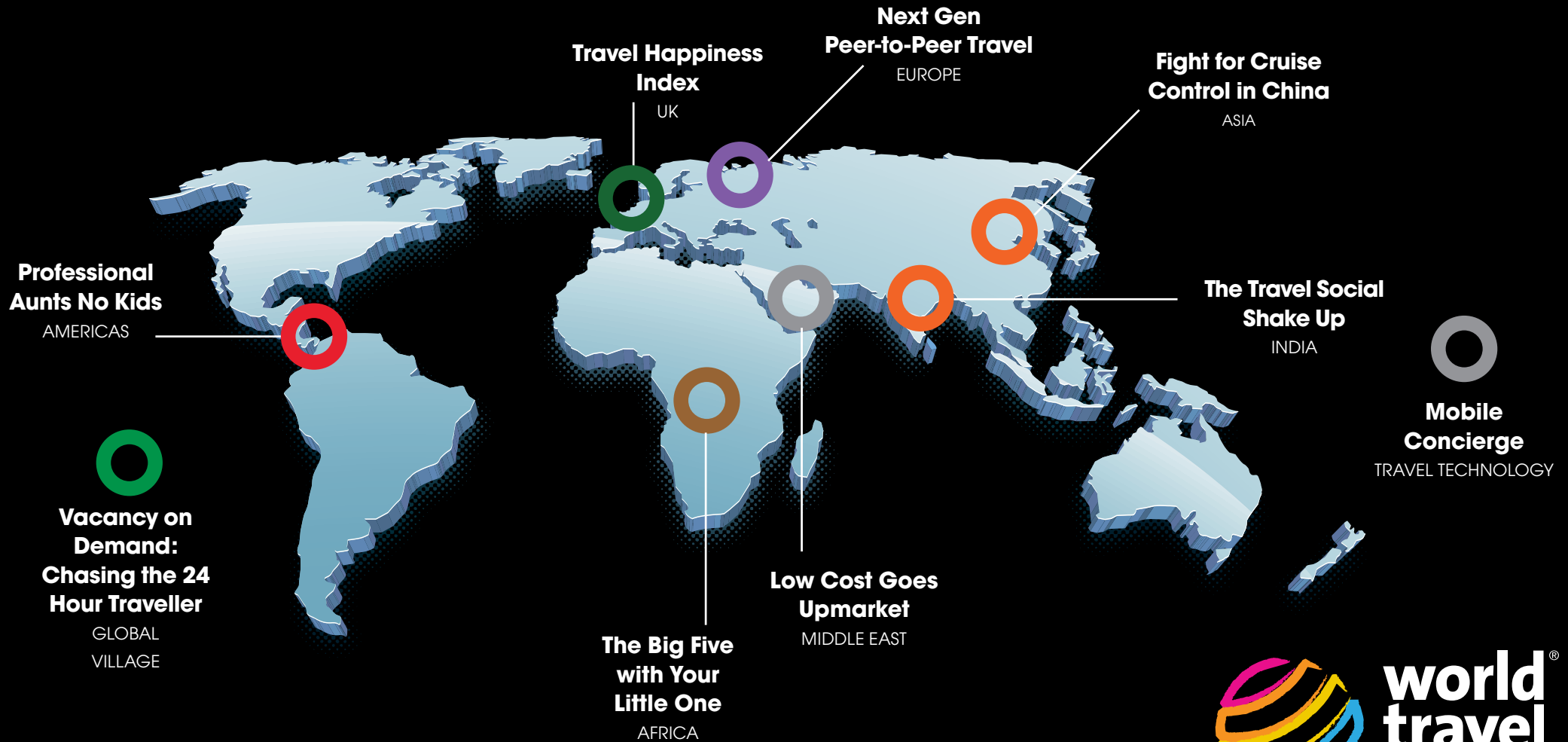


# WTM Global Trends Report

The latest trends from around the world



In association with



4 - 7 Nov 2013 • London  
The Leading Global Event for the Travel Industry

# World Travel Market Global Trends Report 2013

## Global Trends Report - Key Findings

Americas: PANKs – A New Demographic

The travel industry is starting to cater to the ‘Professional Aunt, No Kids’ demographic.

UK: Travel Happiness Index

Routehappy.com provides a unique measurement of customer satisfaction via its happiness scores for airlines.

Europe: Next Generation Peer-to-Peer Travel

Peer-to-peer travel services are recording strong growth in Europe, offering authentic experiences at affordable prices.

Travel Technology: Mobile Concierge

Travel companies are increasingly using mobile channels to satisfy customers’ needs before, during and after the trip.

Middle East: Low-Cost Goes Upmarket

Middle Eastern consumers have a penchant for luxury, which has led LCCs to introduce business class-style services.

## Global Trends Report - Key Findings

### Africa: The Big Five with Your Little One

Child-focused safaris in Africa are becoming more popular, driven by demand for multi-generational holidays.

### Global Village: Vacancy on Demand – Chasing the 24-hour Traveller

Microstays have emerged as an attractive means of boosting hotel revenues, by targeting business travellers on the move.

### Asia: Fight for Cruise Control in China

China is set to become a key market for cruise companies as this new type of holiday rises in popularity.

### India: The Travel Social Shake-Up

Indian online travel players are using social media more effectively to target young urban consumers.

## World Travel Market

The WTM Global Trends Report 2013, in association with Euromonitor International, highlights the 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 2013 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 2013.

I hope you find the report useful and interesting and wish you a thought-provoking and productive WTM 2013.



**Simon Press, Senior Exhibition Director, World Travel Market**

## Euromonitor International

The Global Trends Report 2013 reveals how travel players are differentiating and innovating their products and services, all while embracing social media.

Non-traditional demographic groups are emerging with PANKs 'Professional Aunt, No Kids,' a new target market in the US, while child-friendly and multi-generational safaris in Africa are growing more popular.

We see that business models are adapting to suit customers' needs, where low-cost carriers are going upmarket in the Middle East and hotels offer microstays. Peer-to-peer continues to make inroads despite legislative hurdles. The lure of the East grows apace with cruise operators diving into the Chinese market.

Social media channels are important to improving the customer experience, as seen with the emergence of the mobile concierge, while in India, social channels are giving online travel companies' sales a welcome boost.

Routehappy goes one step further in providing happiness scores for airlines. Ultimately, if your customer is happy, you should be too!

