

EHL INSIGHTS REPORT

Hospitality Outlook 2025

Table of contents

03

Foreword

04

Facts & Figures

05

The Heart of Hospitality

Fostering Human Connection in the Age of AI

09

Revolutionizing Hospitality Branding

The Era of Personalization and Cross-Fertilization with Luxury Brands

14

New Working Models

A Blueprint for Professional Well-Being through Modernization and Talent Management

18

Rejuvenating and Transformative Experiences

The Rise of Well-Being Journeys in the Post-Pandemic Era

22

A 360-Degree Approach to Sustainability

Thinking and Acting Eco-Friendly from A to Z

26

List of contributors and media contacts

28

Learn more about EHL



Markus Venzin
CEO, EHL Group

Foreword

In a world of rapid technological change, shifting values, and growing sustainability demands, the hospitality industry stands at a unique turning point. At EHL, we believe the future of hospitality is about more than adaptation – it’s about actively shaping the industry with purpose and passion.

The past years have proven our industry’s resilience as we navigated a global pandemic, responded to evolving consumer expectations, and embraced digital advancements that reshape competition. Within these challenges lies the opportunity to reinvent hospitality as a symbol of human connection, authenticity, and innovation.

Insights from EHL faculty and researchers point toward a future where technology enhances, rather than replaces, the warmth that defines hospitality. While AI increasingly integrates into our operations, our focus remains on fostering human connection. This new era also invites cross-industry collaboration, especially as personalization grows. Hospitality’s role

can extend beyond traditional boundaries, creating transformative experiences that inspire partnerships, including with the luxury sector, to meet evolving guest desires.

Workplaces are also evolving, with flexible models and a focus on well-being that attracts top talent and supports a fulfilling professional life. Additionally, as travelers seek meaningful, rejuvenating experiences, the industry has a unique opportunity to meet this demand with creativity and care.

Finally, sustainability has become an essential priority. A holistic, human-centered approach to sustainability ensures lasting change across the entire value chain, preserving a vibrant industry for future generations. These trends underscore a bright, dynamic future for hospitality, driven by the resilience, creativity, and passion of our industry. Together, we can shape a future that meets today’s challenges and paves the way for a more connected, sustainable, and human-centric tomorrow.

FACTS & FIGURES

\$4.70
trillion

The global hospitality market grew from \$4.39 trillion to \$4.70 trillion in 2023

Source: Hospitality Global Market Report 2023

5.5%
estimated annual
market growth

Future projections estimate the market will grow at a compound annual growth rate (CAGR) of 5.5%

Source: Hospitality Global Market Report 2023

\$5,816.66
billion by 2027

The projected growth of the global hospitality market is set to soar to \$5,816.66 billion by 2027

Source: Hospitality Global Market Report 2023

330
million
employees
worldwide

The hospitality sector employs approximately 330 million people worldwide

Source: WTTC

126
million
new jobs to be
created

By 2032, 126 million new jobs are expected to be created

Source: WTTC

every **2.5**
seconds

A new position in hospitality becomes available every 2.5 seconds

Source: Unilever

9%
of the total
workforce
worldwide

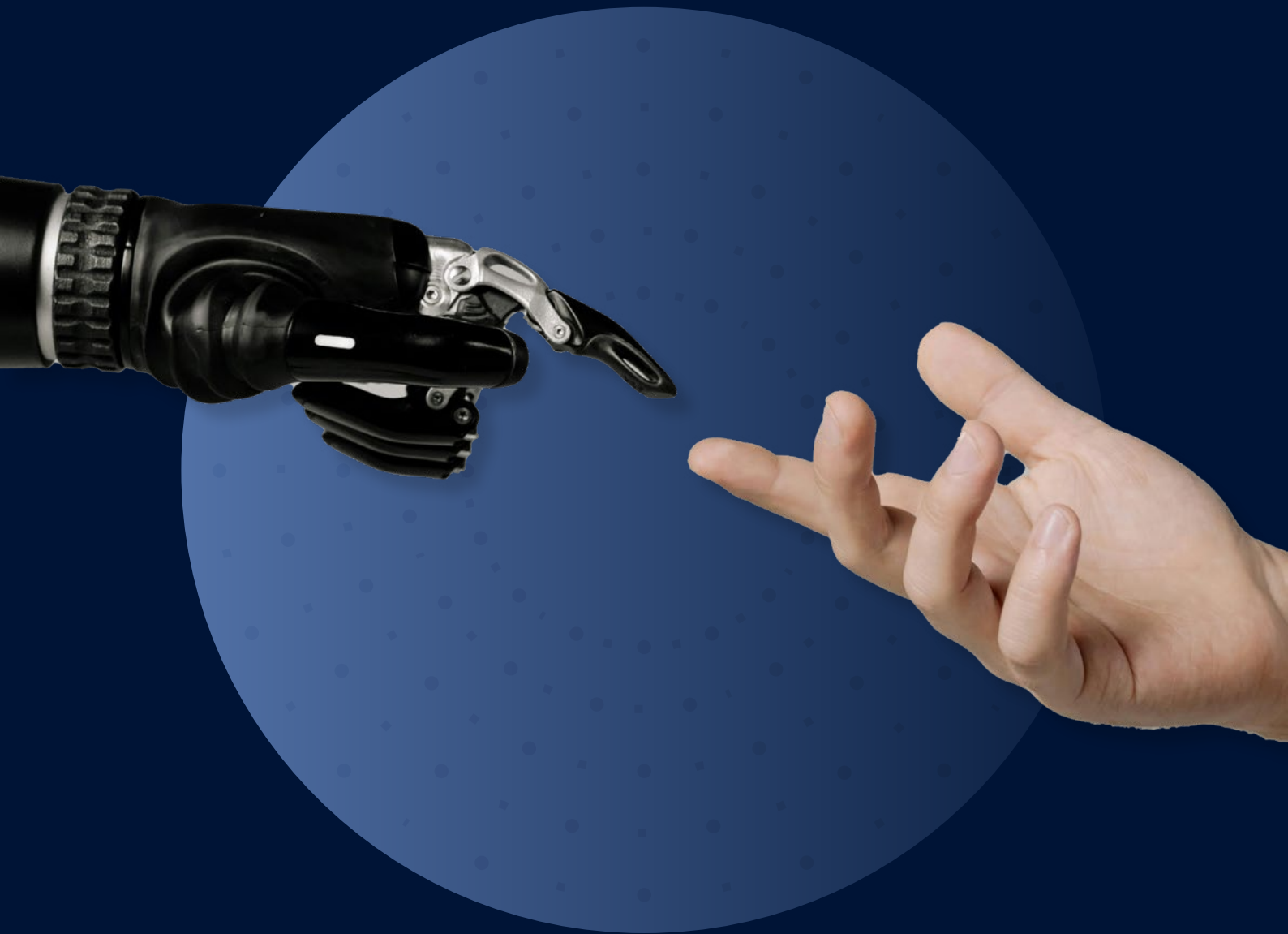
The travel, tourism, and hospitality sectors employ about 9.1% of the total global workforce

