

World Travel Market Global Trends Report 2011



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Global Trends Report – Key Findings

Americas: Mystery trips

Travellers are going on mystery trips for adventure.

UK: Rent-a-garden

UK householders renting out their gardens providing affordable accommodation for the 2012 Olympics.

Europe: Luxury without guilt

Luxury tourism has emerged as ethical and authentic.

Technology and Online Travel:
Gamification

Gaming dynamics to become significant features for travel players' websites.

Middle East: Rebranding of Arab
Spring Countries

Egypt and Tunisia are re-branding to help lure back tourists, while Libya, Bahrain and Syria have yet to reach that stage.

Africa: M-commerce

Africa's mobile phone boom boosts travel.

Global Village: Social media

Social media allowing hotels greater engagement with guests.

Asia: China's Growing Influence

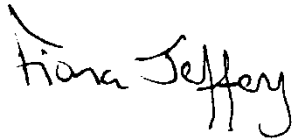
Hotels employing many strategies to attract Chinese tourists.

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World Travel Market

- The WTM Global Trends Report 2011, in association with Euromonitor International, highlights emerging trends in the global travel and tourism industry.
- The GTR has been at the forefront of predicting major trends in the travel and tourism industry since its launch in 2006.
- The 2011 report is no different, forecasting a number of trends I'm sure will bear fruit over the coming years.
- I would like to thank Euromonitor International for compiling the WTM Global Trends Report 2011.
- I hope you find the report useful and interesting and wish you a thought-provoking and productive WTM 2011.



Chairman, World Travel Market

Euromonitor International

- Euromonitor International, in association with World Travel Market, is delighted to release the latest travel trends to make a positive impact.
- Consumers are seeking out fun as seen by the popularity of mystery tours in the Americas, a new rent-a-garden concept in the UK and increased gamification of travel.
- Guilt-free luxury is key in Europe, drawing on ethical and sustainable practices. After the Arab Spring, Egypt and Tunisia are rebranding as they emerge as free democracies.
- Hotel chains embraced social media and customised their offer to Chinese preferences.
- With economic headwinds picking up speed, we aim to highlight key pockets of opportunity for the global travel industry.

Caroline J. Bremner

Head of Travel and Tourism Research, Euromonitor International

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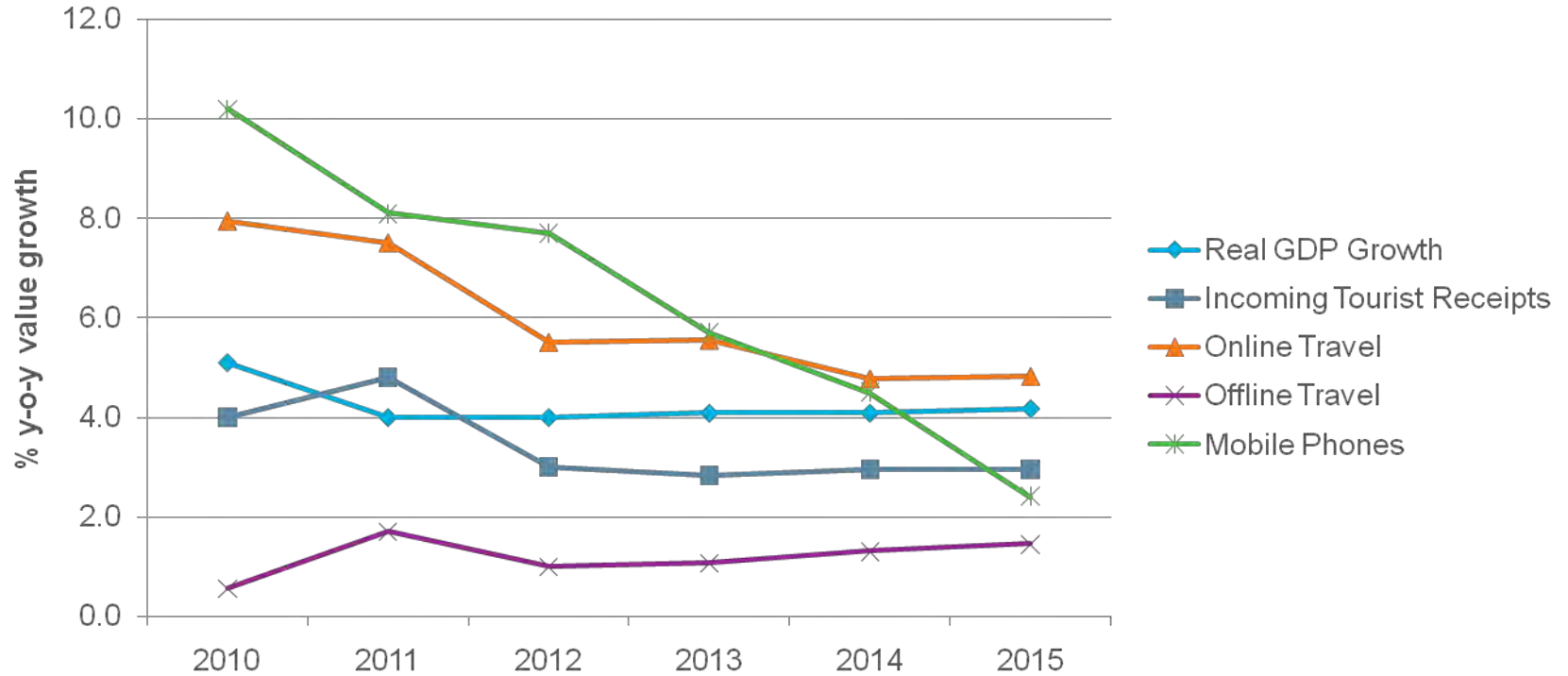


Global Overview – Recovery on the brink

- The global economy is on the verge of a double-dip recession, as the sovereign debt crisis engulfs Europe and the US battles with its rising debt, leading to financial volatility.
- The IMF predicts global GDP growth of 4% in 2011, down from 5.1% in 2010.
- Global arrivals are expected to slow to 4.3% in 2011, as rising fuel and commodity prices, taxation, austerity measures, political turmoil and social unrest take their toll.
- By 2012, the world is expected to witness 1 billion arrivals, spending almost US\$1 trillion, thanks to the burgeoning middle classes in emerging markets such as Asia.
- Travel operators remain cautious and highly acquisitive to ensure their long-term survival.
- With 9 out of 10 consumers owning a mobile subscription by 2015, digital convergence, social media and smartphones are key to building brand loyalty.