*Caroline J. Bremner*

**Head of Travel and Tourism Research, Euromonitor International**



# GLOBAL OVERVIEW

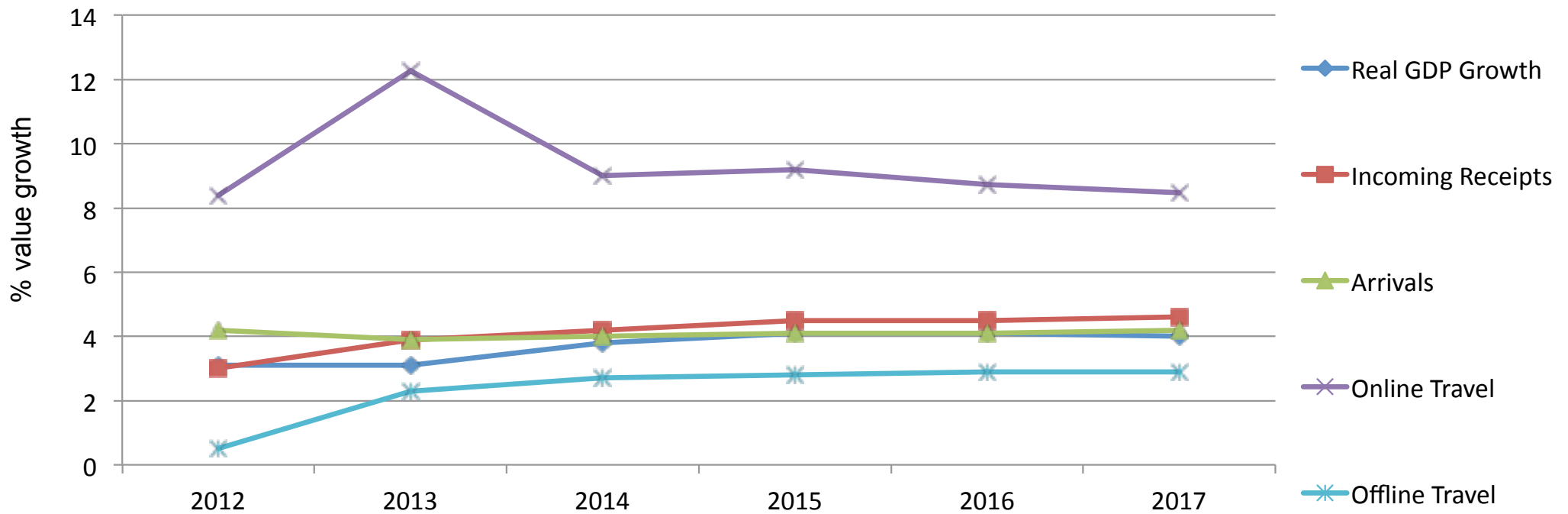
## Global Overview - A Healthy Travel Industry

- The global economy is expected to record 3.1% growth in 2013, a stable performance compared to 2012.
- The IMF predicts global GDP to grow by 3.8% in 2014, thanks to positive growth in the Eurozone, the economy picking up in the US and a further increase in emerging markets.
- The long-term economic potential of the BRICs and other emerging markets remains solid and is expected to drive positive performance of the global economy over 2015-2017.
- Global tourist arrivals and inbound spending are predicted to continue to be vital over the 2012-2017 period, boosted by increasing demand from emerging markets.
- Advanced markets are recovering after the difficulties experienced since the crisis with tourism flows and spending from the US, Japan and Europe returning to growth.
- Online travel agencies are growing in importance, with Expedia and Priceline dominating this space. Players from emerging markets are also gaining ground, like the Chinese online travel agency Ctrip.
- Mobile travel bookings are becoming significant globally, reaching double-digit shares of online sales for some key players in the online travel agency and hotel categories in 2012.



## Global Overview - Steady Growth Ahead

**World Economy and Travel Performance % Value Growth 2012-2017**



Source: Euromonitor International

Note: Travel comprises car rental, travel accommodation, transportation and tourist attraction sales, based on US\$ at constant 2012 prices



# **AMERICAS - PANKS: A NEW DEMOGRAPHIC**

## Americas - Overview

### Americas: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	2.2	1.9	2.6
Arrivals (Trips)	5.2	3.7	3.6
Incoming Tourist Receipts Value (US\$)	7.0	6.7	6.3
Air Transport Value (US\$)	4.0	7.4	6.5
Hotels Value (US\$)	5.2	6.2	5.2
Travel Retail Value (US\$)	5.3	6.8	5.6

Source: Euromonitor International

- Despite bumpy economic conditions, demand growth is likely to outpace supply expansion, pushing prices up and driving value sales.
- Incoming tourism will be a bright spot with strong growth in regional and long-haul travellers.
- Industries that have been consolidating, such as car rental and airlines, are expected to do well over the forecast period.

## Americas - PANKs Filled with Potential

- PANKs stands for 'Professional Aunt, No Kids'. These are women over the age of 18 with no children, but have a close relationship with children of friends or relatives.
- As of 2010, in the US, 42.6% of women between the ages of 15-44 were childless, up from 40.1% in 2002, as women have children at older ages or choose not to have children at all.
- Research by Savvy Auntie – a US-based website community for aunts and godmothers estimates that there are 23 million PANKs in the US who spend US\$9 billion annually on children (baseline of one child per PANK).

### Travel Ideal Product for PANKs

- Travel is a great way to foster these relationships. According to Savvy Auntie, 48% of PANKs enjoy travelling with nieces and nephews.
- This figure is likely to grow as the travel industry begins to target this segment more.
- In 2013, Intrepid Travel targeted the PANK market for its extended range of family adventure tours with web content, social media, dedicated emails and advertorials.

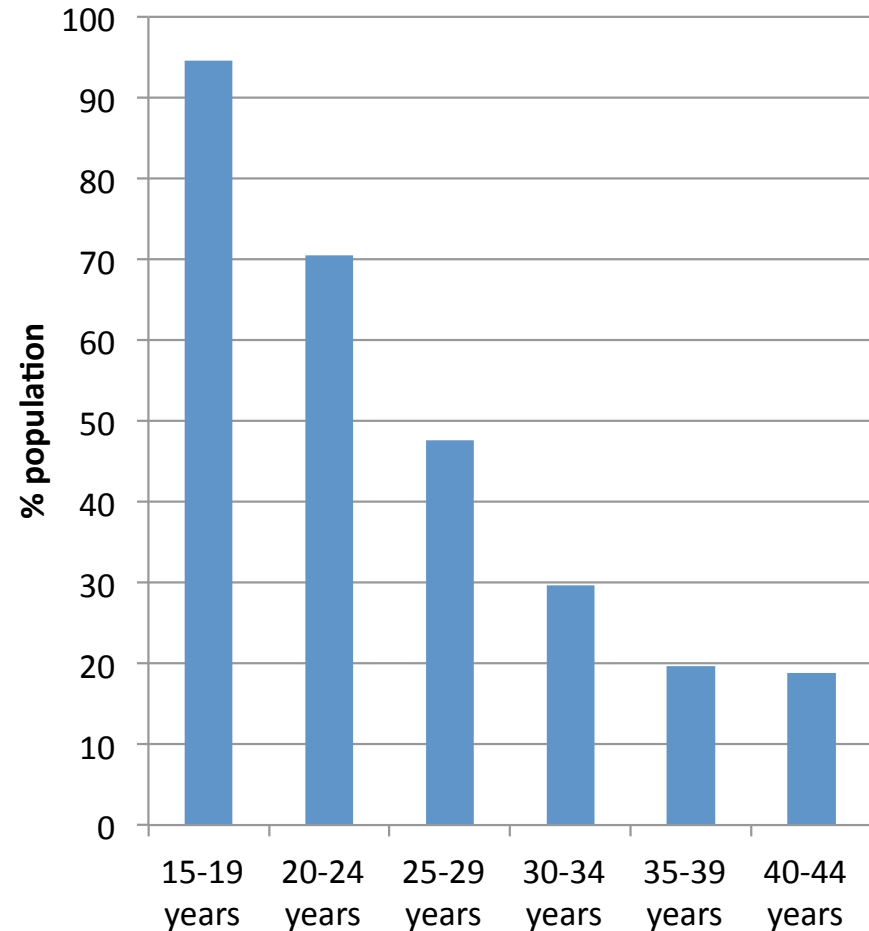
**“PANKs want to have meaningful experiences with the children in their lives and develop strong bonds with them, which makes travel an ideal product for this demographic.”**