Source: WTTC

\$8.6
trillion

Around \$8.6 trillion was spent in traveler outlays in 2024, representing roughly 9% of this year's global GDP

Source: McKinsey



The Heart of Hospitality

FOSTERING HUMAN CONNECTION
IN THE AGE OF AI

AI plays a pivotal role in the future of hospitality, as it can streamline routine tasks, allowing staff to focus on meaningful human interactions. AI isn't about replacing workers but enhancing human-centric experiences.

The concept of "Hospitality Vibes" – the emotional energy conveyed by individuals and spaces – is gaining importance. Social connection, belonging, and community remain essential. Hospitality institutions can bridge AI and human connection, leveraging both to enhance guest experiences and create lasting impressions.

TRANSFORMATIVE AI IMPACT

Technology, particularly AI, is a transformative force in the future of our industry and the broader business landscape. With AI expected to add \$15 trillion to the global economy by 2030, its growing influence will significantly reshape how businesses operate and evolve across sectors, including our own.

Studies show that 66% of US and European jobs will be exposed to some AI automation and 50% of employees will need reskilling in the next five years. However, the purpose of AI should not be to replace employees but to allow them to focus on higher-value tasks and human interactions.

AI ENHANCES HOSPITALITY PRODUCTIVITY

“The hospitality industry has historically faced challenges in recruiting and retaining employees, particularly in certain positions like housekeeping, food service, and front desk staff. One part of the solution can come from the use of new technologies,” says Dr. Reza Etemad-Sajadi, Full Professor at EHL Hospitality Business School and an expert on human-machine interaction. Robots, and more generally AI, can potentially have a major impact on employment and increase firms’ service productivity while also helping employees by assisting them in their daily tasks, allowing them to focus more on the guest experience.



AI is reshaping the hospitality landscape in many ways. One of the most visible is by using various innovative applications to elevate the **guest experience**. Concierge robots, equipped with AI algorithms, are redefining guest interactions by delivering amenities and providing information around the clock. **By automating routine tasks**, AI allows employees to focus more on human interaction and personalized services, enhancing the guest experience and ensuring seamless assistance at any hour.

Personalization is another key aspect, as AI algorithms analyze guest data to offer tailored recommendations and experiences, fostering higher satisfaction levels and guest loyalty. From room preferences to dining options, personalized touches enhance the overall guest journey.

INTELLIGENT INDUSTRY INSIGHTS

AI-powered chatbots and virtual assistants provide 24/7 support, streamline reservations, and offer quick responses to inquiries, efficiently catering to diverse guest needs. Additionally, voice-activated devices in hotel rooms enable guests to control settings and request services effortlessly, contributing to a hygienic and convenient experience.

AI is also **optimizing operations** in the industry. Advanced algorithms help hotels optimize staffing schedules based on historical data and demand fluctuations, leading to improved efficiency and cost savings. Predictive maintenance is another significant benefit, as AI can predict maintenance needs, preventing costly breakdowns and ensuring uninterrupted operations. Energy efficiency can be enhanced through AI’s ability to optimize energy consumption by adjusting utilities based on occupancy, contributing to significant cost reductions. Moreover, AI can assist restaurants in managing inventory efficiently, supporting sustainability efforts by reducing food waste.

In terms of driving **revenue growth**, AI plays a pivotal role. It analyzes customer behavior to suggest relevant services, enhancing sales and guest satisfaction through cross-selling and up-selling. AI-driven targeted marketing campaigns precisely target potential customers, leading to higher conversion rates and optimized marketing spend.

“AI in hospitality is not about replacing employees, but about focusing even more on human-centricity by fostering and nurturing human connections and experiences.”

HUMAN-CENTRIC HOSPITALITY

Technological advances have made our lives and our jobs easier to some extent, but what seems to be decreasing is face-to-face interaction. Studies show that since the Covid pandemic, among other things, the number of people suffering from loneliness has risen sharply. [The World Health Organization](#), for example, has set up a commission to address this problem.

A study from [Harvard University](#), conducted over 85 years, shows that good quality relationships are the most important factor in human happiness. This is exactly where **human-centric hospitality**, with its people-oriented approach, can flourish in the coming years, as technological advances make isolation and loneliness even more of a challenge for humans.

This is what beats at the heart of hospitality: the people and the connection that is built between them. Dr. Meng-Mei Maggie Chen, Assistant Professor at EHL Lausanne and Singapore, and author of the book "Hospitality Vibes: The Positive Energy When People Interact With Like-Minded People," has named this concept "**Hospitality Vibes**", which refers to the positive energy created when humans interact with like-minded people.

This feeling, conveyed by individuals and spaces, can play a significant role in combating the loneliness pandemic and enabling people to pursue happiness. "The future and higher purpose of hospitality is its people-centric focus, emphasizing the pivotal role of social connections and human interaction," says Dr. Chen.

One example of the role hospitality can play in encouraging human interaction relates to solo travelers. Traveling solo is currently on the rise, especially for the younger generations. [The American Express 2024 Global Travel Trends Report](#) found that 76% of Millennials and Gen Z (compared to 69% of all respondents) were planning on taking a solo trip in 2024 and 60% of all respondents who planned on traveling solo intended to take two or more solo trips.

The industry can address this phenomenon by offering tailored services to these solo travelers. "Though they are traveling to the destination alone, that does not

mean these types of travelers want to spend the whole trip by themselves," says Dr. Chen.

"The report also shows that 21% of Millennials and Gen Z-ers said they travel alone to meet new people. This is therefore the perfect opportunity to offer community-based events and social experiences in hospitality facilities, whether hotels or restaurants."

There are vast opportunities to **bring people together** through programs, events, and activities, and numerous examples of hospitality establishments that already embrace this. Various hotel concepts are designed to create a communal environment, catering specifically to digital nomads, freelancers, solo travelers, and remote workers.

However, simply setting up the physical environment is not enough. Companies that celebrate "Hospitality Vibes" host regular social events like workshops, cultural tours, or community dinners to foster connections between guests. With the possibilities that AI provides, such experiences can be tailored more precisely and with more personalization, according to guests' needs.

