

World Travel Market Global Trends Report 2014

Global Trends Report - Key Findings

Americas: Cycling a Threat to Golf Tourism: The Rise of Middle Aged Men in Lycra (MAMILs)	Cycling is rivalling golf for the leisure time of middle-aged men, which is expected to have an impact on the tourism industry.
UK: Poshtels Have a Luxury Facelift	Hostels are making a bid for the cost-conscious, style-seeking consumer, glamourising their properties to compete with boutique hotels.
Europe: Eating Like Europeans	Peer-to-peer dining websites, offering not only meals but also more authentic travel experiences, are expected to follow in Airbnb's footsteps.
Travel Technology: Wearable Electronics Go Mainstream	Wearable electronics will become an important tool for always-connected consumers to receive notifications and make bookings.
Middle East: Designing a New Face of the Middle East	Middle East design weeks are changing the face of the region and attracting an increasing number of creative minds.

Global Trends Report - Key Findings

Africa: Surfing the African Wave

Surfing tourism is growing quickly in Africa and represents an interesting opportunity for sustainable tourism development.

Global Village: Hotels –
“Braggies”: The New Selfies

Hotels are responding to guests’ online behaviour by encouraging them to post photos on social media in exchange for rewards and perks.

Asia: Travel Bookings on WeChat

Chinese WeChat is leading the expansion of messaging services from communication-only to mobile commerce and payment tools.

India: Online Rail Booking Boom

Rail is the fastest growing sector in India for online travel bookings, with the new channel helping it to compete with low-cost airlines.

World Travel Market

The WTM Global Trends Report 2014, 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 2014 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 2014. I hope you find the report useful and interesting and wish you a thought-provoking and productive WTM 2014.



Simon Press

Senior Exhibition Director

World Travel Market



WTM. Means business
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Euromonitor International



The Global Trends Report provides the inside track into the future trends that will shape the global travel industry in the year ahead, as identified by Euromonitor's travel experts. New technology continues to disrupt as travellers connect with brands across multiple devices including mobile phones and wearables. Instant messaging is set to overtake social media for customer service, bookings and payments. Operators are responding to changing lifestyle shifts, with cycling the new golf, while emerging concepts such as "poshtels" challenge the status quo. Even destinations are not afraid of a makeover with the Middle East rebranding as a design hub while Africa is the latest surfers' paradise.

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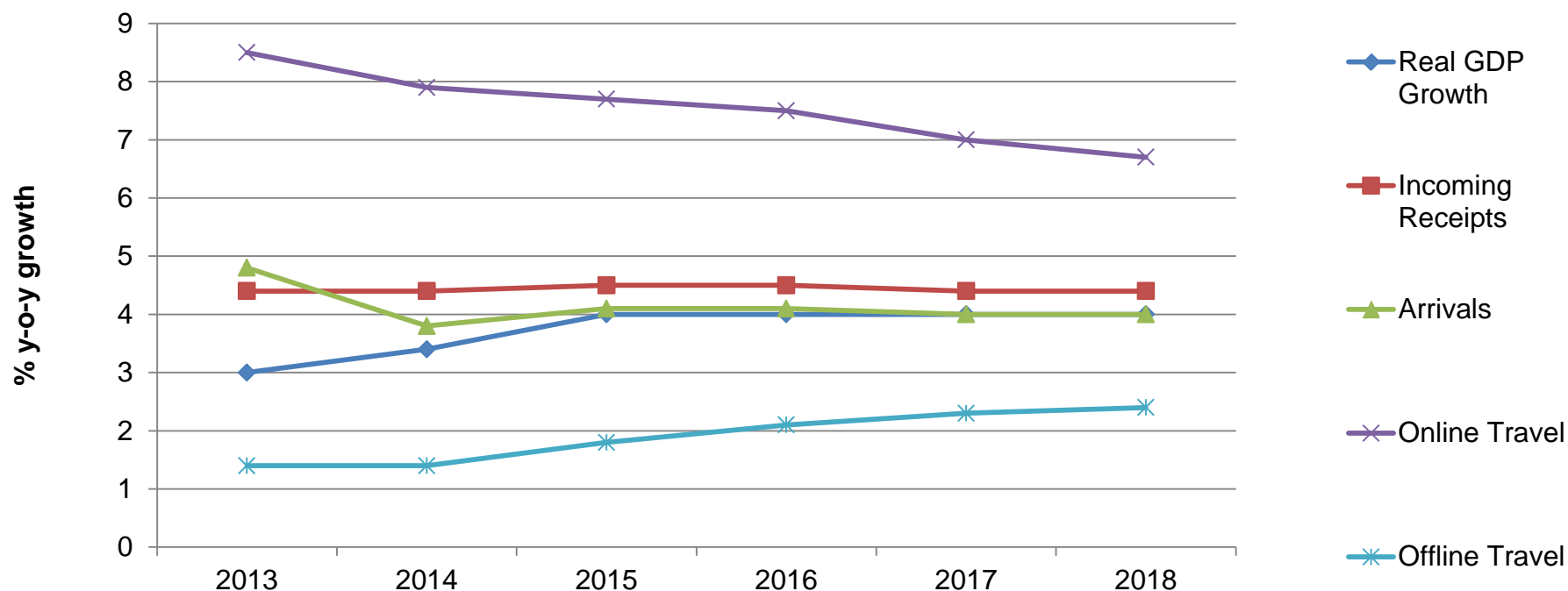
A woman with brown hair, wearing a light blue tank top and dark shorts, is sitting on a rocky cliff. She is looking out over a vast, green valley with a small town in the distance. The sun is setting behind a range of mountains, creating a warm, golden glow across the sky and the landscape. A blue backpack is resting on the rocks next to her.

GLOBAL OVERVIEW

Global Overview - Travel and Tourism Continues to Prosper

- The International Monetary Fund predicts global Gross Domestic Product growth of 3.4% for 2014, up from 3% in 2013, with China, India and the Association of South East Asian Nations key drivers of growth.
- Brazil, Russia, India and China have lost their shine with China seeing an expected slowdown, but still is poised to overtake the US as the world's largest economy in Purchasing Power Parity terms in 2014.
- Travel and tourism continues to prosper globally, with arrivals reaching a record 1.1 billion in 2013, up by 5.1%. 2014 is forecast to see a further increase, estimated at 4.7%.
- Inbound receipts are also expected to see healthy growth, with Asian middle and affluent classes the biggest spenders when travelling overseas.
- Hotel sales globally are rising, driven by strong performances in North America and Asia Pacific.
- Low-cost carriers continue to be the most successful sector in air travel with the business model embraced by many scheduled airlines.
- Mobile technology is currently transforming the tourism landscape in terms of bookings, customer service and consumer behaviour.
- Destination services, personalisation, mobile bookings and peer-to-peer are expected to be the main disruptive forces in the travel industry over the next five years.