*Melanie Notkin, CEO, Savvy Auntie*

**“The PANK market is sizeable, has huge potential, and has yet to be exploited, especially in the travel vertical.”**

*Jared Alster, Director of Marketing, Intrepid Travel*

**US % of Childless Women June 2010**



Source: US Census Bureau, Current Population Survey

## Americas - Catering to PANKs

- The travel industry has to market to this demographic carefully, appealing to them in marketing and creating products that suit their needs.
- Lisa Bauer, Executive Vice President for Global Sales and Marketing at Royal Caribbean, says it focuses on females in advertising because women make most travel-related decisions.
- However, Royal Caribbean does not address them as mothers since the company wants women to draw their own relationship with the female population in the advertisements.
- Based on Intrepid Travel's research in 2013, PANKs are interested in domestic travel, particularly Disney resorts and Hawaii, as well as Europe, especially the UK.

## Long-term Demographic Trend

- Women will likely continue to wait longer to have children, with some opting to remain childless. Thus PANKs are expected to grow in number, both in the US and globally.
- The travel industry has great expertise in creating and marketing family products and will reap the benefits by expanding the term 'family' to PANKs and other non-traditional family types.

# UK: TRAVEL HAPPINESS INDEX



## UK - Overview

### UK: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	0.2	0.6	1.4
Arrivals (Trips)	-0.3	0.3	1.1
Incoming Tourist Receipts Value (US\$)	4.8	5.1	4.6
Air Transport Value (US\$)	2.4	3.9	2.5
Hotels Value (US\$)	1.2	0.7	1.1
Travel Retail Value (US\$)	1.6	2.6	2.5

Source: Euromonitor International

- The UK's economy continues to expand slowly. Real GDP is expected to grow by 0.6% in 2013, attributed to the government's programme of austerity and the bleak outlook for exports.
- Unemployment was 7.9% in 2012 and it will remain at that level in 2013. The average household income is still below levels prior to the recession in 2008-2009.
- Consumer expenditure per capita in the country was £15,307 (US\$24,260) in 2012. It is expected to grow by 0.6% in real terms during 2013.



## UK - Travel Happiness Index

- A new flight metasearch site, [www.routehappy.com](http://www.routehappy.com), was launched in April 2013, combining traveller experience with low prices and flight availability.
- The start-up differs by providing flight Happiness Factors and Happiness Scores on a scale of one to ten to help consumers select flights based on comfort and suitability.
- Consumers are able to select higher quality in-flight service based on incentives such as earplugs, Wi-Fi, in-seat entertainment and leg room, amongst others.

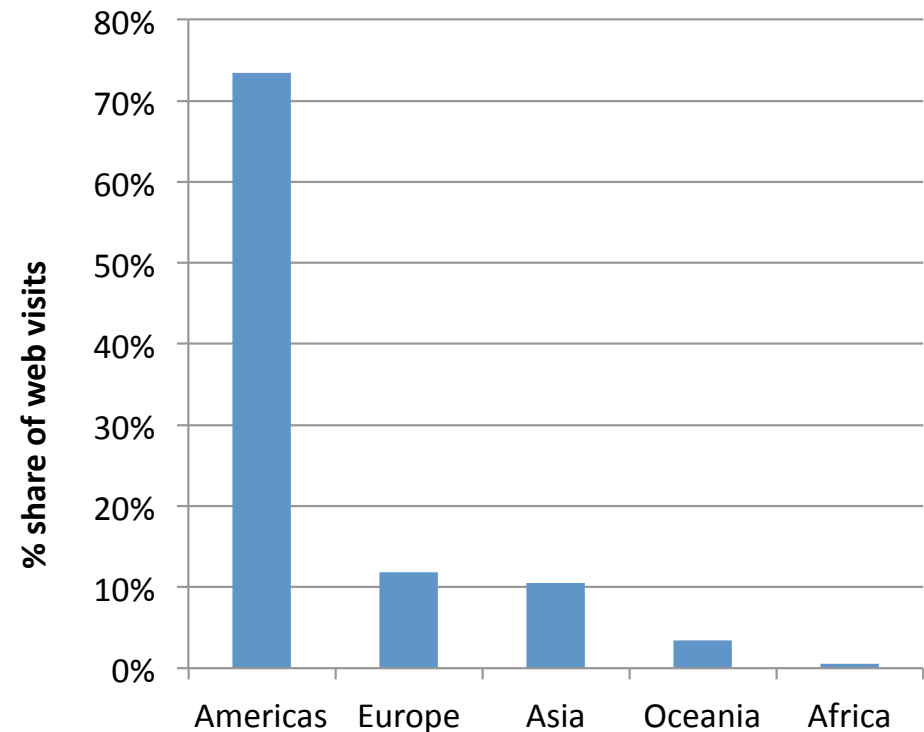
## Price is Not All

- Routehappy uses 'Flightpad', a proprietary 'Product Attribute Database', which studies airlines and airplanes globally to build an accurate database of flight product attributes.
- With more than 100,000 unique visitors at launch and over 30% of visitors returning in July 2013, the site is a unique offering with the UK as the leading European source of demand.
- No other companies view transportation in this way. Alternatives are metasearch sites such as [Kayak.com](http://Kayak.com) and [Hipmunk.com](http://Hipmunk.com), which lack Happiness Scores.
- The UK air transportation segment will record 2% growth over 2012-2017, to reach £31 billion air travel retail sales by 2017.

**“Our Happiness Score is very important to airlines. Why? Airlines are working hard to move away from air travel being a commoditised, price and schedule-only decision.”**

*Robert Albert, Founder and CEO,  
Routehappy*

**Routehappy.com Web Visits  
by Region July 2013**



Source: Routehappy.com

## UK - The TripAdvisor for Airlines

- The Routehappy.com business model paves the way for de-commoditisation of the flight sale, emphasising happiness as a key measurement.
- Studies show people are happier for longer when they spend money on experiences.
- Routehappy.com can become the airline industry benchmark for customer satisfaction, featuring its Happiness rating that airlines and travellers can adhere to.
- The aim for higher customer satisfaction/experience also resonates with the popularity of aircraft such as the Dreamliner and its differentiated products among customers.