"The possibilities are endless. Hotels can host events like a book club or a comedy night, where solo travelers and locals can connect with each other. Or a cooking class with a local chef, so they can combine culture and community. The need for connection offers huge potential, and in hospitality we have the ability to create these experiences and nurture this inherent human need," Dr. Chen explains.



Dr. Maggie Chen



AI COMPLEMENTS HOSPITALITY

What's more, employees' tasks will change **from serving to hosting**, giving their jobs a **higher purpose**: contributing to happiness through social connections between like-minded people. This will ensure that AI does not eliminate jobs. It will also boost the image of employers in the hospitality industry, helping to attract and retain talented employees who are good at bringing people together.

"The secret sauce in innovation is not in the bits and bytes, but in the identification of problems, the development of fit-for-purpose solutions, and their deployment and adoption at scale in a responsible way. The challenge ahead for enterprises and individuals is to incorporate tools such as AI-enabled solutions to augment human creativity, empathy, and ingenuity," says Dr. Ming Tan, Chairwoman of the EHL Asia Advisory Board.

Therefore, while AI is revolutionizing our society, emotional intelligence remains indispensable for interacting with guests and customers (Etemad-Sajadi et al., 2023). "Balancing soft skills with tech-savviness ensures seamless integration of AI tools while delivering empathetic guest experiences," Dr. Etemad-Sajadi states.

"Bridging the gap between the rising use of AI and technology and the increasing need for human connection is where the key to success lies."

When the hospitality industry successfully combines these two factors – AI and human connection – it can not only bring our industry forward enormously but also play an important role in combating loneliness and isolation, and enhance the overall guest experience.



Dr. Ming Tan





Revolutionizing Hospitality Branding

THE ERA OF PERSONALIZATION
& CROSS-FERTILIZATION
WITH LUXURY BRANDS

Often indistinguishable from one another, hotels face intense competition, but personalization – with the help of AI and bridging with other industries – can set them apart. Anticipating guests' needs enhances their experience, strengthening the hotel's brand and deepening customer relationships.

Personalization, as seen in luxury brands, creates authentic positioning. "Cross-fertilization" between the hospitality and luxury sectors can result in mutually beneficial experiences. Luxury partnerships and collaborations with related industries are increasingly reshaping hospitality, driving innovation and broadening brand portfolios.

PERSONALIZED GUEST EXPERIENCES

The hotel industry faces intense competition, with many hotels appearing indistinguishable from one another, making it difficult for them to stand out. However, through **personalization**, hotels can enhance the **guest experience** and differentiate themselves in a crowded market. Whether utilizing AI-driven technology or developing a clear profile of their guests' needs, hotels can tap into the era of personalization to create lasting impressions on their customers.

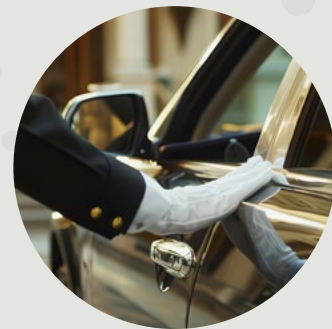
As Dr. Florent Girardin, Associate Professor of Marketing at EHL, explains, "Hotel brands are not highly valued by consumers because of their lack of differentiation. According to [Seth Godin](#), marketing expert and bestselling author, the value of a brand is determined by how much extra the customer is willing to pay above the substitute." This lack of differentiation in the hotel industry is reflected in the 2023 [Interbrand Best Global Brands](#) ranking, where no hotel brands appeared in the top 100.

Data from the [PwC Future of Customer Experience Survey](#) showed that 65% of customers identified personalization as a key factor in their experience, and they are willing to pay up to 25% more for a personalized stay.

Hotels can leverage data analytics, guest profiles, and AI-driven technologies to deliver personalized recommendations for dining, activities, and local attractions based on guests' interests and past behaviors. Personalized communication, such as pre-arrival emails with customized packages, further enhances guests' sense of being valued and understood. This approach not only improves the guest experience but also fosters stronger brand loyalty, as guests are more likely to return to a hotel that meets their unique needs.



Dr. Florent Girardin



“Personalization creates authentic positioning for a brand. Anticipating guests' needs and generating a more tailored, personalized service enhances the guest experience, strengthens the hotel's brand, and fosters deeper guest relationships and brand loyalty.”

LUXURY MEETS HOSPITALITY EXCELLENCE

This is where **cross-fertilization between hospitality and luxury brands** harbors great potential and results in mutually beneficial experiences. By partnering with luxury brands like Audemars Piguet, Louis Vuitton, and Chanel, hotels can create unique, personalized experiences that enhance their brand positioning. **“Luxury brands are masters at creating extraordinary value through branding, so collaborations between hotels and luxury brands can be mutually beneficial,” says Dr. Girardin.**

Often, luxury brands expanding into hospitality ventures lack the hospitality competence to deliver 5-star services. “That is why they are looking for such competence by partnering with hotel groups, acquiring luxury hotel companies, or recruiting staff from luxury hotels and hotel schools.” The demand for high quality service excellence can then be assured.

“Hospitality services coupled with luxury collaborations or cross-fertilized with neighboring industries are on the rise, transforming the hospitality industry and extending brands’ portfolios.”

When a hotel collaborates with a luxury brand, a unique, personalized experience can be created for guests and at the same time the branding of the hotel is sharpened, so everyone benefits: the guest gets a unique experience, the hotel improves its branding, and the luxury brand can benefit from the hospitality and service expertise of the hotel.

In 2023, demand for high-end experiences and luxury travel surged. It has since continued to rise, with wealthy individuals making travel their top priority. Data from The Luxury Traveler Survey from Skiff also shows that there is a notable trend towards splurging on luxury accommodation, customized itineraries, and high-end experiences, even as concerns about inflation and cost-of-living pressures persist. Despite economic uncertainties, travelers are increasing their budgets, particularly for high-end, luxury travel experiences. The industry is seeing a shift where travelers prioritize unique, personalized experiences over cost-saving measures.



CREATING MEMORABLE GUEST EXPERIENCES

According to Skift's Hotel Chain Scale Analysis in 2023, investors have already picked up on this trend and are betting on the luxury sector. A significant increase in the construction of high-end hotels, surpassing all other chain scales, indicates strong investor confidence and optimistic long-term growth prospects in the luxury hospitality market.

