

Does Tourism 4.0 answers the needs of baby-boomers?

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Abstract: *New technologies have lately decisively entered our personal lives as well as penetrated our businesses, including tourism. Our paper discusses the role of technology in transformation of traditional high-touch services, co-created by tourism personnel, into high-tech services performed by tourists themselves in 'do-it-yourself' (DIY) way. The participant-observation research method has been applied to present the problem. The results point out certain types of services that are becoming hardly available to tourists without adequate digital equipment and certain technical competence. DIY type of services can be particularly challenging to the 'silver' tourists of the baby-boom cohort who are typically not as digitally competent as is younger travelling generation. The findings open serious questioning over general ability of tourists to physically, psychologically and culturally follow the pace of such technological change.*

KEYWORDS: TOURISM 4.0, NEW TECHNOLOGIES, BABY-BOOMERS, TOURISM SERVICES

1 Introduction

In 21st century, tourism industry has been speeding-up its growth generally thanks to favourable external economic factors. Subsequently to growth, the tourism services have adapted to socio-cultural (e.g. aging population) and technological changes (implementation of new technologies) in global environment.

Two demographical cohorts – baby-boomers and millennials – have in the new millennium become particularly important tourism segments. Baby-boomers are people born after the Second World War until mid-sixties while the millennials are those born between the 80ies and early 90ies (Santos et al., 2016, Kotler et al., 2017). These demographic cohorts represent two largest segments of tourists; however, the age difference contributes to their different approach in the way in which they organise travel and what kind of tourism services they prefer.

Among factors of external environment, the technological factors have significantly shaped the tourism ecosystem. Laptops, computer programs, smart phones and smart phone applications, information communication technologies (ICT) and high-speed internet (Bloomberg, 2018) enable tourists to design their travel to their preferences. On the other side, tourism services suppliers were able to implement new business models, generally highly supported by technology.

While the process of creation of tourism services in the 20th century was still predominantly people-oriented, in the new millennium suppliers have been gradually replacing people with machines and technological solutions (Tussyadiah, 2017). Conventional tourism services that used to involve personnel are increasingly changing to technological-based services. 'New reality of pandemic' has even sped up the infiltration of technological solutions without any human presence on the suppliers' side (Stankov and Gretzel, 2020). The 'mantra', how efficient, effective and affordable technologically-based services are, seems to overcome the voice of the customers, tourists, who may not be all so keen of transformation of traditional tourism services from 'high-touch' to 'high-tech'.

This transformation is an issue particularly with baby-boomers who are generally not so familiar with new technological solutions and are not as digitally literate as millennials are. The current research shows that Tourism 4.0 puts too much emphasis on the efficiency of technological solutions, while simultaneously neglecting real-life experience of their consumers, tourists (Pencarelli, 2020).

The question arises whether tourists really want the technological supported services to such extent and speed as they are currently confronted with. The study discusses this issue by giving some vivid examples as to how unpleasant or even disturbing experience it might be for tourists, particularly those who are not used to 'do-it-yourself' (DIY) service offering. Some of the crucial issues related to transformation of conventional tourism to e-tourism, smart tourism or Tourism 4.0 are the following: Firstly, has customers experiencing tourism really changed so much that they rather communicate and co-create their services with machines and not with people anymore. Secondly, were we can find in technology-based tourism services the element of hospitality, which used to be so crucial in tourism (Marchetti, 2020)? Hospitality still is –

according to (Wali, 2017) – one of the most important characteristics of people, the feeling that can be expressed only by people and which personify the relations among people (Kramer, 2019). Last, but not the least: how can we balance between conventional people-based tourism services and the e-services performed in interaction with the machines?

2 Theoretical framework

The terms 'high-touch' and 'high-tech' were introduced by Naisbitt decades ago when forecasting the social and economic megatrends (McDonnell, 2018). The personal service (high-touch) refers to human, emotional side in business relations that demands close relationship with the customer. The high-tech services are performed by customers themselves using the technological solutions for e.g. chatbots, applications, self-service machines, artificial intelligence etc. With the latest, the personal involvement of the service provider is not (always) necessary, while technological-based services might be performed/executed by interaction of customers with the technology. Emotions does not play a significant role in service performance. Each action is simply a step forward to the service completion. High-tech services do not include a notion of authenticity, which is needed at high-touch services.

New technologies, which are based on high-speed internet and network 2.0, accompanied by extent use of social media and mobile applications, have brought tourist and tourism suppliers to a closer cooperation, to active co-creation of tourism experience and to sharing them digitally with others (Neuhofer et al. 2015).