### Quest for Customer Satisfaction

- Routehappy.com works with some of the main GDS players, including Amadeus. The website tracks 180 types of planes, 4,000 airports and receives over 70,000 customer reviews.
- The advertising power of its Happiness Scores can be explored by both customers and trade who can use the classification as a means of achieving the perfect travel experience.
- Other transportation modes such as bus and cruising, as well as hotel and travel retail players, can follow suit and adopt the 'Happiness Score' approach.



# EUROPE: NEXT GENERATION PEER-TO-PEER TRAVEL

## Europe - Overview

### Europe: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	0.3	0.4	1.6
Arrivals (Trips)	3.1	2.7	2.7
Incoming Tourist Receipts Value (US\$)	1.4	2.4	2.8
Air Transport Value (US\$)	1.6	1.7	1.8
Hotels Value (US\$)	-1.3	-0.2	0.2
Travel Retail Value (US\$)	-0.2	1.4	1.6

Source: Euromonitor International

- Europe continues to struggle with low GDP growth in 2012 and 2013.
- However, tourist arrivals and incoming receipts have started to pick up thanks to increasing flows from both advanced and emerging markets.
- Hotels sales are still suffering stagnation as austerity and consumer caution remains. Low-cost carriers are driving better performance in air transport.

## Europe - Next Gen Peer-to-Peer Travel

- Recent developments in online commerce and social media have made sharing travel services easier, leading to new business models involving peer-to-peer options.
- As Europeans seek cheaper travel options to counteract the continued austerity, the sharing economy offers opportunities at lower prices than ever before.
- Value for money is crucial as is the superior authenticity of the holiday experience offered.

## Wide Range of Peer-to-Peer Sites Now on Offer

- Rental accommodation offerings have become more numerous and diverse with Airbnb, HouseTrip and HomeAway meeting a larger set of consumer demands.
- Tours, guide services and unique travel experiences are also offered by sites such as Touristlink and Vayable where travellers can get in touch with local residents.
- Car sharing services are also growing in Europe. In August 2013, Blablacar.com had over 3 million members in 10 European countries with 600,000 members travelling monthly.
- TripAdvisor embraced the concept by acquiring FlipKey, as well as listing HouseTrip and Airbnb as trusted partners for rentals.
- Avis bought car sharing company Zipcar for US\$500 million in 2013.

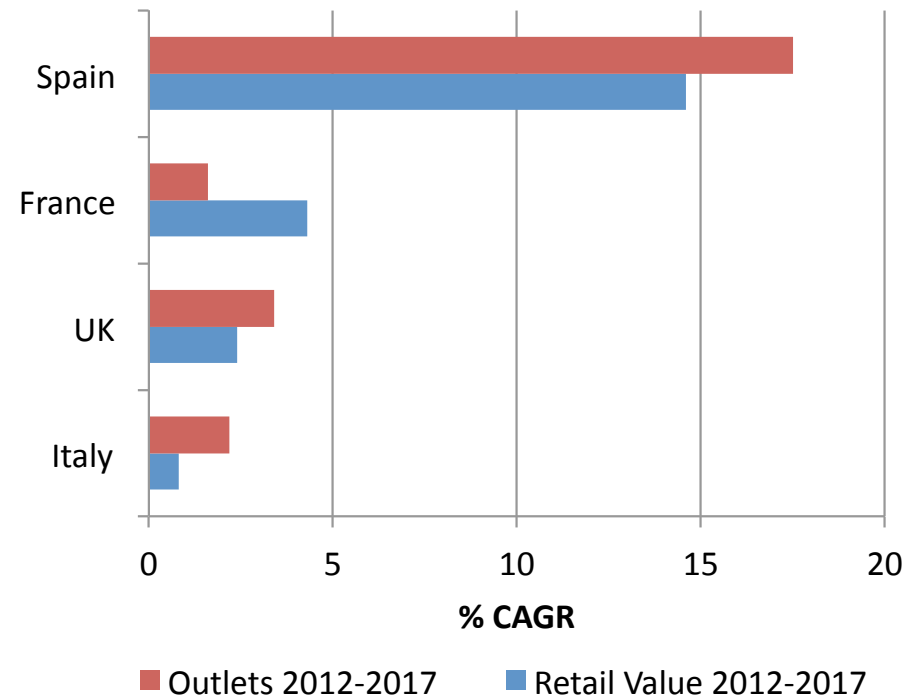
**“The future of peer-to-peer holiday rentals really depends on legislation, but I believe that there are very good prospects. Hosts earn extra money for their pocket and guests get more value from their travel dollar, so it is an attractive proposition.”**

*Arnaud Bertrand, CEO, HouseTrip*

**“This is what we do, which is empowering people to make a living doing what they love, monetising their resources and showing travellers a unique experience they would never have been able to access in guidebooks or through traditional tour operators.”**

*Jamie Wong, CEO, Vayable*

**Private Travel Accommodation in UK, France, Italy and Spain  
% CAGR 2012-2017**



Source: Euromonitor International

Note: CAGR signifies compound annual growth rate

## Europe - Sharing Economy Expanding

- Forbes magazine estimates revenues across the sharing economy to grow by 25% in 2013.
- Travel services are expected to play a significant role in this performance. Value sales of private travel accommodation in Europe are forecast to reach US\$15.4 billion by 2017.
- In cities like New York and Amsterdam, authorities tried to limit peer-to-peer accommodation services through regulations due to issues concerning local taxes and residents' rights.
- However, these attempts are unlikely to succeed due to the strong popularity of the peer-to-peer trend amongst consumers globally, which seems difficult to stop through regulation.

## Large Travel Players to Join the Movement

- It is likely more major travel retail and car rental companies will enter this category following the success of sharing services in the travel industry.
- Today holiday rental sites pose only a small threat to the hotel industry but hotels will need to keep an eye on how the category will develop in the next few years.
- The emergence of websites specialising in peer-to-peer travel is expected in the future.
- These are predicted to cater for all types of travel services including accommodation, transportation, car rental, tours and activities.



# TRAVEL TECHNOLOGY: MOBILE CONCIERGE



## Travel Technology - Overview

### Travel Technology: World Key Performance Indicators 2012-2014

Internet value % growth (US\$)	2012	2013	2014
Car Rental	4.9	9.6	7.8
Air Transport	8.0	12.3	8.7
Other Transportation	6.4	12.7	9.1
Hotels	10.5	13.0	9.9
Travel Retail Products	8.2	12.1	9.7

Source: Euromonitor International

- Online travel sales recorded another strong performance in 2012 growing by 8.4% globally to reach US\$524 billion, or 25% of global travel and tourism value sales.
- Online travel growth was especially sharp in emerging markets, with Asia Pacific recording the highest increase at 19% in 2012.
- World online travel growth is expected to continue steady in the next five years at a 9.5% CAGR.