In addition to luxury brand collaborations, the concept of **experiential branding** is gaining traction in the hospitality industry. This approach focuses on creating unique, memorable experiences that resonate deeply with guests, turning a simple stay into a story worth sharing.

Experiential branding can involve curating bespoke cultural events, offering wellness programs, or organizing exclusive culinary experiences that reflect the local culture. By focusing on these distinctive experiences, hotels can not only differentiate themselves but also build stronger emotional connections with their guests, leading to higher brand loyalty and increased word-of-mouth promotion. This strategy aligns with the broader trend of consumers seeking more meaningful, experience-driven travel.

“The hospitality industry is faced with three important challenges right now. There is a strong growth in demand for physical experiences, a strong growth in demand for luxury brands, and a still under-branded hospitality sector. Relative to its size, the hospitality sector has few strong brands,” explains Dr. Matthias Fuchs, Assistant Professor of Marketing and Director of the Institute for Customer Experience Management at EHL.

At the same time, the luxury sector is facing a surge in demand that it cannot meet by selling physical products, as this would dilute their exclusivity. **This is leading strong and attractive luxury brands to diversify into the dynamically growing hospitality sector and create unique experiences.** “We are

seeing many new types of luxury physical experiences, such as luxury brands' hotels, restaurants, travels, etc. They are in incredibly high demand. For example, Ralph Lauren's Polo Bar in New York City is in such high demand that people are willing to pay \$400 for table reservations alone,” Dr. Fuchs says.

Consumers still have an inherent need for physical experiences, especially after the pandemic. “As surveys during lockdown showed, consumers missed going to restaurants even more than seeing their friends and relatives.”

In the face of such explosive demand and growth, EHL is supporting this dynamic development in two ways: by supporting luxury brands that want to enter the hospitality sector; and by helping luxury hospitality actors create stronger, more appealing brands and experiences.



Whether within a small hotel or a large hotel chain, it is essential to educate and train staff in order to create experiential branding. Bernold Schröder, EHL International Advisory Board Member and former CEO of Kempinski Hotels, says: “Even as a private family resort in the Alps or the Black Forest, I can create experiential branding and build my own brand.” However, at the core of creating

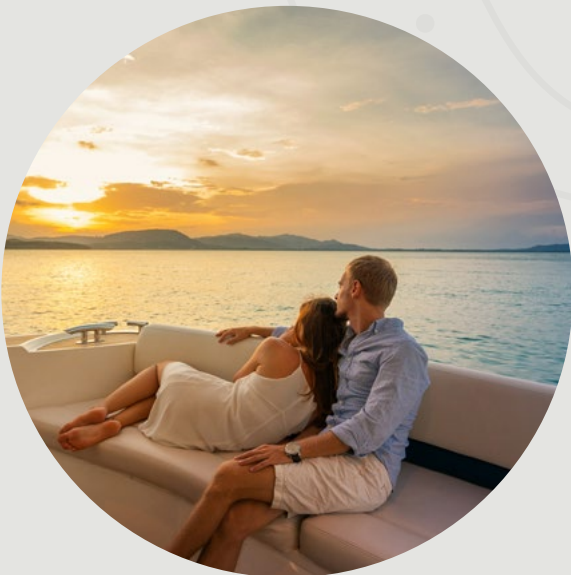
such experiences lies – as always – people. “People always beat product, so getting people motivated to deliver such experiences is much easier than constantly asking an owner for new hardware such as new amenities, etc.”



Therefore, hoteliers must walk the talk and invest in their staff, empowering them and leading by example on the floor. “Then they will also be able to deliver unique and sustainable guest experiences that will stand out. And this means training is the key priority. Training is not a cost but an investment into people, with great payback. I must train my people at least 150 hours per year and spend a fixed percentage of payroll on training. And training applies to any hotel product because then I am the best in class.”

Building on this foundation of well-trained staff, personalization and luxury collaborations are emerging as pivotal strategies to stand out and meet the growing demand for unique, high-end experiences. As travelers increasingly **prioritize memorable stays over cost-saving measures**, hotels that harness AI and data analytics, invest in the necessary training, and launch strategic partnerships with luxury brands can strengthen brand loyalty and attract affluent customers. This is not only reshaping the competitive dynamics within the hospitality sector but also driving investment and innovation.

“By focusing on experiential branding and personalized services, the hospitality industry can capitalize on the burgeoning luxury market.”





New Working Models

A BLUEPRINT
FOR PROFESSIONAL WELL-BEING
THROUGH MODERNIZATION
& TALENT MANAGEMENT

Professional well-being is crucial, especially when industries are facing a shortage of skilled workers. In order to invest in the mental health of employees, companies need to provide purpose and financial stability, while also embracing new work models to reduce stress. Models such as job rotation and modernizing management systems is crucial for attracting and retaining young employees. This transformation will also include AI-driven talent management systems, fostering a transparent, community-oriented approach, as well as training programs for older managers to bridge generation gaps, covering diversity, inclusion, and ethical issues.

MODERNIZING WORK WITH AI

In today's rapidly evolving work environment, professional well-being has become a cornerstone of organizational success, particularly in light of the ongoing shortage of skilled workers. The modernization of work models and the integration of AI-driven talent management systems offer a new paradigm that can enhance **employee satisfaction, retention, and productivity**.

AI-driven talent management systems are platforms that use artificial intelligence to optimize various aspects of workforce management, including recruitment, training, performance evaluation, and employee development.

By analyzing data and automating processes, these systems help organizations **identify talent needs, enhance employee engagement, and improve decision-making** for workforce planning. This leads to greater work fluidity and agility, faster matching of employees with complementary skills, and smoother knowledge exchange. As a result, employees can upskill more easily, leading to higher professional satisfaction and well-being. Additionally, by saving time and enhancing agility, these systems help reduce the risk of burnout and inefficiencies.

This approach not only addresses the **mental health and well-being of employees** but also aligns with the changing expectations of younger generations entering the workforce. By leveraging automation, modern management systems, and robust talent management strategies, organizations can position themselves more competitively in the talent war and **foster a healthier, more productive workplace culture**.

Numerous studies show that employee well-being directly correlates with productivity, engagement, satisfaction, and retention. A study by McKinsey reveals that organizations that invest in employee well-being see substantial improvements in performance and overall business outcomes. **Employees who feel valued and supported are more likely to be engaged, productive, and committed to their organization.**

The Wellbeing Research Centre at the University of Oxford conducted an extensive meta-analysis involving over 1.8 million employees across various industries. The study confirmed a strong positive correlation between employee satisfaction, productivity, and customer loyalty, and a negative correlation with turnover rates. These findings underscore the critical role of well-being

in achieving organizational success. In this context, organizations that prioritize professional well-being can better attract and retain top talent while also improving overall business performance.