Global Overview – Online travel star performer

World Value Sales % Growth: Economy, Technology and Travel



Source: Euromonitor International, IMF

Notes: Value based on US\$ at constant 2010 prices, travel composed of car rental, hotels and air transport

AMERICAS: MYSTERY TRIPS



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Americas - Overview

Americas: Key Performance Indicators 2010-2012

% Growth	2010	2011	2012
Real GDP Growth	3.8	1.9	2.2
Arrivals, trips	5.2	3.1	2.9
Incoming Tourist Receipts Value US\$	5.3	3.3	4.0
Air Transport Value US\$	6.3	4.3	2.6
Hotels Value US\$	1.3	3.6	2.9
Travel Retail Value US\$	7.1	2.0	1.3

Source: Euromonitor International, IMF

- Economic recovery, coupled with the release of pent-up demand, especially among business travellers, led to strong growth in tourism in the Americas in 2010.
- Real GDP growth is expected to slow in 2011 due to high unemployment. The growth in visitors from emerging markets to the US is expected to boost average spend per trip.

Americas - Mystery trips

- Taking the excitement of travel to the next level is the rise in mystery trips, particularly for milestone holidays such as honeymoons and birthdays.
- These mystery trips are also sold at a premium price.
- In 2006, Luxury Link launched weekly mystery auctions where consumers bid on packages with an unknown destination, hotel name, supplier and inclusions.
- Bids start at US\$1. Travellers typically pay only 50% of the sales price. Suppliers benefit from selling excess capacity without undermining their brand.

“The starting bid and incremental bids are only a dollar, travellers are more willing to bid on a mystery destination and get caught up in the fun of an auction.”

Diane McDavitt, Co-founder and President, Luxury Link

Americas – Nextpedition raises the bar

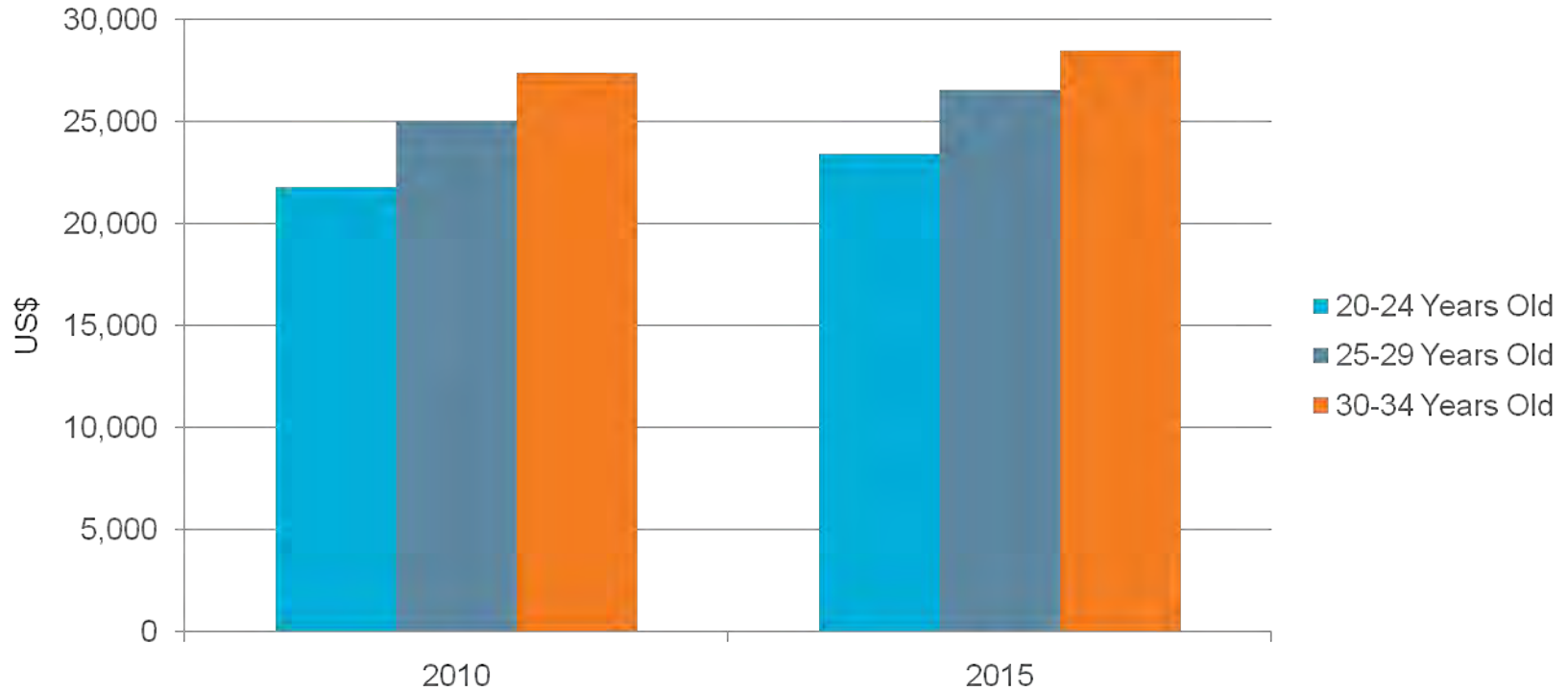
- American Express launched Nextpedition in 2011 where travellers take an online quiz and are assigned one of 20 travel signs.
- Specialists discuss consumers' preferences and budget to create the mystery trip. Travellers receive a smartphone prior to the trip, which unveils the itinerary day by day.
- Domestic trips for two start from US\$1,000, international trips from US\$2,500.