World Economy and Travel Performance % Value Growth 2013-2018



Source: Euromonitor International

Note: Travel is composed of car rental, travel accommodation, transportation and tourist attraction sales, based on US\$ at constant 2013 prices

AMERICAS: CYCLING A THREAT TO GOLF TOURISM, THE RISE OF THE MAMILS



Americas - Overview

Americas: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	2.1	2.0	3.2
Arrivals (Trips)	3.4	4.1	4.3
Incoming Tourist Receipts Value (US\$)	3.9	5.3	5.7
Air Transport Value (US\$)	3.5	4.0	4.1
Hotels Value (US\$)	3.2	5.1	3.9
Travel Retail Value (US\$)	2.3	2.2	1.8

Source: Euromonitor International

- International arrivals were boosted from the global economic recovery and the US continues to benefit from strong growth in arrivals from emerging markets.
- Strong demand coupled with consolidation has allowed the travel industry to raise prices.
- Demand growth is expected in 2015, thanks to the uptick in economic growth, which will drive price increases and sales for the travel industry.

Americas: Cycling a Threat to Golf Tourism, The Rise of The MAMILs

- The popularity of golf in the US hit its peak in the early 2000s, thanks to the popularity of Tiger Woods, with around 25 million players, but has declined to 19 million in 2013.
- The number of cycling enthusiasts grew from 3.5 million in 2012 to 3.8 million in 2013, according to Elliot Gluskin of cycling research firm Gluskin Townley Group.
- In particular, cycling has become a competitive sport for affluent, middle-aged men – traditionally the core market for golf, known as MAMILs (Middle-Aged Men in Lycra).
- Although industry views vary, cycling appears to have become a strong contender for the leisure time of middle-aged men.

Travel industry takes notice

- DuVine Cycling + Adventure Co has experienced an increase of 70% in demand for its tours since 2009. Destinations in Europe and California are the most popular.
- Cycling tourists are lucrative. Travel Oregon found that cyclists on overnight trips within the state spent an average of US\$744 - 20% more than the average overnight traveller.
- According to Linea Gagliano of Travel Oregon, the state caters to cyclists with its strong road infrastructure, bike-friendly business programme, the website www.rideoregonride.com and scenic bikeways.

“Travellers crave authentic experiences filled with activities not possible at home. Cycling tourism allows travellers to get a unique sense of the destination.”

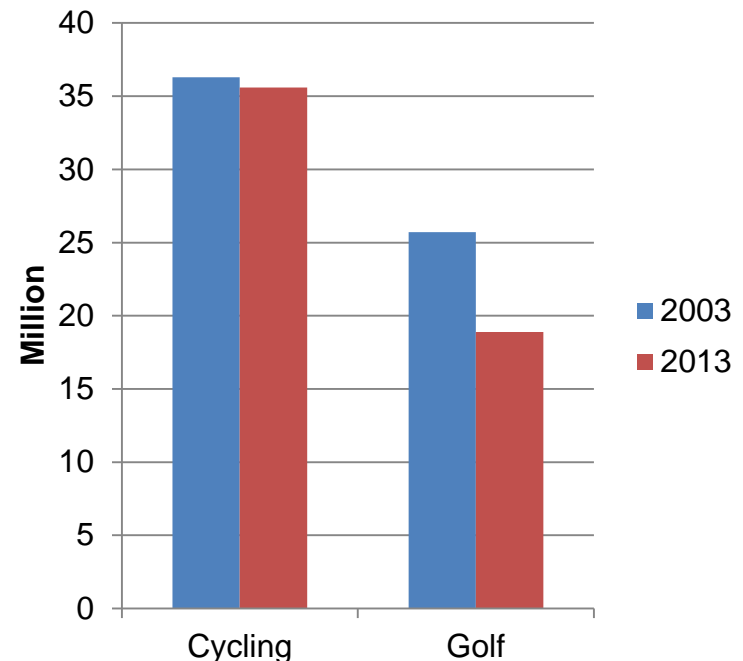
Mark Thomsen, Marketing Manager of Trek Travel

“We foresee more demand for high performance trips where training and nutrition tips are integral to the experience.

Also, combining bike travel with other active pursuits, like kayaking and hiking, will be essential to keep the experience fresh and to attract new active travellers.”

Michelle Duffy, DuVine Cycling + Adventure Co

Number of Participants by Sport in the US 2003/2013



Source: National Sporting Goods Association

Note: 7 years or older; those who cycle at least six times a year, and those who spend at least two days a year golfing

Americas - Cycling is the New Tour Bus

- The growing consumer interest in fitness and experiential travel is likely to boost cycling tourism, which delivers an active holiday that appeals to Generation X and Boomers.
- Successful tour operators will have off-cycle activities engaging travellers with customer service that supports all cycling abilities.
- Newer destinations, such as Costa Rica, could grow in popularity if they offer strong infrastructure such as good roads and cycle-friendly businesses.
- However, Gluskin warns that demographics may challenge cycle tours as baby-boomers age out of the activity and today's children lack interest. Targeted marketing will be key.

Don't write off golf yet

- As golf remains popular abroad, and is growing in popularity in some areas such as Asia, another strategy for the industry is to court international travellers.
- The golf industry is catering to changing consumer preferences by offering new amenities and styles of golf.
- Many resorts have added additional water features, such as child-friendly pools and group golf activities to appeal to all family members on a multigenerational trip.
- Other resorts appeal to young professionals offering Wi-Fi access and putting courses.



UK: POSHTELS HAVE A LUXURY FACELIFT

UK - Overview

UK: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	1.7	2.9	2.4
Arrivals (Trips)	6.5	-3.9	0.8
Incoming Tourist Receipts Value (US\$)	11.5	-6.1	5.9
Air Transport Value (US\$)	2.4	3.2	4.0
Hotels Value (US\$)	1.1	1.5	1.7
Travel Retail Value (US\$)	2.2	2.3	3.2

Source: Euromonitor International

- The UK's economy will grow faster in 2014. Real GDP is expected to rise by 2.9% in 2014 due to increases in consumer spending.
- Incoming tourist receipts are expected to record 5.9% growth by 2015 with accommodation taking the largest part of this spending, followed by food and shopping.
- Consumer expenditure per capita was £16,075 (US\$25,126) in 2013. It is expected to grow by 1.6% in constant value terms in 2014.