Also, mental health initiatives are integral to promoting professional well-being. Work-related stress, anxiety, and depression are significant contributors to employee absenteeism, costing businesses billions of dollars annually, as a report from The Chartered Institute of Personnel and Development (CIPD) found. Effective mental health programs can mitigate these losses by **reducing stress and improving employee satisfaction**.

A study published in the Journal of Occupational Health Psychology highlights the effectiveness of mindfulness-based programs in the workplace. These programs are shown to reduce work-related stress, increase job satisfaction, and lower burnout rates. Similarly, organizational-level mental health interventions tailored to specific workplace stressors have been found to significantly improve employee mental health and satisfaction.



FOSTERING COLLABORATIVE WORK MODELS

Dr. Stefano Borzillo, Associate Professor of Organizational Behavior at EHL, says it is important to foster new working models where **transparency, network-based ways of collaborating, and community approaches** prevail on a daily basis in the organization.

“For example, for an educational institution like EHL, its role is to pave the way by conveying its five cultural principles, i.e., Transparency, Experimentation, Collaboration, Care and Accountability.” As an industry leader, it is essential to strive to bring these values to other hospitality and service-related organizations in order to become a pioneer in human-centricity.

“By systematically and dynamically practicing emotional intelligence (EI) competencies, organizations can eventually implement a dynamic EI-competency model as a pilot program for mid-level and top-level managers. Introducing this model through pilot projects at various strategic points within the organization aims to build sufficient momentum, encouraging a critical mass of employees and managers to embrace EI practices,” says Dr. Borzillo.

Furthermore, cultivating EI fosters an organizational **culture of human care and accountability**, combating various forms of toxic behavior. “The ultimate goal is to integrate EI as a fundamental aspect of organizational culture, promoting a healthy, supportive, and effective work environment,” Dr. Borzillo explains.

One of the biggest challenges the industry is facing is the generational divide between traditional hoteliers and the new wave of Gen Z professionals entering the sector. Dr. Borzillo explains: “The hospitality industry remains largely siloed, characterized by a significant generational divide. Senior-aged traditional hoteliers often adhere to a ‘control-and-command’ managerial model, which is vertical and hierarchical.” In contrast, Gen Z professionals prefer more horizontal and collaborative organizational structures, where **cross-fertilization of ideas, learning, and collaboration** are encouraged.

“This generational divide results in differing perceptions and approaches to identical situations and contexts,” Dr. Borzillo adds. **“There is an urgent need for hospitality organizations to establish and nurture more agile and collaborative modes of operation, to shift from control towards collaboration.”**

Programs that focus on context-specific solutions and involve participants as active agents of change are more likely to succeed in creating lasting impact. This also includes establishing working models that suit the needs and preferences of employees, such as hybrid working models, which are especially important for the recruiting of Gen Z employees.

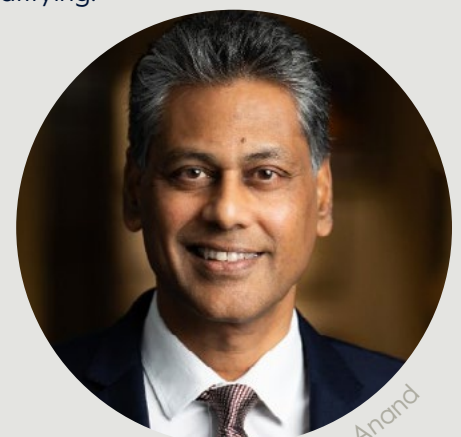
The hospitality industry is also undergoing a significant transformation as it grapples with the dual challenges of the digital revolution and changing generational expectations. But there is also great opportunity for career advancement in this industry, more so than in any other.

“I believe it is the best industry to work for and this is probably one of the few industries where you can really start anywhere in the company and make your way all the way to the top of the industry. I know many of my colleagues who started at entry level positions and who today are President or CEO of companies, and the choice and variety that you get in the industry is just absolutely magnificent,”

says Satya Anand, EHL International Advisory Board Member and President EMEA of Marriott Hotels International. “There’s probably no other industry that can offer that. At the end of the day, I think we’re in a people business, and the ability to connect and bring people together is personally very gratifying.”



Dr. Stefano Borzillo



Satya Anand

BOOSTING PRODUCTIVITY THROUGH AI SYSTEMS

According to Professor Ian Millar of EHL, “Having recently worked with the young EHMA (European Hotel Management Association) professionals on this very subject, it is clear that hospitality still has a way to go. But we have to be doing more to look after our people who, in the end, are the very essence of hospitality.” **This highlights the importance of putting people at the core of hospitality, emphasizing care and collaboration.** “I also believe this should be an industry-wide approach; we can work collectively on this issue.”

Another common issue in the hospitality sector is that traditional onboarding and training processes are often slow to bring new employees fully up to speed. Manual, repetitive, and paper-based tasks limit productivity and distract from higher-value work. “Silos and disconnected information impact profitability, impede efficiency, and limit a 360-degree customer view,” says Professor Millar. These inefficiencies can be mitigated by adopting more streamlined, technologically advanced methods that promote connectivity and real-time information sharing across departments.

A study by the [Brookings Institution](#) found that workers who adapted to using AI and automation tools experienced increased productivity and job satisfaction. By automating mundane tasks, employees can focus on more meaningful work, which not only enriches their roles but also fosters a **sense of purpose and engagement.**

Case studies from industry giants like [Accor](#) and [IBM](#) illustrate the benefits of investing in modern work models and AI-driven systems. Accor, a global leader in hospitality, has implemented a multi-property management system strategy to modernize its operations, enhance flexibility, and streamline processes. Similarly, IBM has been at the forefront of AI-driven workforce transformation, reskilling employees to handle more meaningful work as AI takes over repetitive tasks.

However, there are also concerns, particularly regarding job loss, which highlights the need for proper management and training to navigate the challenges of AI integration. Training and worker consultation are

key strategies to ensure that AI implementation leads to better outcomes for all stakeholders.

“The integration of AI in talent management systems plays a pivotal role in winning the talent war. It is also essential for attracting and retaining younger employees, who are often dissatisfied with outdated practices,” Professor Millar explains.