“The Millennial generation has spent most of their lives online. American Express Travel wanted to bring that element of surprise back, while infusing what we do best, great customer service.”

Ellen Bettridge, Vice President American Express US Retail Travel Network

Americas – Targeting Millennials' rising income

Average Gross Income By Age in the Americas 2010/2015



Source: Euromonitor International

Americas - Future full of surprises

- Travellers aged 20-34 offer strong growth opportunities for mystery trips as their average gross income increases and the 30-34 segment grows its share of the population.
- Travel agents could follow American Express and craft mystery trips based on their knowledge of clients to further differentiate themselves from online travel agents.

Opaque for added excitement

- Online travel agencies could use their experience in opaque bookings to create mystery auctions since they have the technology to hide destinations and suppliers.
- Travel agencies internationally can also start selling their own mystery trips.
- Hotels and airlines could work together to offer a mystery weekend trip to their loyalty members residing in a certain city, either through a contest or auction.

UNITED KINGDOM: RENT-A-GARDEN



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United Kingdom - Overview

United Kingdom: Key Performance Indicators 2010-2012

% Growth	2010	2011	2012
Real GDP Growth	1.4	1.1	1.6
Arrivals, trips	-0.4	1.5	3.6
Incoming Tourist Receipts Value US\$	1.4	3.4	5.1
Air Transport Value US\$	-4.6	-0.2	1.9
Hotels Value US\$	-5.4	-0.1	2.1
Travel Retail Value US\$	-4	-2.0	1.5

Source: Euromonitor International, IMF

- The IMF lowered its forecast of GDP growth to 1.1% from 1.8% in September 2011, due to fiscal consolidation, high unemployment and the withdrawal of stimulus measures.
- However, the London 2012 Olympic Games are expected to help increase arrivals next year to almost 30 million and bring a welcome boost to the economy.

United Kingdom - Rent-a-garden

- Campinmygarden.com allows homeowners to rent their gardens as campsites for holidaymakers.
- With high household debt of 5% in 2011, the concept provides extra financial support to cash-strapped homeowners, while offering holidaymakers cheap alternative accommodation.

Urban embraces best of rural

- There are 350 gardens listed on Campinmygarden.com from the UK to Romania.
- Almost 80% of the gardens are UK-based, with the gardens being rented up to 28 days. The site is mainly an urban phenomenon, bringing home farm stays to the city.
- Rental demand is expected to increase during the London 2012 Olympic Games, an event that predominantly appeals to domestic visitors.

United Kingdom – Carry on camping

- The rent-a-garden idea appeals to travellers that wish to experience the local community and go back to traditional and modest forms of accommodation.
- Generation Z (teens and tweens) and baby boomers are the key target markets.

Tapping into the zeitgeist

- “Über-cocooning”, whereby consumers save money by staying at home rather than going out, will boost the allure of rent-a-garden.
- Sustainable tourism is also gaining in importance as greener habits become entrenched.

United Kingdom – Growing demand for alternative accommodation

UK Other Travel Accommodation Categories Sales % Growth 2011-2015



Source: Euromonitor International

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

United Kingdom - Olympic rental pricing frenzy

- Londoners can rent out their homes and gardens during the Olympics, especially those close to the Olympic venues in East London.
- Hotels are reportedly charging up to five times more for the Olympics, while the International Olympic Committee has taken over 40% of hotel availability.
- The lack of strong pipeline projects by leading hotel chains in East London opens up opportunities for Campinmygarden.com to reach a wider audience.

“Traditional accommodation will be scarce and very expensive during the Olympic Games, so Campinmygarden.com, an affordable and accessible alternative, should thrive at this time”

Victoria Webbon, Founder, Campinmygarden.com

EUROPE: LUXURY WITHOUT GUILT



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Europe - Overview

Europe: Key Performance Indicators 2010-2012

% Growth	2010	2011	2012
Real GDP Growth	1.8	1.5	1.4
Arrivals, trips	2.4	5.8	1.5
Incoming Tourist Receipts Value US\$	1.2	5.5	1.3
Air Transport Value US\$	1.0	4.2	1.1
Hotels Value US\$	-1.5	2.8	-0.1
Travel Retail Value US\$	-1.4	2.0	-0.2

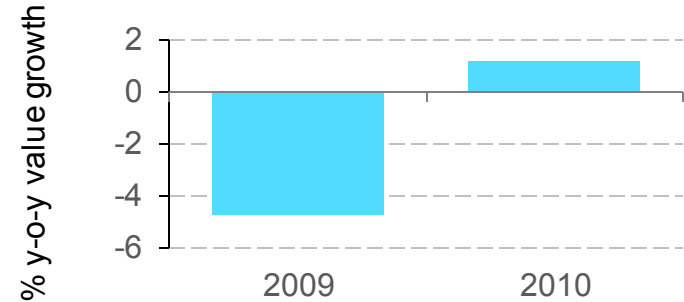
Source: Euromonitor International, IMF

- Sluggish economic growth is predicted for Europe due to the sovereign debt crisis, with a double-dip recession possible and the future of the Eurozone in doubt.
- Spain and Italy along with bailed out countries, Ireland, Greece and Portugal, continue to struggle with high debt and unemployment.

Europe - Luxury without guilt

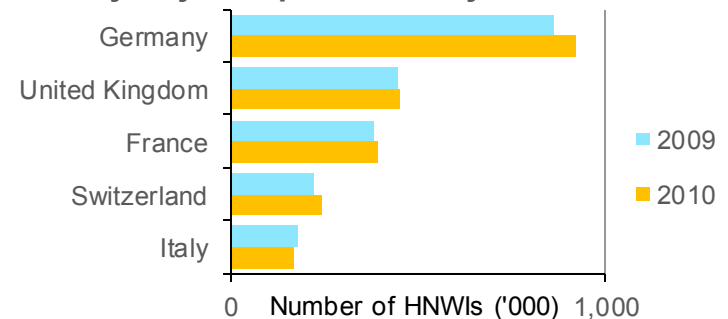
- After the global economic crisis, a new kind of luxury tourism is emerging in Europe – more authentic and ethical.
- Luxury customers now choose providers that enable them to holiday responsibly, environmentally and respectfully.
- Guilt-free consumers happily enjoy a luxury break having given something back.
- Germany was the European country with the largest number of High Net Worth Individuals in 2010, followed by the UK and France, according to CapGemini.