## Travel Technology - The Mobile Concierge

- Mobile internet devices represented a revolution for the travel industry as they introduced a new reservation channel but they also increased customer service expectations.
- Travel companies' customers expect real-time answers and a higher level of customisation of services wherever they are and at any time, before, during and after the trip.
- Mobile concierge services are beneficial for travellers allowing them to improve their holiday experience and for travel companies, which can deepen relationships with customers.

### Addressing the New Needs of Mobile Travellers

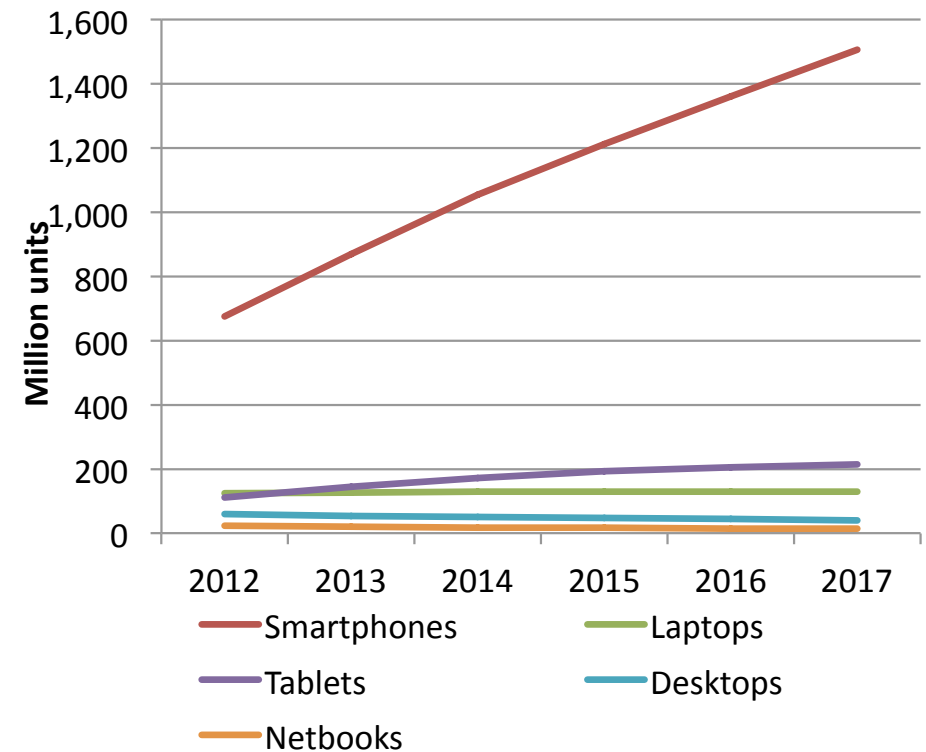
- TUI Travel's Digital Assistant app offers customers advice prior to their departure, during their holiday and on their return.
- TUI Travel plans to make the Digital Assistant app a concierge service helping customers with the holiday they booked but also a source of inspiration for their next trip.
- YourSingapore Guide app by the Singapore Tourism Board enables visitors to enjoy their personalised Singapore experience as smoothly as possible.
- InterContinental Hotels' Concierge Insider Guides app offers insights provided by company concierges in its 127 world locations.

**“Mobile is revolutionising customer relationships...**

**“We have developed a new product called the Digital Assistant. This is a tool where we think we can really build that intimacy of relationship of treating the customer as an individual and that is very different from the way typically today travel providers work.”**

*Peter Long, CEO, TUI Travel Plc*

**Forecast Global Sales Volume of Internet Access Devices by Type 2012-2017**



Source: Euromonitor International

## Travel Technology - Mobile at the Core of Customer Relationship

- Due to the mobile nature of travel, smartphones and tablets are expected to become the key customer service tool in the industry within the next five years.
- Euromonitor International forecasts global smartphone volume sales will post a 17% CAGR over 2012-2017, while sales of tablets are forecast at 14% CAGR.
- By 2017, the mobile channel is expected to account for over 30% of online travel value sales.
- The areas expected to grow most within mobile concierge services include personalised advice and customer assistance requests and feedback.

### Key Competitive Tool

- Travel players will need to quickly adopt mobile concierge services in the next few years to answer the growing need of their customers and not to lose out on business.
- Hotels are expected to use a mix of on-site and mobile concierge services in the future. Personalised services will be increasingly offered based on customer stored preferences.
- Airlines' customer service through mobile apps is expected to develop to offer personal assistance 24/7 throughout the entire trip from planning and logistics to emergency assistance.



**MIDDLE EAST: LOW COST GOES UPMARKET**

## Middle East - Overview

### Middle East: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	4.0	4.3	4.8
Arrivals (Trips)	4.3	6.7	6.9
Incoming Tourist Receipts Value (US\$)	4.3	9.3	10.0
Air Transport Value (US\$)	6.5	7.7	8.8
Hotels Value (US\$)	6.6	9.2	9.6
Travel Retail Value (US\$)	3.0	10.8	10.2

Source: Euromonitor International

- There is a visible recovery in travel and tourism across the Middle East in 2012, with a 4.3% increase in the number of inbound trips, despite the ongoing unrest.
- 2013 should see further growth, although there is a shift away from destinations such as Egypt, Syria and Lebanon towards the Gulf markets which have benefited from the crisis.
- However, ongoing hostilities in Syria, coupled with renewed tensions leading to violence and escalating sectarian strife in Egypt, remain a source of concern for future growth.

## Middle East - Low Cost Goes Upmarket

- Middle East and Africa was the second most dynamic region for value growth of luxury goods over 2007-2012, reaching US\$15.2 billion, predicted to grow 37% over 2012-2017.
- Luxury brands are important, and high-end experiences offering comfort and personalised entertainment are favoured among Middle Eastern consumers.
- The penchant for luxury explains the widespread domination of four- and five-star hotels in key destinations, such as Dubai, where over 40% of hotels are luxury hotels.
- It is also evident in the large investments by regional airlines such as Qatar Airways and Emirates Airlines in their world-class business class operations.

## LCCs Embrace Luxury

- A less expected outcome of the luxury orientation of Middle Eastern travellers is the introduction of luxury services aboard low-cost carriers.
- Jazeera Airways was the first to introduce a business class in 2009, straying away from the low-cost model altogether, yet keeping lower prices and achieving good profitability.
- In 2013, flydubai is following suit with its new business class services.