AI-supported systems improve training and development, foster appropriate team dynamics, and support a positive organizational culture. These systems not only streamline recruitment but also enhance employee engagement and performance, making them indispensable in the competitive talent landscape. “Organizations that prioritize professional **well-being**, offer **flexible work arrangements**, and invest in comprehensive **health and wellness programs** are better positioned to attract and retain top talent,” says Professor Millar.

“The future of work is one where technology and human-centric approaches co-exist, ensuring that employees feel valued, motivated, and empowered to contribute to their fullest potential.”



Ian Millar

The hospitality sector is at a crossroads, where digital transformation, human-centricity, and generational dynamics must be balanced. While AI and EI offer promising pathways to a more integrated and efficient industry, the real challenge lies in shifting mindsets and organizational structures to embrace these new paradigms. With a **collective effort**, the hospitality industry can rise to meet these challenges, ensuring a **more inclusive, effective, and future-proofed** environment for all.



Rejuvenating & Transformative Experiences

THE RISE
OF WELL-BEING JOURNEYS
IN THE POST-PANDEMIC ERA

Amid rising mental health challenges, people are increasingly seeking meaningful journeys that can rejuvenate their mind, body, and soul. This shift has elevated travel from mere pleasure to transformative experiences, fostering personal growth and self-connection through hospitality. Options such as digital detoxes, silent retreats, and wellness-focused vacations are growing rapidly in popularity. As awareness of physical and spiritual well-being deepens, the demand for health-oriented travel is set to rise, solidifying its role as a cornerstone of the hospitality industry.

TRANSFORMATIVE WELLNESS TRAVEL SURGE

In the wake of the pandemic, the demand for **well-being journeys and transformative travel experiences** has surged as individuals increasingly seek ways to reconnect with themselves and rejuvenate their minds and bodies.

The mental health impacts of modern life – including stress, performance pressure, the lingering effects of COVID-19, and the isolation brought on by digitalization – have prompted a shift towards **meaningful experiences** that enrich one’s life and foster personal growth. The hospitality industry is at the forefront of this movement, offering a wide range of **well-being-focused travel options** that cater to these evolving consumer desires.

Today, travel is seen not merely as a leisure activity but as a **transformative journey** that can catalyze profound changes in people’s lives and help them reconnect with themselves. Data from Skift’s [State of Travel 2024 Report](#) shows that during a wellness vacation most travelers (39%) seek a comprehensive reset and a holistic approach to rejuvenation. For 21% of respondents, meditation and mental wellness are key priorities, while 13% express a desire to reconnect with themselves or recover from a period of stress or personal loss.

As the array of well-being journeys and health-focused trips expands, the hospitality sector is seeing a significant rise in offerings such as digital detox retreats, silent Vipassana Meditation retreats, forest bathing, meditation, yoga, Ayurveda, Thalasso, spa treatments, plant medicine journeys, and health vacations with personalized nutrition coaching, personal trainers, spiritual healers, or guides. Resorts like Soneva and Six Senses have made such experiences their hallmark, highlighting the growing appeal of wellness-focused travel.

The global wellness economy was estimated at \$5.6 trillion in 2022 and is projected to increase to \$8.47 trillion in 2027, with an expected compound annual growth rate (CAGR) of 8.6%, according to data from [the Global Wellness Institute](#). Specifically, wellness tourism is estimated to grow by 16.6% between 2022 and 2027, reaching \$1,399.6 billion.

“Various aspects of life, including work, family, relationships, health, personal development, spirituality, and others, contribute to an individual’s sense of meaning, though their importance may fluctuate throughout one’s life,” says Dr. Valentina Clergue, Assistant Professor of Marketing at EHL.

“Vacations and travel, in particular, create concentrated opportunities for individuals to engage with many elements that contribute to a meaningful life, such as social connections, time in nature, educational and recreational activities,” Dr. Clergue says.

Given that well-being is a multidimensional construct encompassing both affective and cognitive components, leisure travel can offer the time, environment, and inspiration essential for self-reflection and personal growth, thereby enhancing the cognitive dimension of well-being.



“The desire for transformative journeys is prompting hospitality brands to innovate and diversify their offerings to cater to the evolving preferences and needs of their guests and customers.”

GEN Z’S WELLNESS SHIFT

Dr. Matthias Fuchs, Assistant Professor of Marketing and Director of the Institute for Customer Experience Management at EHL, highlights that younger consumers, particularly Gen Z, are increasingly drawn to physical experiences that allow them to disconnect from the digital world and immerse themselves fully in the present. “We see it especially with young consumers – they want to have physical experiences,” he notes.

Data from [McKinsey](#) shows that particularly **Gen Z and millennial consumers** are now purchasing more wellness products and services than older generations, across health, sleep, nutrition, fitness, appearance, and mindfulness.

A study from [A.T. Kearney](#) even found that Gen Z consumers prefer physical retail over e-commerce because it allows them to enjoy being fully present in an immersive experience. **“For the hospitality industry, this means embracing new technologies to enhance customer experience while also creating immersive, physical spaces that foster genuine connections and well-being,”** Dr. Fuchs says.

According to research by [Bettencourt et al.](#), the transformation economy represents the next logical stage in the progression of economic value, following the experience economy, as consumers increasingly seek to satisfy higher-order needs.

Dr. Florent Girardin, Associate Professor of Marketing at EHL, emphasizes that the concept of transformative experiences is closely tied to the perceived authenticity of the experience provider. **“Authenticity is the main criterion used by consumers to evaluate the transformative potential of an experience. Only brands perceived as authentic can facilitate transformative experiences,”** he explains.



In the luxury sector, a new type of luxury experience is emerging which takes a more authentic approach. Known as **“unconventional luxury”**, it emphasizes the reappropriation of time and space rather than material possessions. This shift towards **experiential luxury** is characterized by its transformative potential, offering deeper, more meaningful connections that resonate with the modern traveler, as a 2023 study from [Malone, Tynan, and McKechnie](#) states.

This change in consumer behavior is further underscored by recent data from [Skift](#) indicating that 80% of travelers, particularly those earning \$500,000 or more annually, **prioritize physical and mental well-being** in their travel choices.

BOOM IN HEALTH TOURISM

Wellness tourists also **spend considerably** more than non-wellness tourists, with international wellness travelers spending **41% more** and domestic wellness travelers spending **175% more**, highlighting a substantial focus on health and well-being during their trips. This trend reflects a broader movement towards holistic travel experiences that offer opportunities for personal growth, self-reflection, and meaningful engagement with different aspects of life.