**European Luxury Hotels Value Sales
% Growth 2009-2010**



Source: Euromonitor International

**Number of High Net Worth Individuals
by Key European Country 2009-2010**



Source: CapGemini World Wealth Report 2011

Europe – Authenticity helps to appease guilt

- Living Walls (plants used to create visual displays on walls) are a prime example of hotels creating a green focal point eg Pershing Hotel, Paris.
- Kenya and South Africa tourism boards developed sustainable packages, encouraging best practices regarding natural resources aimed at European holidaymakers.



“Our idea of luxury is far from an ostentatious or shameless waste. We aim to offer guests credible and reasonable environmental options that they may adopt whenever they wish”

*Eric Boonstoppel,
Managing Director,
Hotel Fouquet’s Barrière. Paris*

Targeting the discerning and altruistic

- Kuoni launched Ananea (“renewal”), a collection of socially and environmentally-responsible luxury holidays.
- Ananea includes volunteering holidays, visiting rehabilitation centres in Vietnam and meeting farmers helped by Fairtrade organisations in Peru.

Europe – Values beyond borders

- Vertical farms (using tall buildings to cultivate plant life for commercial purposes) could provide organically grown food, acting as kitchen gardens for luxury urban hotels.
- Animal welfare and environmental concerns will also increasingly merit more attention when devising menus.



Meeting local communities

- European travel retailers will put an increasing focus on helping local communities.
- TEP, a South African non-profit organisation through its Hidden Treasures initiative, already offers encounters with local craftsmen, musicians and communities with European travellers being the largest source market.



TECHNOLOGY: GAMIFICATION OF TRAVEL



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Technology and Online Travel - Overview

Technology and Online Travel: World Key Performance Indicators 2010-2012

Internet Value % Growth US\$	2010	2011	2012
Car Rental	6.0	5.5	4.5
Air Transport	8.3	7.7	5.2
Other Transportation	-3.2	7.5	7.2
Hotels	7.4	7.2	6.7
Travel Retail Products	5.3	5.4	4.1

Source: Euromonitor International

- Online sales are a major growth catalyst, with online (8%) outpacing offline (1%) in value growth in 2011 and expected to provide steady growth over the long term.
- For travel and tourism categories combined, advanced economies enjoyed internet penetration of 37% of total sales, compared to 10% in emerging economies in 2011.

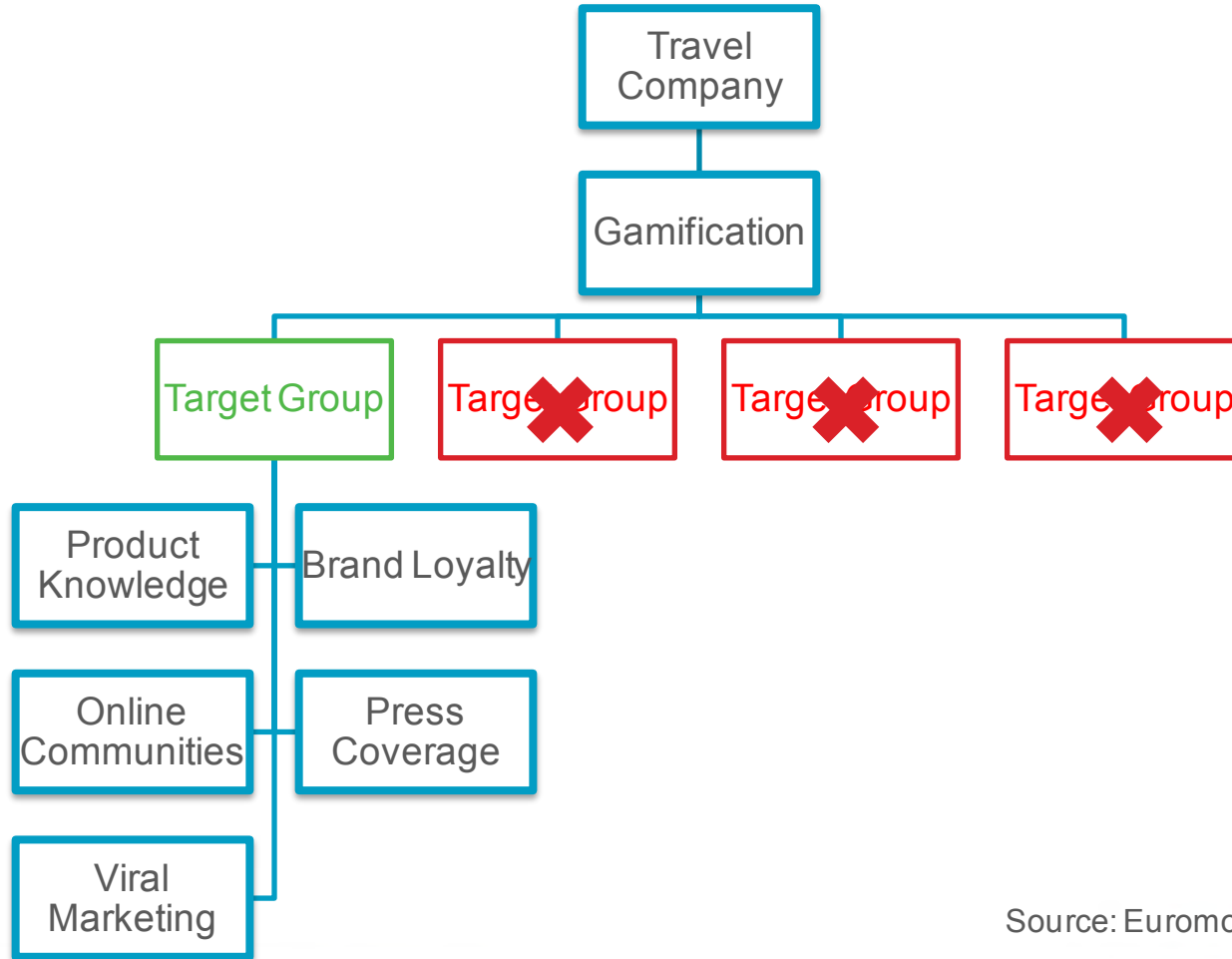
Technology and Online Travel - Gamification of travel