## Low Cost Carriers in the Middle East 2012

Airline, Country	Passengers 2012	Notes on Business Model
Air Arabia, UAE	5.3 million	Follows typical LCC model
Jazeera Airways, Kuwait	1.1 million	Shifted to full-service model including business class
Nas Air, Saudi Arabia	3 million	Follows LCC model, 2013 first profitable year since 2007
Flydubai, UAE	5.1 million	Introduced business class at lower price
RAK Airways, UAE	250,000	“Value for money” model, between low cost & traditional airline

Source: Euromonitor International

**“A new business model had to be adopted, whereby the airline moved away from the low cost model. Jazeera cancelled the “pay for food” model, and introduced duty-free on-board as well as a business class.”**

*Stefan Pichler, former CEO Jazeera Airways and Virgin, Thomas Cook and Lufthansa*

## Middle East - Creating Affordable Luxury

- While the Jazeera shift towards a traditional model was the result of low profitability, the 2013 Flydubai business class tells another story, one of an LCC adding a luxury edge.
- ‘Affordable luxury’ aboard planes appears to be an attractive segment, as business class tickets introduced by these LCCs would be cheaper than traditional airlines’ business class.
- This way, LCCs would lure economy customers away from traditional airlines, who can afford a slightly more expensive ticket for a higher-end experience.

### Possible Contagion?

- Contagion can go two ways with this trend:
  - Other categories may adopt affordable luxury e.g. budget hotels offering some higher-end rooms.
  - LCCs from other regions could adopt the “hybrid model,” blending low cost and luxury, the most likely being Asia where luxury is favoured.
- Sceptics find it difficult to believe in the hybrid model, as it is seen having a negative impact on airlines’ profitability because of the higher costs incurred.
- The Flydubai experience will reveal how sustainable and contagious the model really is.

# AFRICA: THE BIG FIVE WITH YOUR LITTLE ONE



## Africa - Overview

### Africa: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	4.7	5.4	6.1
Arrivals (Trips)	5.8	6.0	5.5
Incoming Tourist Receipts Value (US\$)	2.2	5.9	6.5
Air Transport Value (US\$)	1.0	5.0	5.9
Hotels Value (US\$)	-2.2	4.0	4.6
Travel Retail Value (US\$)	-5.5	2.5	2.1

Source: Euromonitor International

- Strong economic growth, particularly in East Africa, is helping grow business tourism throughout the region, while rising incomes and urbanisation are driving domestic travel.
- Source markets are changing and moving away from the traditional Europe and US focus, with visitors from the BRICs and the Middle East becoming more important.

## Africa - The Big Five with Your Little One

- With multi-generational holidays where parents, grandparents and children all travel together seeing growth globally, the potential of family-friendly safaris is finally being realised.
- The popularity of films and shows such as Madagascar and The Lion King amongst children across the world plays an important role in promoting African safari holidays for families.
- Long considered unsuitable for young children, safaris in Africa now offer itineraries altered to suit younger attention spans by avoiding long game drives.

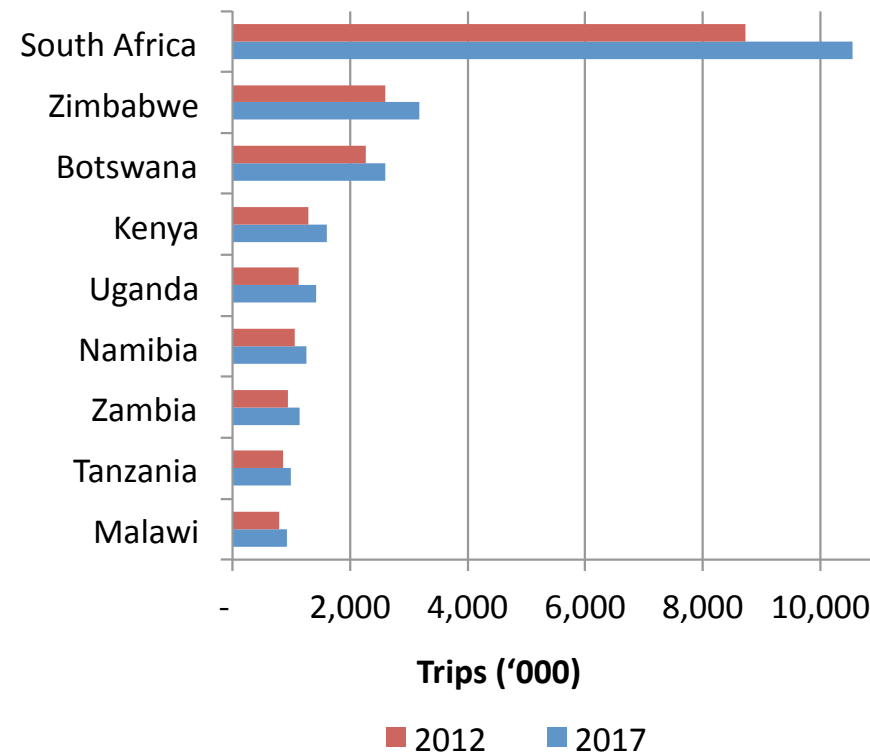
### Wide Choice of Destinations

- South Africa is a key destination for family safaris as southern locations can offer malaria-free expeditions.
- Kenya, Malawi, Zambia and Tanzania are also jumping on board with many child-friendly options.
- Companies such as Africa on Foot and Rhino Africa organise child-friendly safaris throughout Africa, with the latter providing lodges, camps and activities catering specifically for children.

**"For each of the past three years, our family safari bookings have nearly doubled. People are getting more and more adventurous, and want more exciting experiences with their children. Not only parents, but grandparents too."**

*Ben Morison, Managing Director,  
 Imagine Africa*

**Inbound Arrivals to Top Safari Destinations 2012/2017**



Source: Euromonitor International

## Africa - Growing Number of BRICs Families

- As growing numbers of visitors from the BRIC countries head to Africa, child-friendly safaris will become more numerous as many of these visitors travel in large family groups.
- Chinese visitors are now the fourth largest group of arrivals in South Africa with over 132,000 visitors in 2012 and is expected to reach over 180,000 by 2017.
- Indian visitors are also embracing safaris, with many lodges offering Indian food and opening their kitchens to guests wishing to prepare their own food.

## More Multi-Generational Holiday Options

- In the next few years, African hotels and travel retailers will need to expand the services to cater for the needs of this growing consumer segment.
- Combining family safaris in traditional locations like South Africa with activities in a different country such as Mozambique is a new concept, already embraced by Cedarberg Travel.
- Multi-generational holidays in Africa could expand in the next few years from safaris to volunteerism and more sustainable holidays, as well as cruises.



**GLOBAL VILLAGE: VACANCY ON DEMAND -  
CHASING THE 24HR TRAVELLER**



## Global Village - Overview

### Global Village: World Key Performance Indicators 2012-2014

Value % growth (US\$)	2012	2013	2014
Car Rental	1.6	7.1	6.2
Hotels	2.2	6.9	5.1
Other Travel Accommodation	0.8	5.5	3.8

Source: Euromonitor International

- While 2012 saw a slow recovery across key indicators, 2013 is set to end on a very positive note, with as much as 6.9% growth in hotel value sales, and 7.1% in car rental value sales.
- Growth should stabilise at a lower level in 2014, and new emerging trends in leisure and business travel will help sustain positive growth.
- Hotels are pushing value sales growth via a number of innovative techniques, services and designs.