Susie Ellis, EHL International Advisory Board Member and Chairman and CEO of the Global Wellness Summit and the non-profit Global Wellness Institute, does not expect the demand for wellness travel to slow down within the next five to ten years: **“It has accelerated since the pandemic and will continue to grow as people prioritize health, experiences, and self-care over material goods. This trend is driven by the increasing availability of science-backed wellness practices and accessible, enjoyable wellness experiences. We’re also seeing more science showing the importance of self-care, and hospitality brands are making such well-being experiences more attractive, more fun, and easier to access.”**



Susie Ellis

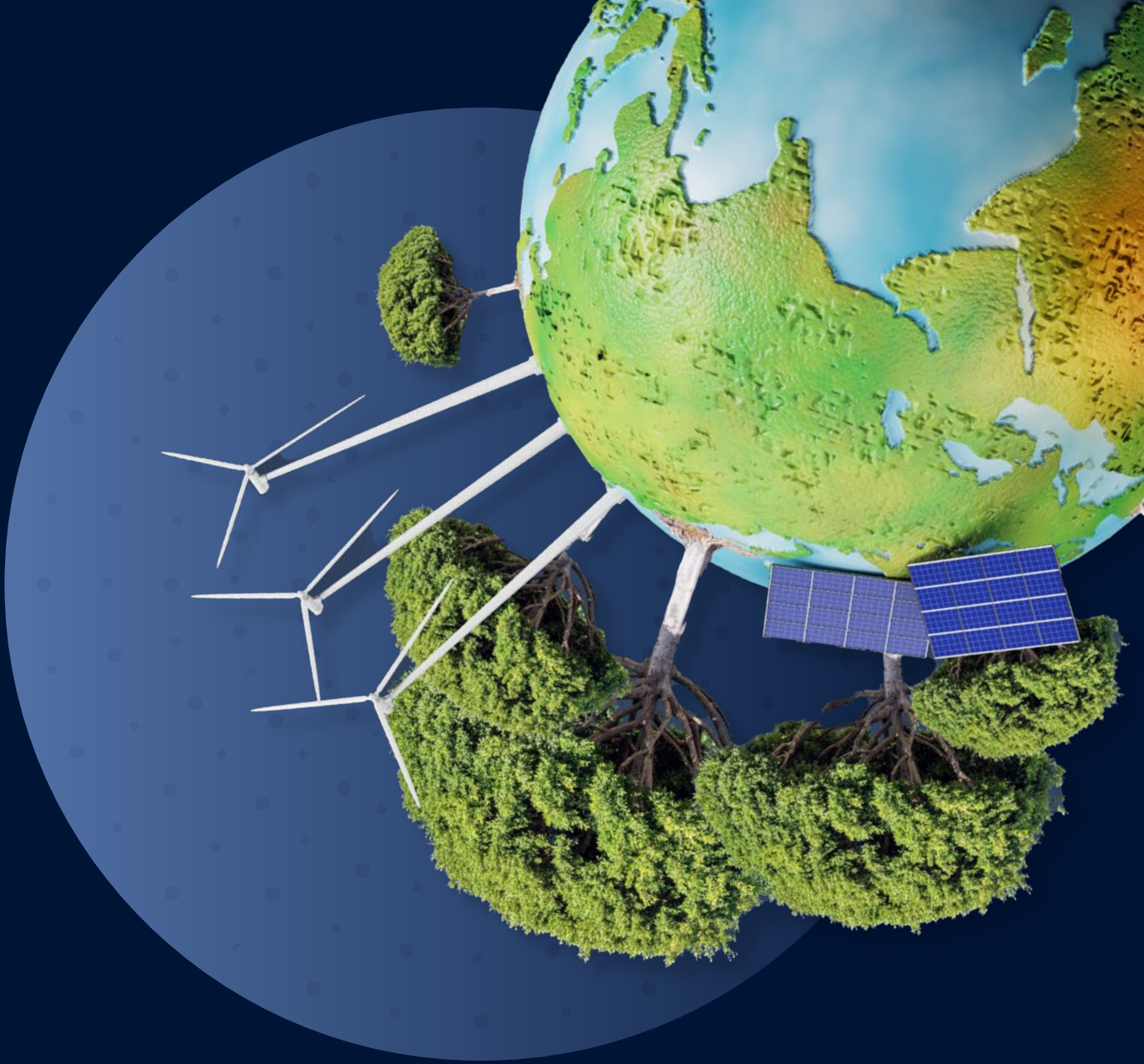
The rise of well-being journeys marks a significant shift in the hospitality industry, driven by consumers’ desire for meaningful, transformative experiences that go beyond mere relaxation.

“As the wellness economy continues to grow, hospitality brands are uniquely positioned to meet this demand by offering authentic, personalized, and holistic experiences that cater to the evolving preferences of modern travelers.”



By embracing the creation of immersive physical spaces and experiences, the hospitality industry can ensure its relevance in a post-pandemic world where the quest for well-being and personal transformation is gaining more attention and importance.





A 360-Degree Approach to Sustainability

THINKING & ACTING ECO-FRIENDLY FROM A TO Z

Sustainability extends beyond the environment to employee well-being and community engagement, with ripple effects for both companies and localities. For hotels and hospitality service operators it will become more important over the coming years to invest in sustainable practices on a macro-level – from the customer experience to the well-being of employees to their communities – all while ensuring sustainable and resource-conserving uses and practices.

In the evolving hotel industry and in the context of global climate change, sustainability emerges as a paramount concern for guests. Although travel itself presents sustainability challenges, hotels and hospitality institutions can adopt holistic measures to enhance the sustainability of their services, positioning themselves as responsible leaders in the ever-changing hospitality landscape.

SUSTAINABLE HOSPITALITY EVOLUTION

Sustainability now encompasses far more than environmental concerns, extending to employee well-being, community engagement, and long-term resource management. For the hospitality industry, particularly hotels and service operators, the imperative to adopt sustainable practices on a broad level is growing rapidly. Beyond the customer experience, the industry must consider the sustainability of their operational ecosystems, **from employee welfare to community contributions**. As the planet faces mounting climate challenges, sustainability has emerged as a core priority for eco-conscious guests.

The next frontier for the hospitality industry is to align travel, accommodation, and guest experiences with sustainable goals. Practices such as incentivizing eco-friendly behavior, reducing resource consumption, and engaging guests in sustainability efforts are becoming common.

“Despite travel’s inherent environmental impact, there are still viable ways to foster a more sustainable future.”

One of the major forces driving sustainability in the hospitality sector is the **evolving values of consumers**, particularly in relation to **transparency** and **education** around sustainable practices. Guests are no longer content with superficial green initiatives; they demand deeper insights into the environmental and ethical impact of their choices.