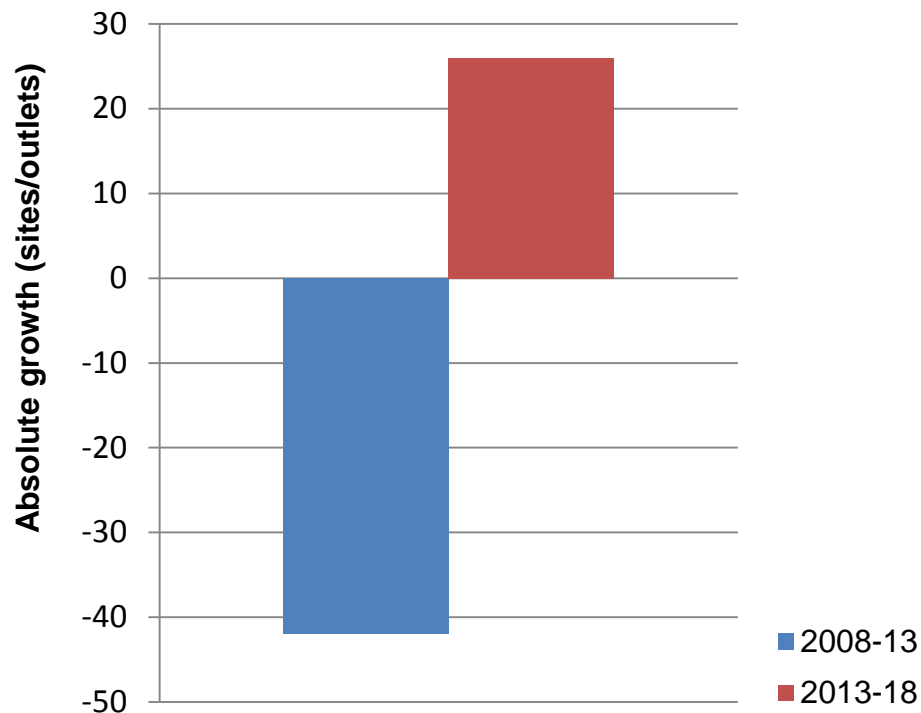
UK - Poshtels Have a Luxury Facelift

- Consumption patterns shifted after the economic crisis, leading to a rise in demand for low-cost, high-value travel and non-conventional lodging establishments.
- Hostels are making a bid for the cost-conscious but style-seeking consumer, glamourising communal living, rooms and atmosphere to compete with the boutique hotel offer.
- Many are emphasising modern and luxurious design with high-tech facilities, offering restaurants, twin en-suite rooms, free Wi-Fi and breakfast, while coining the term “poshtels”.
- This concept is popular with the young, families, business and single travellers who appreciate the social aspect of staying at hostels for a price tag starting at £12.

High design, low cost

- The hostels segment in the UK is set to record 3% growth over 2013-2018 to reach sales of £216 million in 2018, with a total of 653 hostel outlets by the end of the same year.
- VisitEngland highlights the segment as a growing market niche. Poshtels are cheaper accommodation options but, at the same time, offer a more authentic experience than hotels.
- Clink, St Christopher's Inn-Village, Safestay and The Dictionary hostels are some of the players investing in improving their offerings and upgrading their designs.
- This in turn is changing the long-standing perception that hostels represent old and out-dated developments.

Hostels Outlets in the UK: Absolute Growth 2008/2013 vs. 2013/2018



Source: Euromonitor International

“The hostels market has been neglected for some time in the UK. This is a growing segment and one that we identified early on as a gap ready for investment.”

Safestay

“The term ‘poshtel’ identifies the lifestyle hostels that have sprung up, as distinct from the more basic hostels.

It highlights the desire to have a more differentiated offering – it’s not about being the absolute cheapest anymore.”

*Carl Michel, Executive Chairman,
Generator Hostels*

UK - The Future is “Cheap but Chic”

- New budget accommodation offerings are thriving and increasingly popular with older age groups as well as the business segment.
- The fastest population growth over 2012-2030 in UK will be witnessed by 60+ age groups, with the 80+ group alone increasing by 2.3 million or 77.1% to reach 5.2 million people by 2030.
- Generation Y, those born between 1981 and 1990 and who embrace mobile technology and favour designer brands, represents another potential consumer segment.
- Trading with Bitcoins as payments for rooms, as adopted by Clink Hostels, enables the use of digital wallets which can diversify the client base and help compete with OTAs.
- By 2018, domestic tourist expenditure on accommodation in the UK will fall to £82 (US\$128) per capita due to increased price pressure, making hostels more appealing.

Multi-channel distribution is key

- The poshtels that are most likely to succeed are those that keep operating costs down.
- One way of doing so is by adopting alternative distribution, such as adding online features that allow guests to book directly from social media sites or via mobile devices.
- Embracing Airbnb is another approach for minimising expenditures and booking charges.
- Budget and mid-priced hotels are increasingly competitive in terms of price and service and present a major threat to the future performance of hostels.

EUROPE: EATING LIKE EUROPEANS



Europe - Overview

Europe: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	0.6	1.4	1.9
Arrivals (Trips)	4.9	2.6	2.9
Incoming Tourist Receipts Value (US\$)	4.9	2.4	3.0
Air Transport Value (US\$)	1.6	2.0	2.0
Hotels Value (US\$)	-0.4	0.3	0.7
Travel Retail Value (US\$)	1.0	1.3	1.5

Source: Euromonitor International

- Europe remains troubled by minimal economic growth, with Italy back in recession and France stagnating, as well as Germany performing weaker than expected in 2014.
- Airlines continue to see some growth across the region, while consumers increasingly seek cheaper alternative accommodation options, often peer-to-peer.
- Incoming receipts and arrivals are expected to continue recording healthy growth in 2014, driven by tourist flows from both advanced and emerging markets.

Europe - Eating Like Europeans

- The advance of peer-to-peer offerings continues in Europe, as consumers search for value for money combined with more authentic experiences for their travel and holidays.
- After the success of peer-to-peer holiday rentals such as Airbnb and HomeAway, travellers are now increasingly enjoying eating with local residents at holiday destinations.
- Eating the local food of a country is considered one of the best ways to discover it, and eating with locals is a great way to meet people and gain a new perspective on the destination.

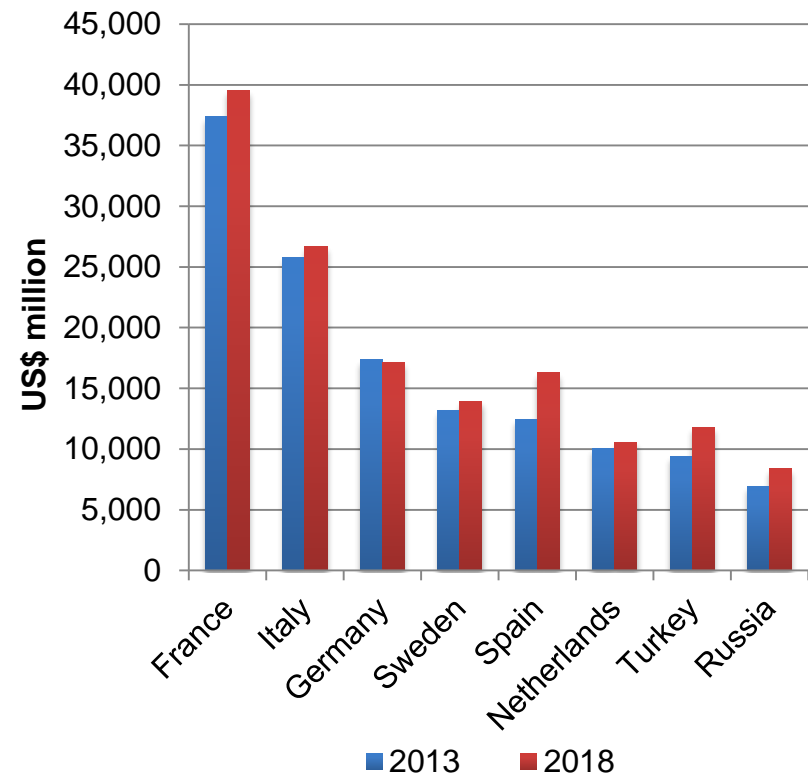
Airbnb model works well for dining

- One popular site is Eatwith.com which works by pairing travellers with home cooks at their holiday destination. The motto of the site is to “Experience life like a local”.
- Bookalokal is a network of locals who offer meals, cooking classes, workshops and tours to tourists. Events are listed on the site, with all payments done at the time of booking.
- With both these sites, hosts are reviewed by guests and some are verified by the sites in terms of food quality, venue and cleanliness.

