TRAVE!RAVE 2014

OPPORTUNITIES AWAIT AT ASIA'S PREMIER TRAVEL AND TOURISM WEEK

YourSingapore

27TH TO 31ST OCTOBER 2014

Expansion and Evolution in Asia's Travel and Tourism Industry: Discussions and Discourse at TravelRave 2014

CONTENTS

FOREWORD

Tourism plays a key role in making a city global and vibrant, so that it becomes a magnet for capital, businesses and talent. Tourism also empowers people and provides them with skills to achieve change in their local communities.

As we look back in 2014, what were some of the eventful developments and game-changing innovations in the travel and tourism industry? What were some of the disruptions to our businesses, and how will the future unfold for the industry, its businesses and its people?

While opportunities in Asia are tremendous, the diversity of Asia also means that businesses need to be equipped with a deeper understanding of the region's multi-faceted environment. In 2009, Singapore Tourism Board (STB) realised that the region needed a distinctive platform for the Asia Pacific travel and tourism industry to come together to do business and discuss key issues pertaining to the evolving needs of Asian travel. This resulted in the creation of TravelRave, which has grown to become Asia's premier travel and tourism week with events and speakers representing the entire spectrum of the industry. TravelRave is a valuable platform that offers key Asian-focused insights across sectors ranging from hospitality, tourism investment, aviation and technology. Delegates can thus benefit from opportunities to gain a more extensive understanding of the Asian travel and tourism landscape as well as its increasingly sophisticated consumers.

With enriched conference content across various platforms including the Asian Travel Leaders Summit (ATLS), Web In Travel (WIT), the Hotel Technology Conference, Aviation Outlook Asia and ITB Asia and the addition of inaugural events such as Hotel Management Summit and RaveOn! Tours, the week inspired dialogues on Asia-focused trends and fortified business networks, attracting a total of 11,400 attendees. Salient trends that echoed throughout the week revolved around the exponential growth of the business travel sector in the region, Asian Millennials in the Travel Workforce and the new digital age of the travel industry.

A joint research by STB and McKinsey & Company on *The Asian Millennial Workforce and the Travel Industry* revealed that only 39 per cent of Millennials are likely to stay with their company for the next three years. The study covered over 5,000 Millennial employees and over 1,500 managers across Asia with the aim of uncovering insights on the Asian Millennials working in the travel industry.

With Singapore's global appeal, strategic location and access to key Asian markets, we are well-positioned to continue to serve as a regional hub as well as attract good cross-representation of Asian delegates and quality conferences which provide strong Asia-focused content and insights. Through the various networking events held during the TravelRave week, delegates are making important connections and tapping on strategic networks that pave the way for potential business collaboration.

Sharing best practices, strategic insights and knowledge about Asia will help all of us in the industry to hone strategies to match the opportunities offered by the region. STB in partnership with TTG Asia is happy to share the highlights of original research findings and key insights featured across TravelRave 2014 events.

We look forward to seeing you in TravelRave 2015 from 19 October to 23 October.

Neeta Lachmandas
Assistant Chief Executive
Singapore Tourism Board

INTERVIEW

The fifth edition of TravelRave opened to much fanfare, showcasing a whole host of new offerings. Since its debut, this much anticipated annual event has garnered numerous positive testimonials from industry leaders, and it is poised to climb to greater heights as its sphere of influence across the Asia-Pacific travel and tourism sector grows.

Neeta Lachmandas, Assistant Chief Executive at the STB elaborates on the tourism organisation's strategic plans to secure TravelRave's place as a leading platform to promote greater cross-industry co-operation and as a hub of innovative concepts and ideas.

"The events under the TravelRave umbrella are not only among the largest in the region, but are also known in the market for quality content with an Asian lens."

How has TravelRave become part of the Singapore Tourism Board's quality tourism premise and what value has it added to Singapore's reputation as a top MICE destination?

The Quality Tourism approach is about offering the right and quality experiences to visitors to achieve greater yield.

In this regard, TravelRave aims to value-add to the visitor experience by being a one-stop Asian platform. The event provides regionally-relevant business content on travel and tourism, a sector which Singapore is strong in.

Clustering complementary events around flagship shows allows time-strapped delegates to optimise their business trips and maximise opportunities across the different events.

As a MICE destination, Singapore makes it easy to conduct business while offering vibrant and fun leisure experiences. The RaveOn! Tours for instance, showed that beyond the meeting room, business travellers can enjoy a wide range of leisure experiences in Singapore.

What makes TravelRave the leader when it comes to thought leadership for the region?

Bringing together thought leaders across the travel tourism ecosystem, TravelRave enables the creation of strategic collaborations, new opportunities and cross-fertilisation of ideas. The events under the TravelRave umbrella are not only among the largest in the region, but are also known in the market for quality content with an Asian lens.

One example of thought leadership is the Asia Travel Leaders Summit (ATLS). In its fifth year, ATLS continues to gather the leading minds and voices of the Asian travel and tourism industry and inspire purposeful dialogue in response to key issues facing the industry.

Since 2011, a key component of ATLS has been the discussion of original research commissioned by STB. In 2013 and 2014, the research focused on Asian Millennials as travel consumers and as talent in the travel sector. This has inspired the industry to take the pertinent issues head on, and to bring about change in the industry.

What is on the cards for TravelRave in 2015? In which direction would you like to see TravelRave grow?