Services in tourism used to be of more high-touch nature than high-tech one. However, the fact is that in tourism we are increasingly dealing with the set of digital technologies developed originally for other industries and dubbed as Industry 4.0. The term Tourism 4.0 has been coined to highlight the technological changes (Starc Peceny, 2019; Zupan Korže, 2019) that has been rapidly embraced by suppliers of tourism services. Like it or not, tourists have been pushed to adapt to conditions set by suppliers; moreover, modern technology-based tourism services have changed the model of tourism services, which are more and more based on the principle DIY (McGuire, 2015).

Technology has significantly transformed creation and consumption of tourism services and the creation of tourism experiences in general (Gretzel and Jamal, 2009). In the consumer-focused society, consumers have been given such an important role in creating and consuming products/services that Ritzer and Jurgenson (2010) coined special term for them: 'prosumers'.

McDonnell (2018), however, shows that the rapid use of technology and digitalisation in our lives can bring a strong counter-effect. It might happen that in the technology-based era a growing need for people touch will appear again. Duality already exists: some people are attracted to high-tech services, while the other part try to run from it (Naisbitt and Naisbitt, 2017).

Technological advancement and innovation in the offering of tourism services have reflected in the differentiation of consumers' expectations. Some want suppliers to follow their expectations and design a personalized service. This is also the case in tourism and

hospitality industry (Kramer, 2019). Such expectations are particularly relevant for millennials that are also called generation Y, echo-boomers, tech-generation, and web generation, etc. (Santos et al. 2016, Kotler et al., 2017). They present one quarter of the world's population; by 2025, they will present half of the tourist population of the USA (Dimock, 2019; Kramer, 2019). They are the cohort that likes to travel and has from early life embraced the technology as well as gained technological competencies. They like to communicate using technological intermediaries: computers and mobiles (Kramer, 2019). Millennials are educated, self-centred, well-off, constantly 'connected' and highly technologically/digitally competent.

Baby-boomers, much earlier generation, present another quarter of world's population. Like millennials, they are also well-off and keen to travel. They have become one of the strongest forces for designing the market environment and tourism services (Kotler et al., 2017). However, their technological literacy differs, typically falls with age. Part of them are 'technology emigrants' who do not use the technology, apart from mobiles for calls and messages (Prensky, 2001). The other part is skilled in the use of technology, yet, not so much as millennials (Krishen et al., 2016). How many of the baby-boomers are technology literate, depends on the development level of the country.

While the older generations are more reluctant to accept new technologies, the technological generation gap between baby-boomers and millennials has been increasing (Nominet, 2017).

3 Research design

Data was collected using a research method of participant-observation. This method is a special mode of observations' methods, in which the participant is not merely a passive observer (Yin, 2018; DeWalt and DeWalt, 2011). He/she can be involved in variety of roles within the field-work observation and may actually participate in the action been studied. The method has been chosen while it can add new dimensions for understanding the actual use of new technologies (ibid.).

The first researcher, a member of baby-boomer's cohort, put herself in the position of participator-observer in various consumption opportunities of tourism services in 2021. Her data collection is based on her own experiences and observed experiences of the travellers, which were found in the similar position as she was.

Each observation has been shortly noted soon after each experience and further on transformed into a typed field report. The field reports have been processed with the method of content analysis, starting with the coding process and in the continuation using guidelines of Miles et al. (2014). In the first cycle of coding, the field notes have been labelled according to the essence/theme of the event. The further processing consist of labelling and extracting the most important parts of the field notes.

The finding are presented in descriptive way.

4 Results

The research has been focused only to those situations that – when performing technology-based tourism services in DIY way – create unpleasant experience to the observer. Situations have been presented by their themes/essence, starting with inconveniences that occurred in travel preparation and continuing to other inconvenient real-life travel situations.

In preparatory phase of travel, e.g. choosing the destination, places and attractions to visit, etc., technology might be supportive. However, if the future tourist is not equipped with the adequate hardware and software, she/he might find herself/himself in the rather unpleasant situations in the following steps.

Booking a flight is the starting point of tourist's travel experience after he/she has already chosen the desired destination. Several reservation/purchasing platforms offer variety of choices to the tourists. With simple 'clicks' on the computer/mobile screen, she/can choose the most appropriate flight.

In our case, the observer has managed to perform all necessary steps toward purchasing the airline ticket, apart from the payment execution. The system refused to proceed the monetization of the

credit card payment for several times. As the purchase of the flight ticket was performed in the afternoon, it was not possible to check with the bank what went wrong. Next day, the bank employee revealed the real cause: the platform has implemented a new app for verifying purchases. In the next step, the observer wanted to download the necessary application for payment verification on her mobile phone, but unsuccessfully. The phone did not support the needed bank application: it was too 'old' for that.