“My best travel experiences have always involved having a local person on the ground, so I set out to launch a platform where travellers could connect with local people. Sharing a meal is one of the best ways to break the ice and learn about culture, so I chose gastronomy as the core theme behind Bookalokal events.”

Evelyne White, Founder, Bookalokal

Tourism Expenditure In-Country on Food 2013/2018



Source: Euromonitor International

Note: In-country tourism expenditure on food refers to sales to incoming and domestic tourists

Europe - Not Just Meals but Travel Experiences

- Bookalokal has seen rapid expansion from its creation in Brussels in 2012 to a further 20 countries worldwide by 2014.
- EatWith has expanded from starting in Spain and Israel in 2013 to a total of 21 cities worldwide less than a year later.
- Expansion to more countries in Europe is expected, particularly in Eastern Europe, where the sharing economy is still young and there is a strong gastronomical heritage to be built upon.

Appetite for online acquisitions

- In-destination services including meals are forecast to be one of the fastest growing areas in the travel industry in the next five years, driven also by on-the-go bookings via mobile devices.
- Online travel companies' acquisition activity in dining reservations has been very intense in 2014.
- Priceline bought OpenTable, an online dining reservations company, for US\$2.6 billion, while TripAdvisor bought La Fourchette, a European online restaurant reservations service.
- Travel corporations are likely to become interested in peer-to-peer dining companies in the future to diversify their offer and improve travel experiences.

TRAVEL TECHNOLOGY: WEARABLE ELECTRONICS GO MAINSTREAM



Travel Technology - Overview

Travel Technology: World Key Performance Indicators 2013-2015

Internet value % growth (US\$)	2013	2014	2015
Car Rental	7.2	7.0	7.1
Air Transport	8.4	7.5	7.7
Other Transportation	7.9	6.7	6.6
Hotels	10.1	9.3	8.0
Travel Retail	7.8	7.9	7.8

Source: Euromonitor International

- Global online travel sales amounted to US\$590 billion in 2013, 27% of total travel sales.
- Asia Pacific is expected to drive global growth in online travel, with its online travel sales set to double from US\$90 billion in 2013 to US\$180 billion in 2018.
- Mobile devices are increasingly key in the travel industry in terms of both customer service and bookings. Mobile bookings are expected to reach 35% of online travel bookings by 2018.
- Big data analytics, peer-to-peer services and in-destination services are currently the fastest growing trends in online travel.

Travel Technology - Wearable Electronics Go Mainstream

- Wearable electronics will become an important tool for travellers, who will be increasingly connected to the internet through different types of mobile devices.
- Wearable internet-connected devices will allow travellers to constantly receive notifications and services during their trip, as well as make bookings.
- This represents a challenge for travel companies which will need to build a flexible technological architecture to follow their customers from one device to another.

Sharp growth forecast

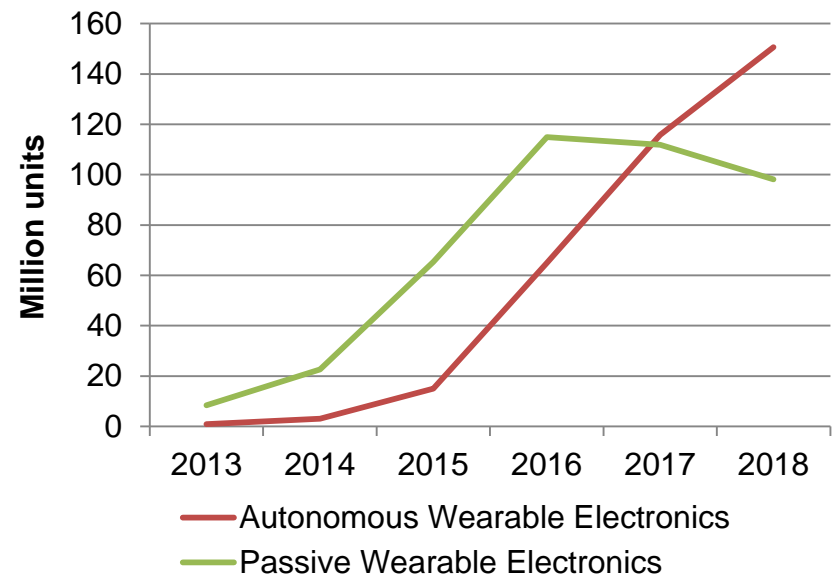
- According to Euromonitor International's Consumer Electronics research, wearable electronics technology is expected to go mainstream by 2016.
- Wearable internet-connected devices are expected to rise from 9 million units sold globally in 2013 to a forecast 180 million in 2016.
- Products currently on sale include Sony SmartWatch, Samsung Galaxy Gear and Google Glass. Google also developed Android Wear software for wearable electronics.
- Apple Watch will go on sale from early 2015 and is expected to take this sector by storm, as other Apple products have done for smartphones and tablets.

“We build the technology so that those same notifications can easily go to a Google Glass or someone’s watch.

With the proliferation of devices coming out, you have to build your technology with very flexible architecture, so that notifications can be sent to basically any device.”

*Dara Khosrowshahi, CEO,
Expedia Inc*

Global Wearable Electronics Volume Sales by Type 2013-2018



Source: Euromonitor International

Notes: Passive wearable electronics collect data and relay it to another device for processing; autonomous wearable electronics include a built-in processor and can be used as stand-alone products; smartwatches and smartglasses are defined as autonomous wearable electronics

Travel Technology - Wearable Electronics for Mobile Travellers

- Expedia released an app for the Samsung Galaxy Gear smartwatch in August 2014 and is working on one for Google Glass, both focusing on notifications for travellers.
- The Qunar app for the Samsung Galaxy Gear is mainly focused on customer service but it does also have booking functionalities, in particular for last-minute hotel deals.
- The Starwood app for Google Glass allows bookings and provides directions to get to the hotel when at the destination. It will be possible to use Apple Watch as a room key in Starwood hotels.
- Iberia, Vueling and Air Berlin announced that their passengers will be able to download boarding passes directly onto their wearable devices.