- Gamification is the integration of gaming dynamics in non-gaming environments which started in the US entertainment industry, but is now spreading to the travel industry.
- Gaming is used to encourage consumers to share their experiences, photos and videos to help generate brand awareness and loyalty. Travel players also aim for a viral effect.

Terms of engagement

- Gaming dynamics work through the offer of points, badges, status levels, as well as real gifts such as trips or air miles.
- There are many synergies between social games and traditional loyalty programmes, which can be considered as the first example of gamification in the travel industry.
- Gamification appeals to consumers of all ages, with a peak in the younger generations, aged 18-34 years. According to Forrester, 23% of social gamers are aged 45-65.

Technology and Online Travel – How gamification works



Source: Euromonitor International

Technology and Online Travel – All fun and games

- Travel companies started using social games in 2010, available on websites, games websites and social media.
- Australia Tourism Board www.nothinglikeaustralia.com and Lufthansa www.lufthansawefly.com offer competitions to encourage travellers to share photos and experiences.

“Given that Tourism Ireland has a fan base of 480,000 people, each of the fans has in turn an average of 130 friends, Tourism Ireland can potentially engage with 62.4 million people worldwide through our Ireland Town game.”

Mark Henry, Director of Central Marketing, Tourism Ireland

Ireland targets netizens

- In 2011, Tourism Ireland launched a new social game on Facebook called Ireland Town.
- Ireland Town enables web users to explore the country's attractions, complete challenges based on activities available for tourists and win trips to the country.



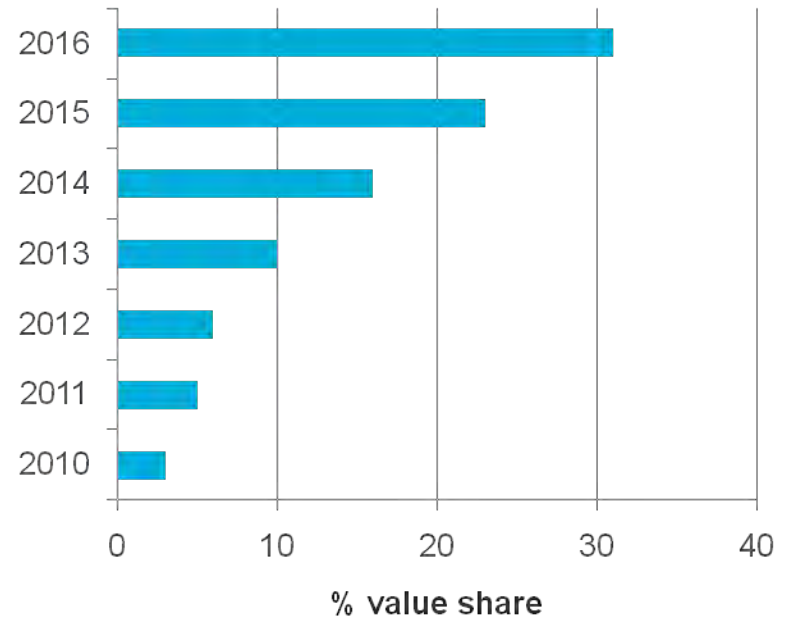
Technology and Online Travel – Future outlook

- Spending on gamification in the US alone is expected to reach US\$2.5 billion by 2016.
- Gartner predicts that by 2015 more than 70% of Forbes Global 2000 organisations will have at least one gamified application.

Going local

- Games on location-based social networks, Foursquare and Facebook Places, will target travellers in the local area.
- Airlines will launch games based on status levels and offer discounts.

USA Gamification % Value Share of Social Media Expenditure 2010-2016



Source: M2 Research

MIDDLE EAST: RE-BRANDING OF ARAB SPRING COUNTRIES



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Middle East - Overview

Middle East: Key Performance Indicators 2010-2012

% Growth	2010	2011	2012
Real GDP Growth	4.4	4.0	3.6
Arrivals, trips	11.5	-6.2	1.3
Incoming Tourist Receipts Value US\$	3.0	-1.8	1.0
Air Transport Value US\$	-0.5	-10.3	0.8
Hotels Value US\$	-1.4	-3.6	2.8
Travel Retail Value US\$	-1.4	1.7	2.3

Source: Euromonitor International, IMF

- In 2011, political protests erupted across the Middle East amid calls for reforms and regime change, with clashes turning violent in some countries.
- Tunisia's and Egypt's revolutions ended with the ousting of their respective authoritarian regimes. 2011 is expected to see arrivals to the Middle East decline sharply by -6%.

Middle East - Re-branding of Arab Spring countries

- Tunisia and Egypt started to reinvent themselves in a new democratic era with a successful transition in place, however, Libya and Syria are far from recovery.
- The tourism re-branding process is complex due to each country's unique political, economic and social conditions, with the major challenge being how to send a positive message.

