asset Smart

Talent Rich

Inclusive

Data Driven

Innovation Champions — 89 points (highest scoring practice)

T&T industry

+13

USING DATA EFFECTIVELY HELPS LEADERS POWER THEIR PIVOT

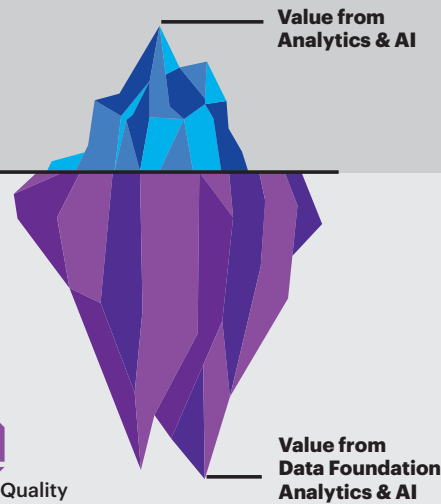## BUT MOST T&T COMPANIES ARE CHALLENGED TO CONVERT THEIR ACCESS TO DATA INTO VALUE - CREATING A DATA VALUE GAP.

1 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.

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

Powering the Pivot with Data

2 POWER THE NEW

Value from Analytics & AI

3 BUSINESS VALUE

Business Growth

Operational Excellence

1 TRANSFORM THE CORE AND SET UP THE NEW

Optimised Customer Experience

Innovative Products & Services

Data Efficiencies

Data Trust

Data Quality

Value from Data Foundation Analytics & AI

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.

Potential Derived Value From Data

Current Derived Value From Data

Data Value — (y-axis)

Data Volume — (x-axis)
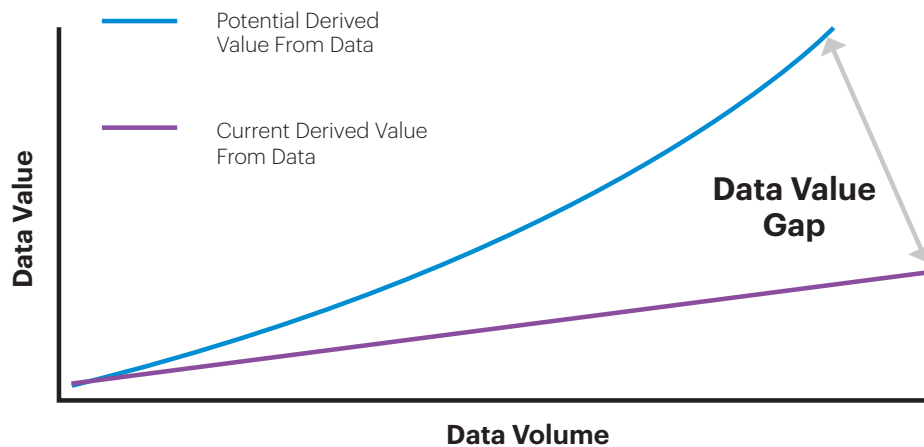
Data Value Gap

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, inacurate, and unsecure

Data Value Gap: Challenge 2
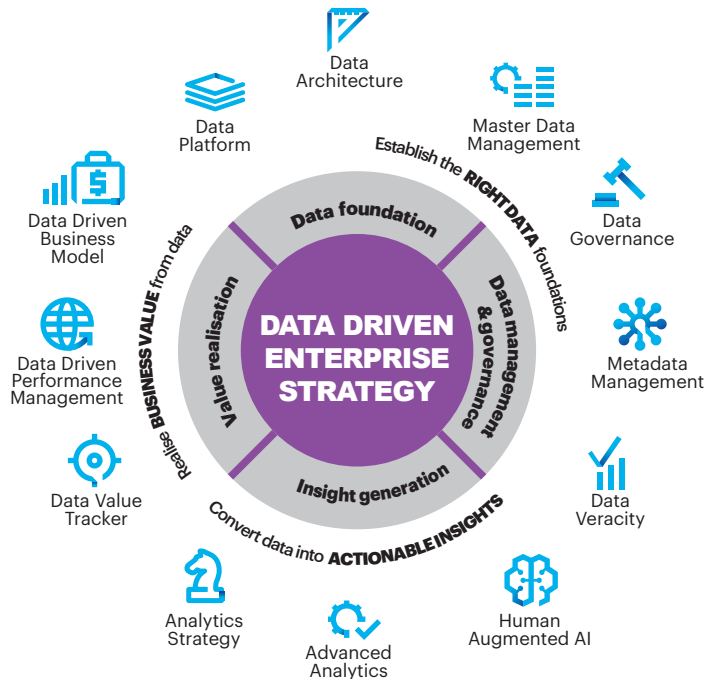**Siloed and slow data**

50% say the flow of data throughout their buisness 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

ROADMAP TO CLOSING THE DATA VALUE GAP

By being data-driven, Innovation Champions unlocked trapped value in data by investing **12 capabilities to achieve 4 outcomes.**

Data Architecture
Data Platform
Master Data Management
Data Governance
Data Driven Business Model
Metadata Management
Data Driven Performance Management
Data Value Tracker
Data Veracity
Analytics Strategy
Advanced Analytics
Human Augmented AI

Establish the RIGHT DATA foundations
Realise BUSINESS VALUE from data
Convert data into ACTIONABLE INSIGHTS

DATA DRIVEN ENTERPRISE STRATEGY

Data foundation
Data management & governance
Value realisation
Insight generation

1	**BUILD A SOLID DATA FOUNDATION** They integrate data across the enterprise in a structured way to provide faster access to trustworthy data that can be used to drive insights and real-time decision making. **Response Rate	Champions: 70% vs T&T: 39%**
2	**OPERATIONALISE DATA MANAGEMENT AND GOVERNANCE** They focus on controlling and managing data at scale so that it can be leveraged as an enterprise-wide strategic asset A. **Response Rate	Champions: 73% vs T&T: 44%**
3	**CONVERT DATA INTO ACTIONABLE INSIGHTS** They leverage analytical insight generation to serve as the gateway to insight-powered enterprises; integrating data driven decisions across the business functions. **Response Rate	Champions: 57% vs T&T: 24%**
4	**REALISE VALUE FROM DATA** They ensure implementation of analytics strategy is generating business benefits and driving sustainable returns for the enterprise. **Response Rate	Champions: 65% vs T&T: 34%**

DUBAI TOURISM INNOVATION HUB

Transformative experiences start here.

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.

1 SMART INDUSTRY SOLUTIONS
Deliver smart, scalable business solutions for clients in the Tourism ecosystem.

2 INNOVATION
Develop innovative concepts and ready to use POCs, driving innovation for clients.

3 RESEARCH
Conduct thought leadership & research and application of new technologies.

4 STARTUPS
Scout and incubate startups, providing open innovation with clients.

5 DATA INTEGRATION
Connect the tourist experience by integrating partner data.

6 TECHNOLOGICAL EXPERTISE
Leverage technologies like augmented reality, machine learning and NLP, machine vision, IoT, 3D visualisation and spatial audio AR.

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ABOUT ACCENTURE

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