Speed of change requires fast response

- Travel companies will need to be swift to embrace wearable electronics as part of their strategies targeting always-connected consumers in order not to lose ground to competitors.
- The challenge is to be present and easy to reach by consumers throughout the whole travel experience in terms of notifications, assistance, service and additional bookings.
- This is expected to be a key area of competition in the travel industry over the next few years, with companies increasingly focusing on the period after the booking and during the whole trip.

MIDDLE EAST: DESIGNING A NEW FACE OF THE MIDDLE EAST



Middle East - Overview

Middle East: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	3.2	3.9	4.8
Arrivals (Trips)	4.4	6.3	7.0
Incoming Tourist Receipts Value (US\$)	4.4	10.9	10.4
Air Transport Value (US\$)	6.1	10.0	12.0
Hotels Value (US\$)	7.4	8.6	9.1
Travel Retail Value (US\$)	7.1	9.3	9.7

Source: Euromonitor International

- The number of trips taken to the Middle East rose by 4.4% in 2013 and the trend is set to continue in 2014 and 2015, alongside GDP growth and revenues.
- Incoming tourist receipts will grow by as much as 10.9% in 2014 and then 10.4% in 2015 driven by infrastructure developments.
- Growth is concentrated in the few remaining pockets of calm, mostly in the Gulf countries which are safe, oil-rich and a magnet for jobseekers from across the globe.
- Violence elsewhere is stifling performance and hindering tourism development in countries from Syria, Libya, Iraq and Egypt and is even affecting neighbouring Jordan and Lebanon.

Middle East - Designing a New Face of the Middle East

- The Middle East is positioning itself as a design hub, from Beirut, which has the talent and production capabilities, to Dubai, which has the financial resources to create the environment.
- In recent years, events such as Design Days Dubai and Beirut Design Week have attracted international design professionals and helped “design a new face of the Middle East”.
- The events have launched local talent internationally such as Emirati interior designer Khalid Shafar and Lebanese designers Ghassan Salameh and Roula Dfouni.
- The Middle East’s design weeks are also helping revive Arabic culture and authenticity through works inspired by regional roots, tradition, calligraphy and styles.

Promoting a new dimension in tourism

- Design Days Dubai attracted 12,150 visitors in 2014, 40% of whom were regional and international tourists, while Beirut Design Week had a total of 4,000 visitors, mostly local.
- Both events attract international speakers, artists and professionals although Dubai is far more international in nature, with Beirut relying on its very strong local “design ecosystem.”
- Yet these two events are equally important in terms of communicating their destinations under a very different light, away from the “bling bling” of Dubai and political instability of Beirut.

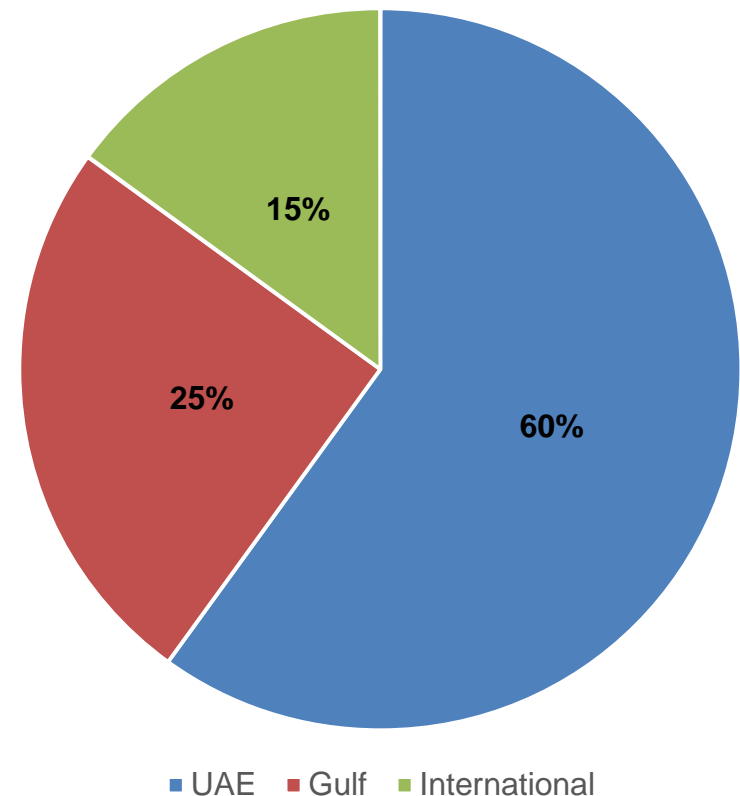
“Beirut is the true design capital of MENA. It has a long history of craftsmanship infused with contemporary design schools, which have helped in developing its dense ecosystem and bringing up some of today’s most established Arab designers.”

*Maya Karanouh and Doreen Toutikian
Co-Founders and Organisers of
Beirut Design Week*

“Beirut Design Week, Design Days Dubai and Saudi Design Week have different formats, each based on the very different environments in each destination.”

*Cyril Zammit
Fair Director of Design Days Dubai*

**Design Days Dubai Visitors
by Region 2014**



Source: Design Days Dubai Activity Report 2014

Middle East - Different Formats in Different Destinations

- Design week fever has recently caught on to a new and unexpected destination, Saudi Arabia, which organised its first Design Week in Riyadh in 2014 but with a very different format.
- While Design Days Dubai is a fair focusing on galleries exhibiting and selling limited editions, Beirut's Design Week is a diversified festival, much like the Design Weeks in London and Paris.
- Meanwhile, Saudi Design Week's first edition in 2014 remained limited to a series of talks, and the destination's complex visa regulations made it difficult to gain international attention.
- The trend is reaching even further in 2014, with Bahrain International Design Week launching in December and set to encompass a designer bazaar as well as a series of talks.

A future for “design hotels”?

- Design hotels should benefit from this trend by associating themselves with the design events in a profitable way as seen at Beirut's new design hotel: the Smallville.
- The outlet, which opened in 2014, hosted guests coming to Beirut Design Week, showcased the works of local designers in the lobby and offered special cocktails.
- Such hotels are much less commonly found in GCC countries. Nonetheless, Jumeirah Creekside Hotel commissioned pieces of design to be shown there during Design Days Dubai.

AFRICA: SURFING THE AFRICAN WAVE



Africa - Overview

Africa: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	5.1	5.1	5.5
Arrivals (Trips)	4.7	4.6	4.8
Incoming Tourist Receipts Value (US\$)	4.2	4.0	4.2
Air Transport Value (US\$)	-	2.9	3.9
Hotels Value (US\$)	0.5	3.9	4.4
Travel Retail Value (US\$)	-0.6	2.8	3.4

Source: Euromonitor International

- Africa continues to experience solid economic expansion, resulting in rising middle classes and benefiting both business and leisure travel across the continent.
- Strengthening transport infrastructure and a steady increase in hotel openings and flight connections are boosting arrivals, especially in Ghana, Madagascar and South Africa.
- Intra-regional tourism remains key, accounting for 50% of international arrivals, but visitors from China and India are taking on greater importance.
- The spread of the Ebola virus had a negative impact on tourism in Western Africa in 2014.