Country	Political Situation 2011	Re-branding Potential	Marketing Campaign?
Tunisia	Revolution and regime change, still unstable	Strong	One campaign, new logo
Egypt	Revolution and regime change, still unstable	Strong	Several campaigns
Yemen	Uprising still ongoing	Average	No
Libya	Uprising led to civil war	Average	No
Bahrain	Uprising led to sectarian tensions	Weak	No
Syria	Uprising still ongoing	Average	No

Source: Euromonitor International

Middle East - New campaigns for positive change

Egypt – revolutionary “hero”

- Campaigns launched by the Egyptian Ministry of Tourism on satellite TV in April 2011 targeted European and Middle East visitors: “Welcome to the country of peaceful revolution”.
- Tunisia opted for a provocative campaign by Memac Ogilvy targeting the UK and France: “They say Tunisia is nothing but ruins”, whilst depicting ancient ruins.

Long hard road ahead

- Bahrain’s Summer Festival 2011 attracted 83,000 visitors. National Dialogue sessions include the importance of a tourism revival, especially winning back Formula One.
- Post-Gaddafi, Libya offers untapped potential, but much of the country’s tourism infrastructure was destroyed during the war and a period of reconstruction needs to occur.
- Syria’s booming tourism industry has been brought to a standstill while the bloodshed continues.

Middle East – Democracy a key selling point

- Selling new democracies will appeal to those feeling a renewed sense of Arabism.
- However, arrivals growth to Egypt and Tunisia over 2010-2015 are expected to be -3% CAGR and 1% respectively as both struggle to maintain safety and stability.

Resilient in a crisis

- Hotel developments are likely to carry on apace in the Middle East with 466 hotels in the pipeline for the region, according to STR Global (June 2011).
- Despite the turmoil, the region is still a key market for tourism development because of its oil wealth, high disposable income, demographic growth and proven resilience to crisis.

“People forget bad news and the travel industry in the Middle East can bounce back very fast, as seen in the past” Adel Ali, CEO, Air Arabia

AFRICA: M-COMMERCE BOOSTS TRAVEL



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Africa - Overview

Africa: Key Performance Indicators 2010-2012

% Growth	2010	2011	2012
Real GDP Growth	5.4	5.2	5.8
Arrivals, trips	5.5	3.1	3.6
Incoming Tourist Receipts Value US\$	3.3	4.7	5.9
Air Transport Value US\$	7.0	4.1	5.0
Hotels Value US\$	2.1	3.2	3.1
Travel Retail Value US\$	0.1	-0.6	-0.2

Source: Euromonitor International, IMF

- In 2011, real GDP growth in Africa was more than 5%, driven by economic development and coupled with the growing disposable income of the rising middle class.
- In 2010, African tourism benefited from South Africa’s hosting of the 2010 FIFA World Cup event, stimulating an increase in both international and domestic trips.

Africa - M-commerce boosts travel

- Thanks to the mobile boom – with 489 million mobile phone users – Africa is leading the world in m-commerce, which is also boosting demand for travel services.
- 60% of mobile web users in Africa use phones to purchase goods according to InMobi.
- According to Nnebe Business Services, there are 7 million smartphone users in Africa.

Tapping into 230 million unbanked

- In 2007, M-PESA in Kenya enabled consumers without a bank account to purchase electronic funds at M-PESA agents outlets and send the value via SMS to any mobile.
- Mobile phone banking attracts low-income populations in urban and mainly rural areas which have no access to any form of financial services.
- Low-cost 2G internet-capable phones account for 50% of Africa's mobile handsets.

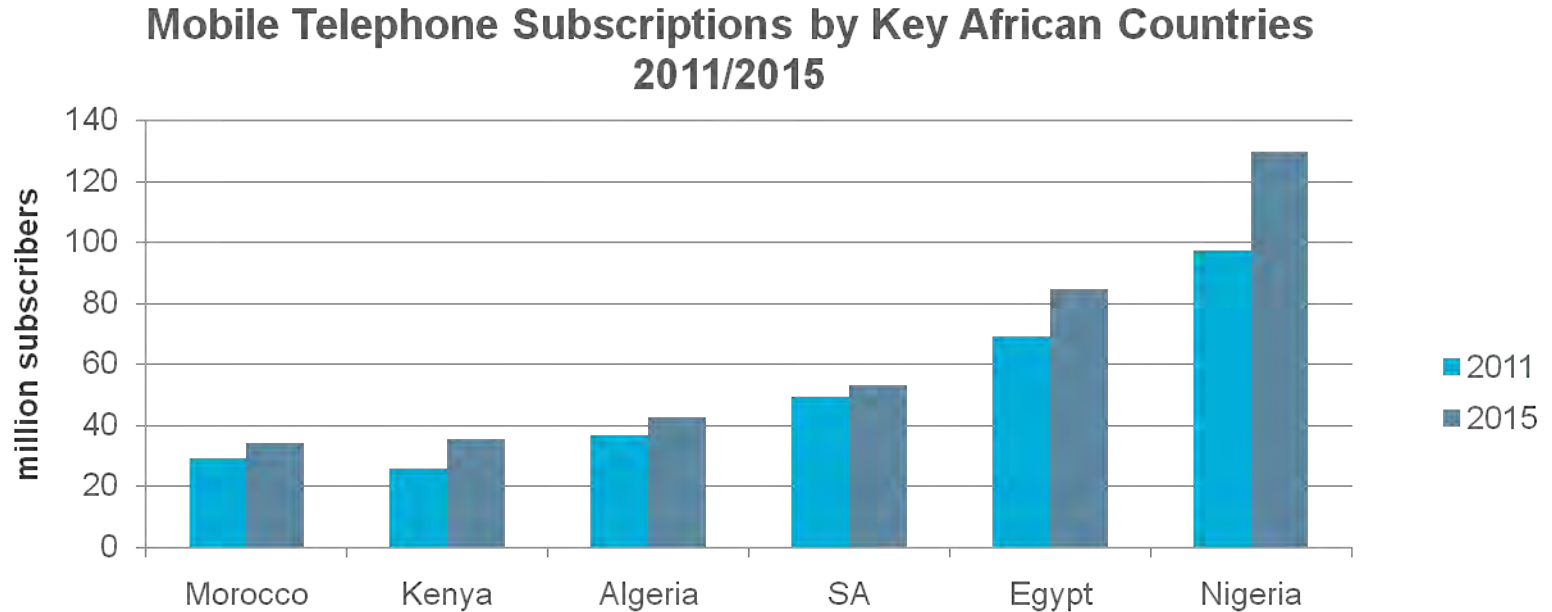
Africa – Airlines lead the way in m-wallets

- In 2010, airlines like Kenya Airways and Uganda Airlines joined M-PESA and Airtel Money to enable consumers without a bank account to buy air tickets.
- Savora Resort & Game Lodges with Safaricom claims to be the first chain globally to have integrated m-commerce since 2010, allowing guests to pay via M-PESA.