According to research projects like the Innosuisse-funded collaboration between EHL Hospitality Business School, the Fribourg School of Engineering and Architecture (HEIA-FR), and Changins School of Viticulture and Oenology on sustainability in the wine industry, customers are asking for more information on how their purchases contribute to sustainable outcomes.

“They’re willing to pay a premium, not just for a more luxurious experience, but to make educated, eco-conscious decisions. This trend extends beyond wine to the entire hospitality value chain, from eco-friendly room offerings to sustainable sourcing in food services,” says **Dr. Carlos Martin-Rios, Associate Professor for Sustainability Transition and Innovation and Leadership and Organizational Behavior at EHL.**

As studies about the impact of tourism in the UNESCO World Heritage site of the Galapagos Islands illustrate, sustainability isn’t just about the environment, it’s about **protecting social and psychological resources** as well. Tourists want to ensure their travels don’t harm the local ecosystems and communities they visit.



Dr. Carlos Martin-Rios

SUSTAINABLE GUEST BEHAVIOR

This shows that the values of customers are shifting. Dr. Isabella Blengini, Associate Professor of Economics at EHL, emphasizes the unique role the hospitality industry plays in shaping guest behavior. **“The hospitality industry is unique because it captures the lives of its guests for varying periods, ranging from a few days to several weeks or more. During their stay, guests live in an environment that can raise their awareness on important matters and influence their behavior not only while they are there, but also in the longer term,”** she explains. This highlights the potential of hotels and resorts to serve as platforms for imparting sustainable values to guests, values that they may carry beyond their visit.

This shift also underscores the lasting impact the industry can have: “This is the true power of the hospitality industry: it can serve as a tool to impart different values to its customers, potentially helping them adopt these values as their own,” Blengini says.

By subtly encouraging eco-friendly habits – like reducing water use, engaging in responsible waste management, or opting for locally sourced foods – hotels can help guests integrate sustainable practices into their everyday lives.

Another important aspect is the pivotal role that technology is playing in driving the sustainability agenda, especially when it comes to operational efficiency and transparency. Technology can facilitate sustainability through AI-driven personalization, energy management systems, and waste-reduction technologies. However, there is a tension between the need to innovate and the need to retain traditional, personal touches in hospitality – a balance that needs careful attention.

The food and beverage sector is central to the conversation about sustainability in hospitality. A recent collaboration between EHL and the Swiss Food Nutrition Valley (SFNV) highlighted the lack of coordination across the food value chain, particularly when addressing food waste. The research¹ conducted

¹Martin-Rios, C. & Rogenhofer, J. (2024), “Toward zero waste: Exploring multistakeholder approaches to food waste management”.



Dr. Isabella Blengini



by EHL pointed out that food waste is often symptomatic of broader inefficiencies in the industry.

Therefore, sustainability in the food and beverage industry must move beyond reactive measures like waste reduction and sourcing local products. **“The long-term goal should be to embed sustainability into business models and transition toward more circular practices. While some food service businesses are beginning to adopt these principles, most remain focused on short-term gains,”** Dr. Martin-Rios says.

Through experience, organizations and individuals can instill new habits. Dr. Blengini points to the role of experience in shaping new sustainable habits: “People make numerous decisions every day, many of which are driven by habits, as it is impractical to thoroughly analyze every possible option for each decision. Therefore, the goal is to instill **new habits** in guests that they can carry into their daily lives.”

SUSTAINABLE LUXURY IN HOSPITALITY

The hospitality industry offers a unique opportunity to influence these habits. “The hospitality industry has the unique advantage of teaching through experience. For guests to learn and adopt new values and behaviors, they first need to experience them,” she says. This can be achieved through **well-designed guest experiences** that promote sustainability, whether through eco-friendly amenities, engaging conservation programs, or simply by offering information about how guests can reduce their carbon footprint during their stay.

Offering incentives to guests can also help to shape their consumer behavior: “Economics teaches us that incentives are crucial, and these incentives can take various forms. We can use prices, taxes, or subsidies to influence behavior, but non-monetary incentives and choice architecture can also guide behaviors in desirable directions.” This approach highlights how even subtle shifts in pricing structures or service offerings can encourage guests to make more sustainable choices.

Sustainability is also starting to play a more crucial role in the **luxury hospitality sector**, where there is increasing emphasis on providing **exceptional, sustainable experiences**. Certain guest groups in this sector expect more than opulence; they want responsible luxury, where their stays contribute positively to the environment and local communities.

For example, brands like Six Senses Hotels Resorts Spas are leading the way with comprehensive sustainability programs that include energy efficiency, waste reduction, and community engagement. At the same time, the challenge lies in maintaining the high standard of **personalized service** that luxury guests expect while incorporating **eco-conscious practices**.

“The challenge is that sustainability is often associated with sacrifice, but it doesn’t have to be that way. Sustainability can be implemented without sacrificing quality, even in the luxury segment,” says Friederike Grupp, **Head of Sustainability of Hotelplan Group.**

“In the aftermath of the pandemic, we see that people are willing to spend more on special experiences, including ecological luxury resorts that combine environmental awareness with first-class service.” At the same time, sustainable travel doesn’t have to be more expensive. “There is this misconception that sustainable travel means higher prices, but there are a lot

of sustainable services and hotels that embed eco-friendly practices and are not more expensive than other hotels.”

The major challenges hospitality faces include **balancing tradition with innovation**, adapting to rapid technological advancements, and meeting the rising sustainability expectations of guests. However, those who succeed in **integrating sustainability into their core business model** stand to benefit immensely, from enhanced guest loyalty to improved operational efficiencies and even regulatory advantages.

“The future of the hospitality industry is undeniably intertwined with sustainability and an eco- and human-centric approach.”

As the industry faces increasing pressure from eco-conscious consumers and societal forces, hospitality providers must act fast to embrace the human-centric sustainability model. Through **transparency, innovation, and responsible practices**, the industry has the opportunity to create a lasting impact – not just for businesses or the industry alone, but for the planet as a whole.





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EHL at a glance



4,000+
students



125
nationalities



800+
staff & faculty members



3
campuses located in
Lausanne, Passugg & Singapore



30,000+
alumni across 150+
countries since 1893



12+
certified schools affiliated
with the institution



20+
start-ups in its
Innovation Hub



4+
regional offices in Beijing,
Shanghai, New Delhi, and
Tokyo (Joint Venture)



4
research institutes



1
Michelin-star restaurant,
Le Berceau des Sens

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