After a few days, when the purchase of new smart phone and installation of the adequate application has been done, the observer has finally managed to purchase the airline ticket. However, the price has been 20 % higher as it was in the initial phase.

FINDINGS: Without adequate computer/mobile phone and adequate applications, the on-line purchase might be delayed and when finally done, more expensive.

At a car-rental reservation, the observer has successfully booked the car, but later tried to purchase additional car insurance. The reason for refusal of payment on the chosen platform remained unknown. Instead, the observer decided to purchase insurance on-site. Yet, the price for insurance executed on-site was almost twice as much as it should be via platform.

FINDINGS: The onsite purchase might be of much higher price than online.

Some airlines enable the travellers to *check-in the flight* with computer or mobile. In our case, the observer has been already used to this kind of DIY procedures and has performed it from home. However, when coming to the airport, her luggage needed to be checked-in as well and submitted to the suitable place. Several machines have been deployed at the airport hall. The first challenge for the observer was how to find a proper one, the second, how to execute the procedure of getting the luggage tag and the third one, how to submit the luggage to the conveyor. She felt rather uncomfortable without any previous experience with that and without any airport-staff support. Thus, she first observed what other travellers did and used 'trial-and-error' approach until she finally made it. However, DIY procedure was time consuming and hectic. She noticed that even younger generation was not quite comfortable with those DIY successive processes. Since a couple more or less of her age seemed to be 'quite lost' with all these procedures, she helped them.

FINDINGS: Having no previous experiences on DIY check-in procedures, several sequential steps might be hectic and time consuming, particularly for the elder travellers or passengers that do not flight often.

Buying food on the aircraft has already become a common practice of most airline companies. The inconvenience might occur, if a passenger does not have adequate mean of payment. It happened to the elderly couple, sitting next to the observer. As for purchasing items on the aircraft the credit card payment was the only option, the passengers were not able to buy food. One of their credit cards was not functional and they forgot the pin code for the other.

The observer faced the similar situation when visiting the nature park. The only possible mode of payment was DIY credit card payment to enter the park.

FINDINGS: The saying 'cash is the king' might not be valid anymore.

Previous online purchase of tickets for the trips, performances etc. might be necessary in certain cases if tourist wants to experience certain tourism events. It happened to the observer that she came to the site with no on-line pre-purchased ticket and could not joined the trip and neither to attend the performance.

FINDINGS: The tourism activities might need to be well-prepared in advance and the ways of attending them thoroughly pre-checked.

Browsing a restaurant menu via QR code has becoming a wide spread way of choosing the food and beverages, particularly in the pandemic period. However, the smart phone and adequate application are prerequisites for this kind of hospitality service. Without them, the browsing of menu might become an issue for the hungry tourist.

FINDINGS: There are additional technological procedures apart vending machines for buying food and beverages that have gradually penetrated into hospitality service.

DIY provision of hotel accommodation has been introduced in the last few years. The major reason is the cost reduction for the staff engaged in this type of hospitality service. By now, it has become acceptable for the middle-class (or lower graded) tourist accommodations. The observer experienced 'no-personnel-involved' way of overnight stay for the first time. She processed the room booking via reservation platform, paying by credit card. The confirmation letter included the code for entering the building and the room and further instructions for taking breakfast, which took place in the restaurant next to the hotel. The observer has not met any of the hotel personnel during her stay. In fact, the DIY accommodation service did not cause any inconvenience to her, apart the unsuccessful attempt to watch television. The TV meant to be managed by observer's smart phone; however, the observer was not skilled to do it.

FINDINGS: Provision of overnight stay with no personnel included has become acceptable to certain standard accommodation level.

5 Conclusion

The study raises the dilemma set forth by rapid and extensive use of technology in tourism. The question is, if/how DIY services, implemented in tourism, influence the tourism experiences of one of the most powerful tourism demographic segment – baby-boomers. Baby-boomers have time and money to travel; they look for adventures and personal fulfilment, but are less technologically competent than millennials.

The results of the study reveal that DIY technology-based tourism services might cause the 'silver' tourists inconveniences and consequently decrease the quality of their tourism experience.

The outcomes of the research are particularly applicable to tourism suppliers. They can use them as guidelines for designing their services 'hybrid' way: with a modest technology involvement, but in a way appealing also to those part of the tourists which still desire to experience a personal touch, not only high-tech.

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