Africa - Surfing the African Wave

- Surfing is characterised by a youthful demographic and sporting lifestyle and it is estimated that 35 million people surf worldwide.
- Thanks to Africa's beautiful and expansive coastlines and ease of access to waves, the International Surfing Association (ISA) is currently targeting the region.
- ISA has made expansion of the sport on the continent a major priority, aiming to stimulate and develop local economies by increasing tourism and creating new jobs.

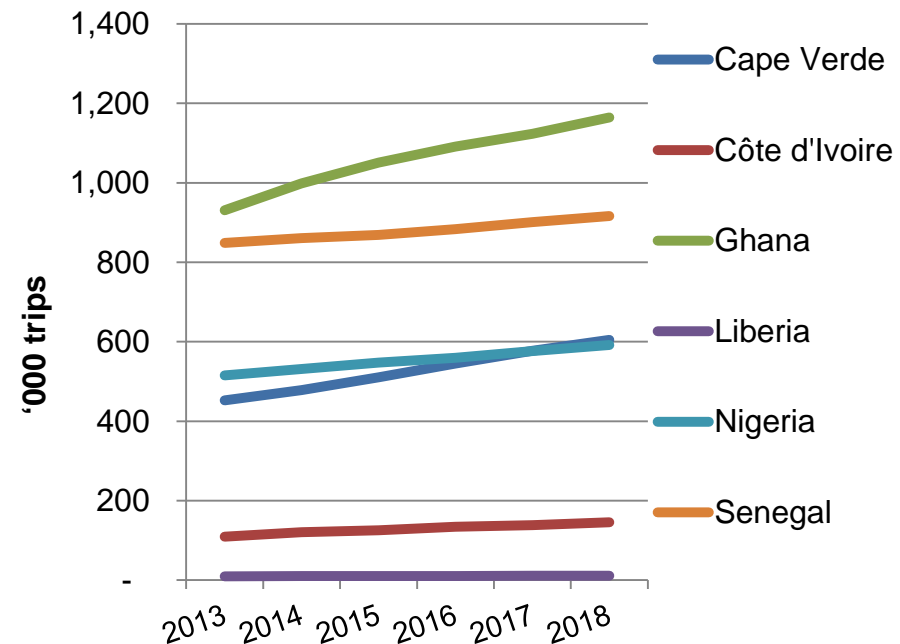
Ideal for adventure and family surf holidays

- South African company All Aboard offers family surf holidays to Madagascar, Zanzibar and Mozambique.
- UK-based specialised surf holidays company Errant Surf goes to Morocco, Ghana, South Africa and Mozambique, focusing most of its “surf adventures” in the region.
- Traditionally more popular in the Americas, Europe and Australasia, surfing is also growing in popularity across African countries, benefiting intra-regional and domestic travel.
- In South Africa, where there is already a thriving surf scene centred around Durban, surf schools are proliferating and there are plans to open a surfing museum.

“If surf tourism is developed in a sustainable fashion, it can lead to improvements in health care, education, job opportunities and infrastructure. Additionally, the sport of surfing acts as a catalyst for peacekeeping, since the youth have a positive activity to focus on.”

Sean Brody, ISA Africa Advisor and Owner of Kwepunha Surf Retreat

Forecast Leisure Arrivals to Key Emerging International Surfing Association African Member Countries 2013-2018



Source: Euromonitor International

Note: South Africa has been excluded for comparison purposes

Africa - Catching the Waves

- Surfer Today estimates that there will be 50 million people surfing worldwide by 2020.
- The African continent has 26,000km of coastline, with the vast majority offering perfect uncrowded waves unlike popular destinations in Europe, Australasia and the Americas.
- Sierra Leone will host its first grassroots surf invitational event in 2014 which features a week-long competition, surf development clinics, film screenings and a musical festival.
- Ghana will host the Africa Surf Series in 2015, which aims to attract surfers from Africa and dispersed surf communities across the globe.

West Africa to benefit most

- Combining a surf holiday with traditional African tourist attractions such as safaris is an effective way for travel retailers to attract older surfers who are prepared to spend more.
- Thanks to their natural resources, Sierra Leone, Liberia, Ghana and Cote d'Ivoire are expected to benefit most from the rise of surfing tourism to Africa in the next five years.
- These countries are currently building a West African Surfing Association and working together to promote tourism through surfing in the West African region.
- The spread of the Ebola virus is, however, a major threat which could delay the development of surf tourism in Western Africa.



**GLOBAL VILLAGE: HOTELS - “BRAGGIES”:
THE NEW SELFIES**

Global Village - Overview

Global Village: World Key Performance Indicators 2013-2015

Value % growth (US\$)	2013	2014	2015
Car Rental	5.1	6.7	7.1
Hotels	5.2	6.5	6.5
Other Travel Accommodation	3.0	4.5	4.4

Source: Euromonitor International

- Boosted by a persistent recovery, global hotel sales marked a fourth year of consecutive growth in 2013, at 5.2%, and are expected to end 2014 with growth of 6.5%.
- Other travel accommodation also experienced 3% growth in 2013 and is set to grow by a further 4.5% in 2014.
- As the hotels industry remains dynamic with new brand launches, network expansion across the world and innovative strategies, non-stop growth through to 2018 is expected.
- The most interesting developments are taking place in mobile technology, where brands are embracing social media more than ever as part of their marketing strategies.

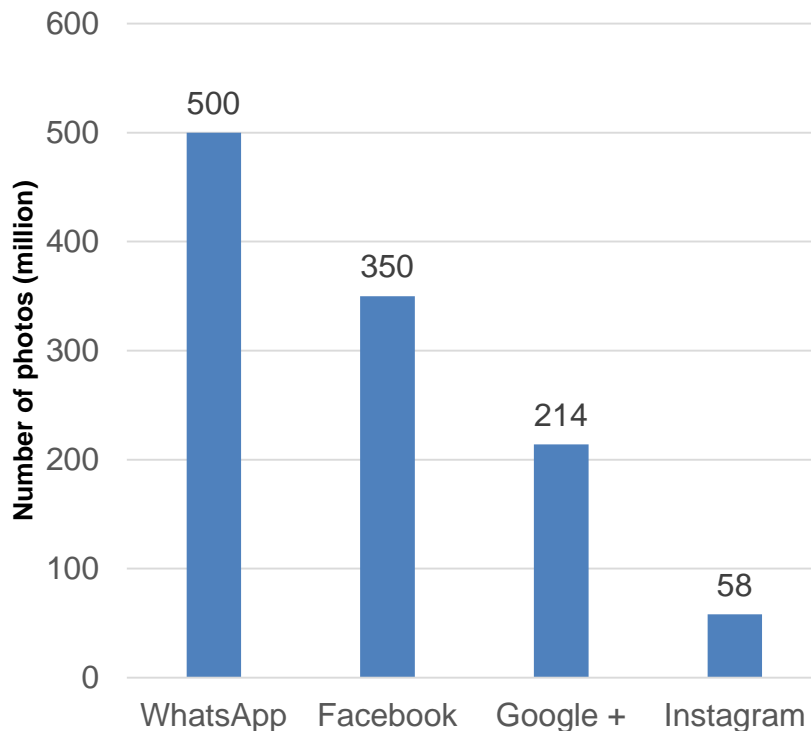
Global Village: Hotels - “Braggies”: The New Selfies

- According to a survey by eMarketer, the number of social media users across the globe increased by 18% in 2013, to exceed 1.7 billion users.
- In 2013, Facebook revealed that there is an average of 350 million photos uploaded daily, while Instagram had 58 million daily uploads, and WhatsApp saw 400 million images a day.