Embracing “app-ortunities”

- South Africa Tourism Board launched a mobile site www.traveltoSA.mobi, targeting Angola, Kenya, Nigeria, DR Congo and Mozambique by offering travel deals.
- wakanow.com, a Nigerian OTA, launched Africa’s first mobile travel app in 2011 including searches for flights, hotels and car rental.
- Facebook launched in major African languages (Swahili, Hausa and isiZulu), offering free access to its platform for African mobile users.

Africa – Upwardly mobile population



Source: Euromonitor International

"Mobile technology is a game changer when it comes to travel and tourism in Africa"

Obinna Okezie, Founder and CEO of wakanow.com

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Africa – Greater customisation ahead

- Travel operators need to develop mobile websites and applications across all devices.
- Travel and tourism players will benefit from customised mobile websites and apps to increase reservations, create brand awareness and promote destinations.
- Airlines will profit from implementing mobile capabilities for the sale of ancillary services, allowing passengers to customise their airport and in-flight experience.

Social media push

- African travel players need to maximise the potential of social networks such as Mxit, Facebook and Twitter to boost advertising.
- Allowing bookings through social network applications will be the next step.
- As more smartphone manufacturers enter the mass market, like Google's IDEOS Android phone for US\$100, this opens up a new generation of consumers to target.

GLOBAL VILLAGE: EVOLUTION OF SOCIAL MEDIA



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Global Village - Overview

Global Village: World Key Performance Indicators 2010-2012

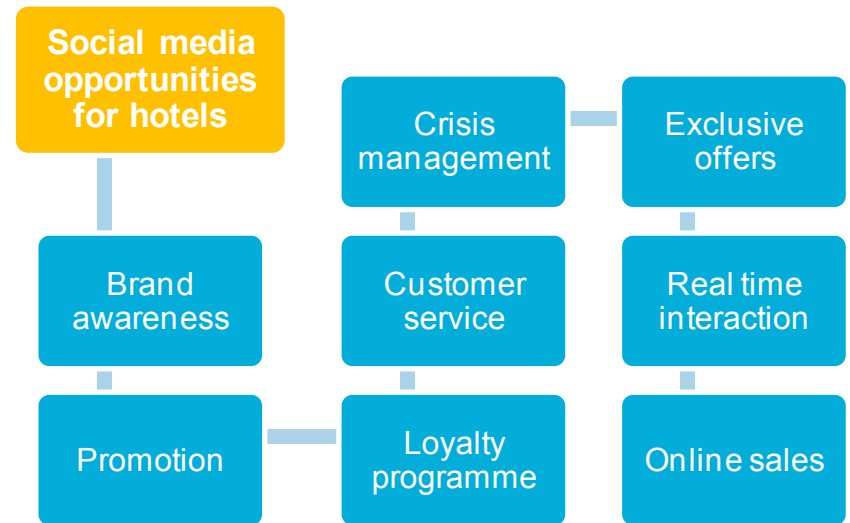
Value % Growth US\$	2010	2011	2012
Car Rental	2.0	2.7	2.0
Hotels	1.0	3.3	2.3
Other Travel Accommodation	-1.6	0.9	1.5

Source: Euromonitor International

- World car rental and hotels value sales regained growth in 2010 thanks to a recovery in demand, yet the threat of a double-dip recession in the US and Eurozone remains high.
- Hotels are set to experience a slowdown in 2012, in line with the slower than expected recovery in the advanced economies as downside risks increase and confidence dips.
- Asia Pacific presents the greatest opportunities for future growth.

Global Village - Evolution of social media

- Hotels are rethinking their marketing strategies to reach online audiences in a more personalised and intimate way.
- The aim is to capitalise on the power of social networks and friends/followers' influence to drive bookings and loyalty.
- In 2011, social media was at the frontline of marketing activity, leveraging offline events to engage online audiences.
- Uncertainty, however, remains about how to determine return on investment.



Source: Euromonitor International

Global Village – Merging online and offline worlds

- Madison Square Park (New York City) was transformed into an open-air spa for a day to boost visits to Marriott Caribbean and Mexican Resorts' Facebook page in June 2011.
- To enjoy free massages and pedicures, consumers had to 'like' the hotel's Facebook page and print an invitation, which increased its likes from 800 to more than 2,000.

Social engagement

- Sofitel appointed social media coordinators that research each property's guest profile to send out targeted messages about local events, insider information and news.
- Marriott International set up an online concierge service through Twitter to solve guest complaints quickly and efficiently, as guests expect real time responses.
- IHG created a 'Social Media Customer Care Team' to identify and resolve complaints across social media, also working with properties to help with monitoring.

Global Village – Convergence of services

- Social media encompasses loyalty programmes, bookings, concierge and customer service. The next step will be to incorporate mobiles.
- It will not be an easy task, however, as technology converges, intertwining media and platforms, and increasingly blending the off- and online worlds.

Word of warning

- Hotels must understand the differences in social media usage to integrate local aspects and avoid the incessant launch of new tools and websites to choose the most efficient.

“Consumers now expect the opportunity to have one-on-one personal interactions with businesses, in large part thanks to social media.”