## **Global Village - Vacancy on Demand – Chasing the 24-hour Traveller**

- Hotels have learnt to adapt to difficult times and generate revenue from services such as spas, food and beverages, technologies and more recently from business travellers.
- Business travel has recorded a healthy rise since the downturn across the globe in 2009, to reach 212 million arrivals in 2012.
- Businesses continue to globalise, and despite the rising trend of video-conferencing, face-to-face meetings are also still favoured for high-profile business meetings.
- According to Westin Hotels in the US, 75% of the workforce is on the move, with frequent travel and the global workforce is following suit.

### **Day-use Fills the Gaps**

- Hotels are reimagining their event spaces and time frames to rent out throughout the day when not in use, thus generating additional revenue.
- More business guests are seeking day-use rooms for a chance to relax between appointments and flights or workspaces for meetings at the hotels.
- Leisure tourists also take advantage of the flexibility, to get away from it all for a few hours.
- Hotels offer complementary services such as free access to printers and faxes.

## Dayuse Hotels: Key Performance Indicators 2012/2013

	2012	2013
Number of hotels	200	250
Bookings per day	n/a	250-300
% growth in bookings	120	270
Revenues (€)	2.2 million	4 million <sup>1</sup>

Source: Dayuse Hotels

Notes: <sup>1</sup> estimate

**“We see significant opportunities for growth in light of the increase in bookings and revenues.**

**Our next move will be to target secondary cities in countries already serviced, including Washington, California, Baltimore and Miami, and new markets like Brazil, Russia and Canada.”**

*David Lebbé, CEO and Founder,  
Dayuse Hotels*

## Global Village - Microstays: How and Where

- While office-like and work spaces can be rented out to mobile businesses for US\$50 an hour, room rates vary between US\$95-200 for day-use of periods from 3-12 hours globally.
- These hours are generally chosen to match cleaning shifts.
- The cost of a room is 30-70% lower than an overnight stay. For example, InterContinental Hotels in France charges €150 for rent or day-use, instead of €400-500 for an overnight stay.
- Regionally speaking, the US and UK markets are the most advanced for business-related microstays, but the trend is catching on in many more markets in Western Europe.

## Offices of the Future

- Founded in 2010, Aggregator Dayuse Hotels has seen significant growth in sales with aggregators like Between5and9.com and ByHours.com offering similar services.
- Westin is testing an office concept called Tangent at Westin. Tangent provides upscale meeting space for small groups, and will also drive microstays at the hotel.
- Marriott introduced Workspace on Demand, an online platform allowing users to book workspaces across the US on an hourly basis. This is based on the assumption hotels will become “offices of the future”, and this is very much likely to become a global trend.

# **ASIA: FIGHT FOR CRUISE CONTROL IN CHINA**



## Asia - Overview

### Asia: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	5.3	5.3	5.8
Arrivals (Trips)	7.0	5.6	5.5
Incoming Tourist Receipts Value (US\$)	5.1	5.7	5.9
Air Transport Value (US\$)	7.4	7.6	7.3
Hotels Value (US\$)	5.5	5.9	5.9
Travel Retail Value (US\$)	7.5	5.8	5.6

Source: Euromonitor International

Note: GDP refers to Asia Pacific only, all others refer to Asia including Australia

- Asia remains the leading global region for economic growth, with all tourism categories showing consistent increases for the next few years.
- Online travel is shaking up the industry in the region, as growing consumer confidence combines with numerous internet opportunities within travel and tourism.
- Low-cost airlines are thriving, encouraging intra-regional travel.

## Asia - Fight for Cruise Control in China

- Cruising in China is relatively new, with consumer awareness still undeveloped yet registering healthy growth, as Chinese travellers show a strong appreciation of the concept.
- The Chinese government has declared 2013 as Marine Tourism Year, with the latest five-year plan dictating cruising should be encouraged.
- In 2012, there were 285 cruise ship arrivals at ports in China, up by 8.8% on 2011.

## International Cruise Operators Head to China

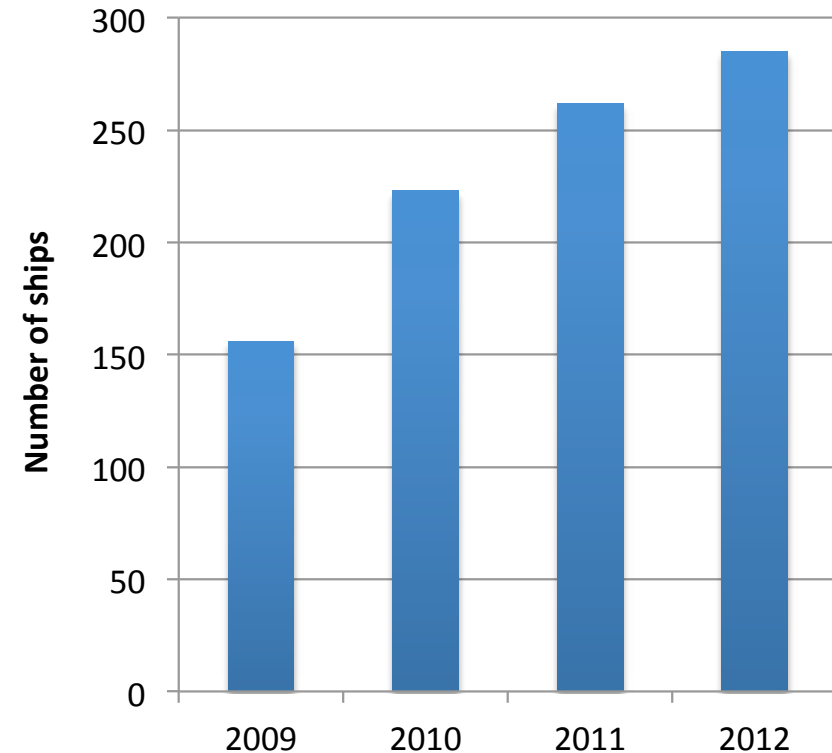
- International cruise companies vastly expanded their offerings in the region in 2012 and 2013. Carnival has opened offices in five Chinese cities to support its Princess Cruises brand.
- The number of Chinese passengers at Royal Caribbean quadrupled from 25,000 to 100,000 between 2011 and 2012, with numbers predicted to reach 200,000 for 2013.
- 2013 saw HNA, a Chinese airline, hotel and property group, launch its first passenger cruise in January.
- One of the main challenges the Chinese government faces is ensuring the integration of airports, rail and roads to secure easy access for passengers to cruise terminals.

**“The market potential for cruising in Asia is huge as the total potential number of cruise passengers could reach 3.7 million by 2017, and double to over 7 million by 2020.”**

**“There’s good weather here, lots of islands to visit and a lot of experiences. Southeast Asia is not too different from the Caribbean in terms of these basic conditions.”**

*Pier Luigi Foschi, Chairman and CEO,  
Carnival Asia*

**International Cruise Ships Received by Chinese Ports 2009-2012**



Source: Chinese Cruise and Yacht Industry



## Asia - Chinese Cruise to Become World's Second Largest

- Industry sources predict China will become the second largest global cruise market after the US by 2017.
- Currently only 6-7% of global cruise passengers are from Asia, expected to increase to 20%.
- Carnival Asia expects at least seven million cruise passengers to come from Asia by 2020.
- Lack of infrastructure is the biggest impediment to growth, requiring government intervention to improve and ensure a more integrated transportation solution.