Bragging about hotels

- Hotels' social media strategies have been robust in recent years, and nearly all major brands and global chains are now present on platforms such as Facebook, Instagram and Twitter.
- However, those brands that have succeeded the most on social media are the ones using content drawn from their customers' and potential customers' behaviour online.
- The “braggie” photo is one such recent behaviour whereby holidaymakers have been uploading photos of themselves on holiday within 10 minutes of arriving at their hotel.
- This is a new, fast and efficient way of “bragging” to their friends about where they are, and it is comparable to the “selfie” craze which also emerged from increased social media usage.
- According to a survey by hotels.com (October 2013), the top images captured by customers include a view from the hotel window, the room's bed and the surrounding landscape.

Number of Photos Uploaded Daily to Social Networks and Mobile Apps 2013



“Kimpton’s Karma loyalty program considers brand engagement and other ‘good deeds’ such as social media interaction. Based on client engagement and ‘random acts of Karma’ which include among others posting photos on the hotel’s Facebook or Instagram account, users are granted free perks and rewards.”

*From Kimpton Karma Rewards
Media Fact Sheet*

*Source: Companies’ statistics compiled by
Euromonitor International as of August 2014*

Global Village - Hotels' Response to the Braggie Trend

- Reacting to the trend, Kimpton Hotels introduced the Kimpton Karma Rewards programme that offers perks including free Wi-Fi and spa vouchers for guests posting on social media.
- Marriott also embraced the trend, with the PlusPoints programme allowing members to earn points thanks to their social media behaviour, be it check-ins, photos or other activities.
- Omni Hotel's Summer Passport social media programme also offers customers a chance to earn additional entries to a sweepstake with the chance to win a trip through social sharing.

Looking towards emerging markets

- Social media sharing and adoption is growing globally, yet according to a Pew Research Center Report, consumers in emerging markets are the most active on social media.
- Hotels and travel accommodation outlets should therefore look towards countries such as China, Brazil, Argentina and the Middle East where social media usage is growing very fast.
- The airline sector can also benefit from the trend. Qantas is already reviewing social media conversations but further action could be taken to boost loyalty.
- These trends also create a new challenge for operators: customer reviews and spontaneous uploads mean their services need to be flawless in order to maintain a strong reputation.

ASIA: TRAVEL BOOKINGS ON WECHAT



Asia - Overview

Asia: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	5.4	5.3	5.6
Arrivals (Trips)	5.9	5.0	5.2
Incoming Tourist Receipts Value (US\$)	5.5	5.9	5.8
Air Transport Value (US\$)	6.5	7.2	7.5
Hotels Value (US\$)	5.0	5.4	5.1
Travel Retail Value (US\$)	4.4	5.0	4.6

Source: Euromonitor International

Note: GDP refers to Asia Pacific only, all others include Australasia

- Economic growth in the region continues to be driven by China, although Southeast Asian countries including Indonesia, Malaysia and Thailand are also enjoying sound progress.
- Hotels and airlines are both recording strong growth, benefiting from the rise of intra-regional and domestic travel in the region.
- Online travel sales are predicted to post a 15% Compound Annual Growth Rate over the 2013-2018 period as Asian consumers embrace online travel and increasingly make mobile purchases.

Asia – Travel Bookings On WeChat

- The popularity of instant messaging is recording a strong rise worldwide, driven by the growth of smartphones, making it a rival for social media and telecom companies.
- Its popularity is especially significant in Asia, where the leading companies are China-based WeChat (Weixin in Chinese) by Tencent and Japan-based LINE.
- WeChat was estimated to have 440 million active users in Q2 2014 and to be the second largest global messaging service after WhatsApp, which had 500 million active users.
- WeChat is, however, leading the world in terms of monetising its popularity by offering new services, challenging the Alibaba Group in e-commerce and online payments in China.

Travel companies join in

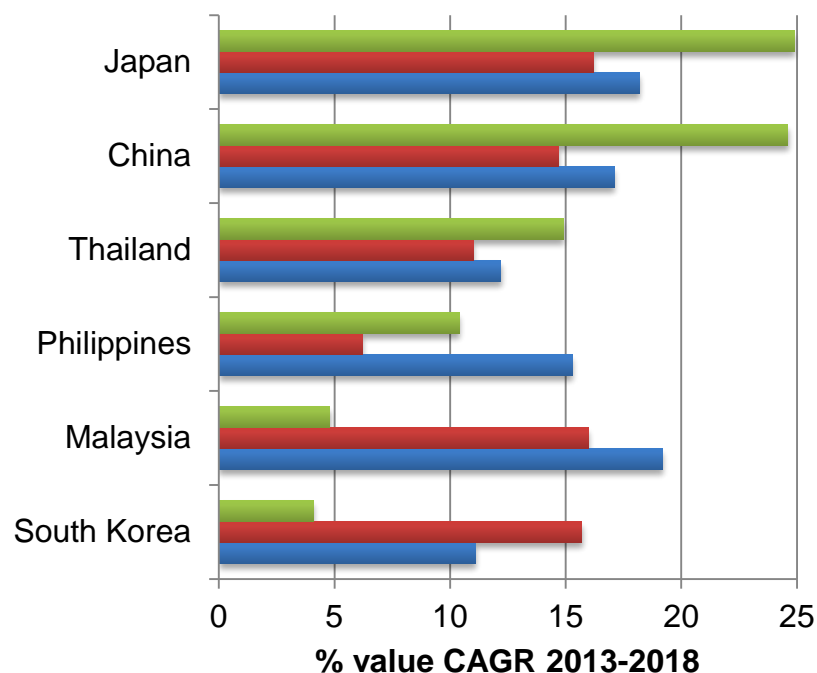
- Leading Chinese online travel agency Ctrip sells air, train and attraction tickets and group-buying deals through WeChat and is expected to use it soon for all its products.
- Didi Dache, a leading Chinese taxi app, doubled its number of users to 40 million in one month after starting a partnership with WeChat in January 2014.
- Low-cost carrier Spring Airlines launched a WeChat service in April 2014 allowing users to book flights, check in, check flight status and communicate with customer service.