Nick Ayres, Manager, Social Marketing, InterContinental Hotels Group

ASIA: CHINA'S GROWING INFLUENCE



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Asia - Overview

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% Growth	2010	2011	2012
Real GDP Growth	8.4	6.2	6.6
Arrivals, trips	12.4	5.8	5.2
Incoming Tourist Receipts Value US\$	10.5	7.2	6.5
Air Transport Value US\$	6.9	5.5	5.6
Hotels Value US\$	4.8	5.7	4.9
Travel Retail Value US\$	2.7	3.5	3.2

Source: Euromonitor International, IMF

- Driven by China and India, Asia's economies enjoyed healthy growth in 2010, although are expected to slow over 2011-2012, due to the global economic slowdown.
- Intra-regional travel is forecast to boost arrivals and incoming tourist receipts as more middle-class travellers explore the region for the first time.

Asia - China's growing influence

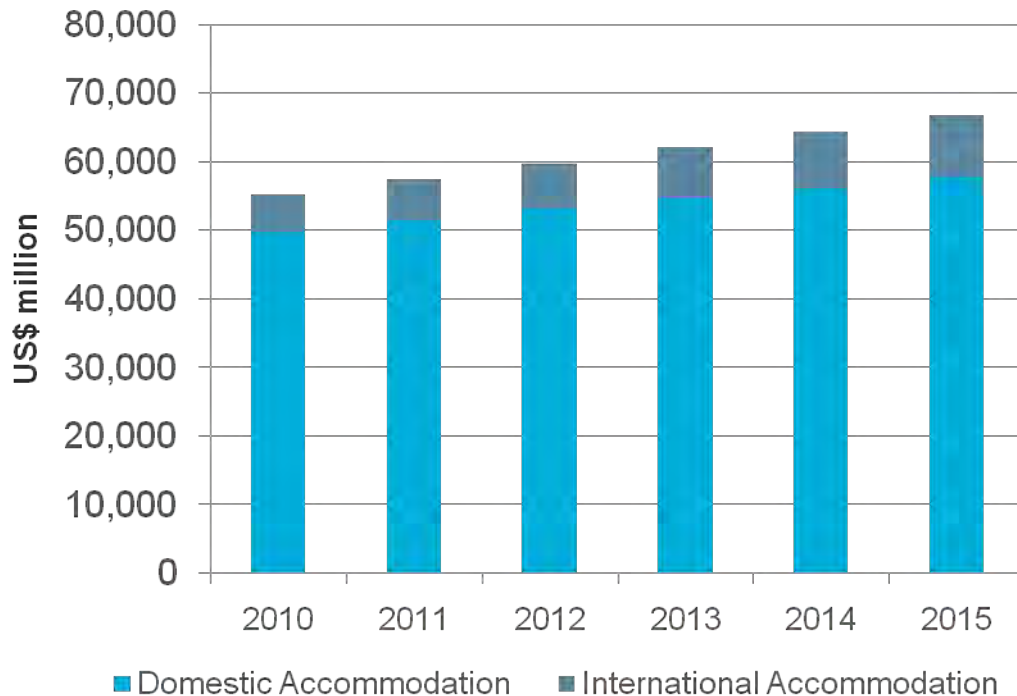
- The Chinese are expected to spend US\$57 billion on accommodation domestically and abroad in 2011 - the third highest spending behind the US and Germany.
- Hotels are customising their brands in China, partnering with Chinese companies and creating programmes to cater to the Chinese abroad to capture a greater share of wallet.

Customised offer from IHG

- In 2011, IHG renamed its Holiday Inn Express brand in China to 'Zhi Xuan Jia Ri', meaning 'smart choice', to better reflect the brand offering to Chinese travellers.
- IHG announced plans to launch an upscale Chinese brand by 2013, that will have a teahouse, all-day dining Chinese restaurant, private dining rooms and smaller hotel bar.

Asia – China accommodation spending to rise

Travel Accommodation Expenditure by
Chinese Travellers 2010-2015



Source: Euromonitor International

Joint ventures

- Sol Melia partnered with Jin Jiang Hotels in 2011 to develop hotels and share best practices.
- In 2011, HNA Group, a Chinese integrated travel operator, acquired 20% of NH Hotels to focus on hotel development in China.

Asia – Chinese home comforts

- In 2011, Hilton announced its Hilton Huanying programme which provides creature comforts to Chinese visitors abroad – upon arrival, in-room and at breakfast.
- The programme includes staff fluent in Mandarin at the front desk, two different congee at breakfast and TV programming, along with Chinese tea, tea kettles and slippers.
- Starwood has since launched the ‘Starwood Personalized Traveler Program’ including Chinese amenities and dining. Accor staff in Australia are trained to cater to the Chinese.

“As many leave China for the first time, our research and experience enabled us to create a programme that responds to simple expectations of Chinese travellers.

We have called it Huanying – meaning Welcome in Chinese.”

Philippe Garnier, Vice President, Sales Asia-Pacific, Hilton Worldwide

Future outlook – Number two in the world for hotels

- Spending by Chinese travellers on travel accommodation domestically and abroad is expected to increase by 20% over 2010/2015 to reach US\$67 billion, second to the US.
- Hotel companies will continue to expand in China. IHG, for example, plans to have 286 outlets in China by 2015, while Starwood has a pipeline of 100 hotels.

Virtuous circle

- Hotel companies will use their experience in the Chinese domestic market to feed best practices to properties abroad in key destinations for Chinese travellers.
- Driving loyalty programme membership will be key. Chinese membership has already become the second largest for the Starwood Preferred Guest program in 2010.
- Hotel brands are expected to turn to Chinese social media websites, such as RenRen.

For more information:

Caroline Bremner

Head of Travel and Tourism Research

Euromonitor International

caroline.bremner@euromonitor.com

www.euromonitor.com

Paul Nelson

Press & PR Manager

World Travel Market

paul.nelson@reedexpo.co.uk

www.wtmlondon.com

Publisher's note: at a time of macroeconomic instability, forecast data for 2011-2015 used for the purpose of this report are provisional and are subject to revision before publication in Euromonitor International's Passport Travel and Tourism 2012 edition