### Unchartered Territories to Explore

- International companies are leading the charge into the Chinese market but need to take into account specific local preferences, including dining, shopping and leisure options.
- Hong Kong is a leading destination with its new US\$1 billion Kai Tak Cruise Terminal.
- The Asian Cruise Association identified 80 further cities as potential Asian cruise stops, including destinations in China, Myanmar, Malaysia, South Korea and Vietnam.
- Destinations further afield in Europe, the US and the Caribbean are predicted to be the next focus area for development.

# India: The Travel Social Shake-Up



## India - Overview

### India: Key Performance Indicators 2012-2014

% growth	2012	2013	2014
Real GDP Growth	3.8	4.2	6.0
Arrivals (Trips)	11	10.7	10.5
Incoming Tourist Receipts Value (US\$)	4.3	11.7	10.1
Air Transport Value (US\$)	5.0	15.6	15.7
Hotels Value (US\$)	1.4	9.2	8.3
Travel Retail Value (US\$)	2.8	10.4	11.3

Source: Euromonitor International

- After a slight decline in growth in 2012, India's travel and tourism industry is rebounding with strong results for 2013.
- Inbound travel is benefiting from the rupee's devaluation, recording very robust growth.
- Air travel is a key success story, with increasing numbers of travellers taking to the skies especially with low-cost carriers.

## India - The Travel Social Shake-Up

- While only 12% of the Indian population is online, Facebook claims to have 82 million users in the country, which makes India its third largest global market after the US and Brazil.
- The vast majority of users are young urban consumers targeted by online travel companies, which are using social media to engage with them and encourage bookings.

## Southeast Asia Reaps the Benefits

- Proximity and lower costs are helping young Indian netizens opt for Southeast Asian destinations such as Thailand, Vietnam, Cambodia and Bhutan.
- These are being promoted extensively by online travel companies through social media.
- Expedia India has led the way, advertising 50% off holiday prices to Thailand via Facebook.
- The company also launched the contest “travel like a boss”, where participants can win a free trip to Bangkok by sharing on the site.
- MakeMyTrip is also very active on Facebook, with over 1.2 million likes. Recent promotions by the Indian OTA included budget package trips to Thailand, Singapore and Malaysia.

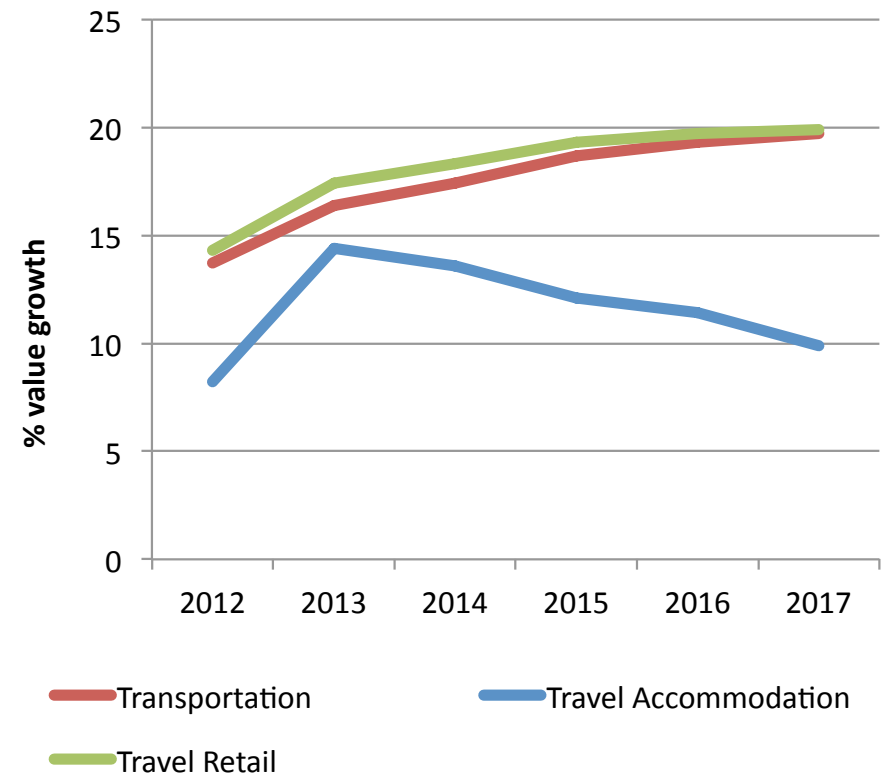
**“Leads through social media have risen from nil about two years ago to about 20% now.”**

*Arjun Sharma, Managing Director, TUI India*

**“Social media gives the power to the customer; that is a clear-cut advantage over traditional media. Social media engagement with the customer is now imperative for any business that wishes to be seen as modern and new age.”**

*Pratik Mazumder, Head of Marketing, Yatra.com*

**Online Travel % Value Sales Growth in India 2012-2017**



Source: Euromonitor International

## India - Social Media Changing the Travel Scene

- India is predicted to have over 300 million internet users by 2017, with more than 75% active on social media.
- Online travel retail sales in India are forecast to reach US\$14.7 billion in 2017, following a 19% CAGR from 2012.
- As smartphones and tablets become more mainstream among Indian travellers, the mobile booking channel is expected to take off.
- MakeMyTrip saw over 1 million downloads of its mobile travel app by May 2013.

### Government on Board

- The Indian Ministry of Tourism recently started using social media to promote tourism sites throughout the country. It joined Facebook in January 2013.
- 70% of all 4- and 5-star hotels in first-tier cities in India had established their presence in social media by August 2013.
- Leading Indian airline Jet Airways put social media at the centre of its marketing, involving 10 different departments in its social media activities targeting consumers.

## For more information:

Caroline Bremner  
Head of Travel and Tourism Research  
Euromonitor International  
[caroline.bremner@euromonitor.com](mailto:caroline.bremner@euromonitor.com)  
[@CarolineBremner](#)  
[@Euromonitor](#)  
[www.euromonitor.com/travel-and-tourism](http://www.euromonitor.com/travel-and-tourism)  
[www.linkedin.com/groups?about=&gid=4316858](http://www.linkedin.com/groups?about=&gid=4316858)

Paul Nelson  
Press & PR Manager  
World Travel Market  
[paul.nelson@reedexpo.co.uk](mailto:paul.nelson@reedexpo.co.uk)  
[www.wtmlondon.com](http://www.wtmlondon.com)

*Publisher's note: At a time of macroeconomic instability, forecast data for 2013-2017 used for the purpose of this report are provisional and are subject to revision before publication in Euromonitor International's Passport Travel and Tourism 2014 edition*

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