“We’ve enhanced our leading WeChat app from a communication tool to a multi-functional platform through initiatives such as smartphone games, official accounts and payment functions.

All of our businesses are based on the WeChat platform and we are confident that they will generate great returns in the long run.”

*Ma Huateng, Chairman and CEO
Tencent*

Online Travel Sales Value in Key Asian Markets by Product % CAGR 2013-2018



■ Online Travel Agencies ■ Flights ■ Accommodation

Source: Euromonitor International

Asia - Instant Messaging Craze

- According to The Economist, WeChat is expected to generate revenues of US\$1.1 billion in 2014 and to record growth of 40% in 2015.
- Revenues come mostly from virtual goods, in particular online games, but the company is currently focusing on increasing its revenues from mobile commerce and payments.
- WeChat is steadily expanding into international markets, recording especially rapid growth in the emerging markets of Southeast Asia and Latin America.
- Over the next few years, WeChat is expected to be launched on all internet-connected mobile devices including smartwatches and smartglasses.

Overtaking social media

- According to a Hotel.com survey, WeChat is the favourite platform in China today for consumers to share travel experiences, ahead of social media.
- WeChat and LINE now allow companies to manage customer support through their apps, which is especially interesting for travel where timely responses to customer issues are key.
- Given the fast-growing role of messaging services worldwide, travel companies are expected to embrace them for customer service, bookings and payments as they did with social media.

INDIA: ONLINE RAIL BOOKING BOOM



India - Overview

India: Key Performance Indicators 2013-2015

% growth	2013	2014	2015
Real GDP Growth	5.1	5.4	6.4
Arrivals (Trips)	7.1	7.9	8.6
Incoming Tourist Receipts Value (US\$)	-0.6	6.1	3.8
Air Transport Value (US\$)	8.3	16.8	15.7
Hotels Value (US\$)	0.1	12.5	3.0
Travel Retail Value (US\$)	3.9	9.5	9.2

Source: Euromonitor International

- India looks set to overtake Brazil as the second largest BRICS economy by 2018 as the country's economic and demographic growth continues.
- Strong promotional campaigns by the Ministry of Tourism followed by the continued depreciation of the Indian Rupee are driving the strong growth of inbound tourism.
- The majority of online travel services in India currently target the young and urban consumer, but are increasingly starting to adjust their offer to suit a wider audience.

India - Online Rail Booking Boom

- Rail is the most popular mode of transport in India, particularly for rural consumers, but long queues for purchasing tickets are a deterrent.
- With an increase of 300% in online bookings between March 2013 and March 2014, rail is the fastest growing sector in online travel in India.
- The Indian government is constantly improving the telecommunications infrastructure in order to increase internet penetration in the country.
- Moreover, travel agents can book train tickets online for consumers who do not have internet access.

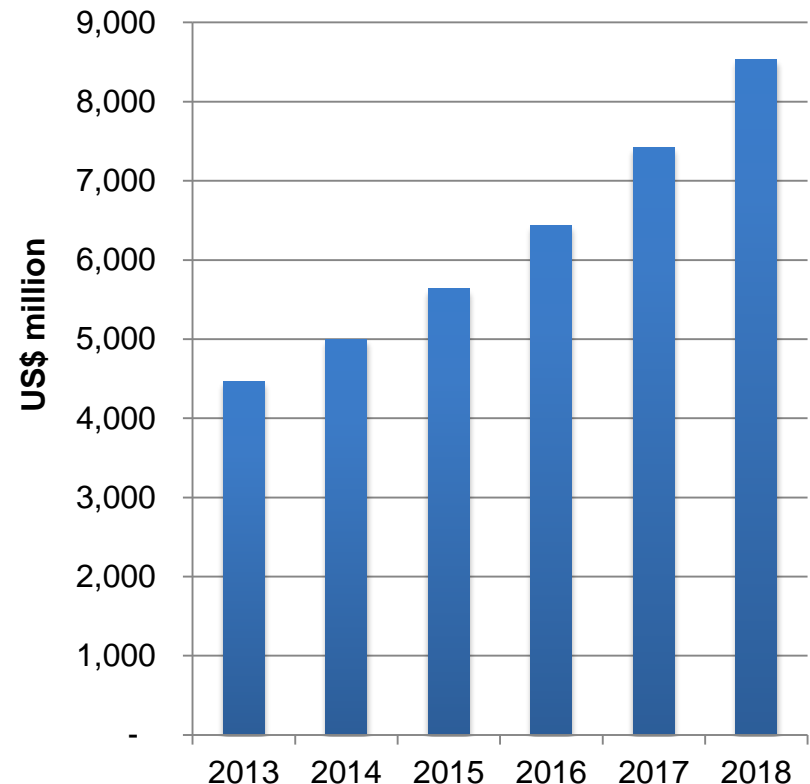
OTAs on board

- As well as booking direct via the Indian Railways Company (IRCTC) website, consumers can also book train tickets from online travel retailers such as Yatra and ClearTrip.
- The increase in bookings via online travel agents has been one of the main drivers of rail online sales growth over 2012-2014.
- Many foreign travellers in India prefer to book train tickets online through online travel agents as IRCTC only accepts American Express credit cards from international tourists.

“Indian Railways is expanding the scope of online booking for people to book additional services. The need of the hour is to bring in a total change in the work culture and delivery of railway services by investing in large-scale integrated computerisation of major functions of Indian Railways.”

*Sadanand Gowda,
Indian Minister of Railways*

Rail Transportation Forecast Sales in India 2014-2018



Source: Euromonitor International

India - Next Step...Mobile

- Mobile devices are the most popular way to access the internet in India. Mobile internet subscriptions reached 72 million in 2013, more than 70% of total internet subscriptions in the country.
- ClearTrip has created a specific, very successful app to book rail tickets.
- IRCTC launched a mobile app for bookings, train schedules and real-time train status updates.
- Since 2013, IRCTC rail bookings are also possible from non-internet mobile phones through SMS messages. This is facilitated by consumers registering their mobile phone number with their bank.

Competition between high-speed rail and LCCs

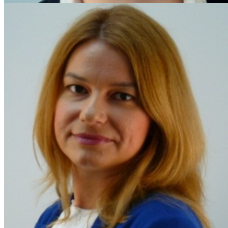
- The boost in online bookings is part of a larger innovation effort by IRCTC to compete with low-cost carriers in the country on a number of key routes.
- Six high-speed corridors have been identified with Mumbai-Ahmedabad, the fast-track pilot scheme. The ultimate aim is to connect all of India's major cities and possibly abroad.
- However, there have been rises in rail fares to help fund the new ventures and recently-launched AirAsia India has stated that its aim is to gain market share from IRCTC.

The Global Trends Report was created exclusively for World Travel Market by Euromonitor International's Travel and Tourism research team



Caroline Bremner, Head of Travel and Tourism

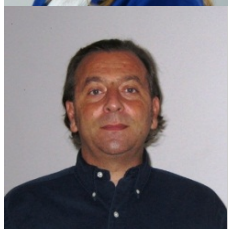
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