Since the beginning of TravelRave, we have been striving towards delivering targeted and quality insights to our delegates by clustering top-tier travel events under the TravelRave umbrella, inviting key industry leaders to share their knowledge and promoting greater cross-event networking. The growth of quality content will continue to be a key area for TravelRave 2015, as we leverage the burgeoning opportunities arising from trends and changes in Asia.

The ATLS remains a valuable dialogue session among industry leaders to discuss trends and solutions in the current Asian travel and tourism landscape. For ATLS 2015, we aim to dive deep into the pillars of consumer experience, talent and digital innovation, which proved to be the hot topics for discussion this year. Partnerships with industry leaders to co-develop ATLS research and content were well-received, and we hope to replicate this as well.

Moving forward, we will continue to work even closer with industry partners to shape original content across the spectrum of travel segments such as aviation, hotel, and technology to drive thought leadership in the region and position TravelRave as Asia's premier travel and tourism week.

Opinions

A travel & tourism industry event like no other

TravelRave is definitely a travel and tourism event like no other - it offers unique networking opportunities, drawing experts, executives and professionals together from across Asia and around the world, laying the foundations for strong business partnerships. It also offers attendees the opportunity to reconnect and to solidify existing relationships. Here are some thoughts TravelRave 2014 attendees shared with TTG Asia:

UNIQUE NETWORKING, BUSINESS OPPORTUNITIES

"This is our third year at TravelRave and ITB Asia and I must say that this is definitely the event we always aim to be at and it is always one of our perennial first choices. We've held a number of fruitful meetings and met clients from various markets around the world and the results I must add, have been quite encouraging so far. It is also a great platform to showcase all our new technologies."

Kok Sheng Sun
Regional Head of Sales
South Asia
GTA

"TravelRave keeps travel agents in the loop of what is happening in our industry. It also helps me to decide what new products I need to showcase to my clients. This has been a deeply satisfying experience and I look forward to attending next year."

Yousry Mansour
Managing Director
Travel Ideas Singapore

"This is our second time exhibiting in ITB Asia and we've seen a lot of new business streaming in and we've also reconnected with a lot of partners. I would say that in terms of sales performance that this year is better than the last. I would definitely recommend that hoteliers attend TravelRave. It is the best travel and tourism business event in Asia!"

Naratch Phaoharuhansa
Sales Manager
Sentido Graceland Resort & Spa, Khao Lak
Thailand

"We're quite excited to be here. This is our very first appearance at a tradeshow. So far, we've had numerous discussions and more potential prospects than we have actually anticipated. It has certainly been a success for us, and an opportunity for us to showcase what we have to offer."

Shahirah Jasni
Assistant Manager
Marketing & Communications
Singapore Pinacotheque De Paris

"TravelRave is incredibly organised and as a first timer, I really did not know what to expect. But I would like to add that it has given me great ideas to introduce to my business and I have already sealed a number of deals with various suppliers."

Lydia Heinisch
Executive Director
ULT Luxembourg

"TravelRave offers attendees a comprehensive and unique selection of programmes that no other platform possesses. As a first-timer, I have been overwhelmed by the opportunities to network with colleagues from various parts of the travel and tourism industry. Some of the topics raised during the various forums I have attended have given me a considerable amount of food for thought. In addition, I have gained invaluable leads for possible future business ventures."

Steven Chua
Deputy Chairman & CEO
Rykadan Hospitality Investments

THE BIGGEST CHANGES

TTG Asia interviewed a number of attendees at TravelRave 2014 on what they perceived to be the biggest game changers for Asia's travel and tourism industry since the first edition of TravelRave in 2010. They were also asked for their predictions of what would have the greatest impact on the travel sector in Asia between 2014 and 2019. Here is a summary of what they said:

SINCE THE INAUGURAL TRAVELRAVE IN 2010

• Disruption by technology and m-commerce.

• Increased focus on sustainability and eco-tourism.

• Growth in demand from leisure and corporate travellers.

• More price and product transparency.

• The use of Big Data for strategic marketing and product development.

IN THE NEXT FIVE YEARS?

• Simplified transactional processes.

• More destinations and small independent companies will enter the tourism and travel arena.

• Mass customisation and hyperpersonalisation.

• Technological developments that enable travellers to plan their trips in minute detail.

TRAVE RAVE 2014 Expansion and Evolution in Asia's Travel and Tourism Industry:
Discussions and Discourse at TravelRave 2014

OPINIONS

THOUGHT LEADERSHIP

The ATLS is the premier event in Asia for top leaders within Asia's travel and tourism industry. It is a hub for thought leadership, and is one of the few platforms where prominent stakeholders can devise synergistic ideas and solutions that directly address key issues within the travel and tourism arena. Here are some highlights of what was said at ATLS 2014:

"This era is truly historic; and it is going to evolve rapidly based on three key influences. Firstly, over the last 20 years, three billion citizens worldwide have entered the middle class bracket. Never before has the world seen this level of wealth creation, which has fundamentally altered the economic position and prosperity of countries. Secondly, take the insanely fast metabolic rate of technological change. Indeed, we've just turned chapter one of what is a 100 chapter book. Thirdly, an unprecedented demographic shift is taking place; with many Asian countries aging rapidly and Millennials having to carry a greater fiscal burden. All these forces are the reality of the time we live in today."

Andrew Grant
Director
McKinsey & Company

"Jetstar has instilled in a consumer-centric culture that cuts across all levels of the organisation. This means embedding a sense of customer in every level of our business. We want our customers to become advocates and promoters for the brand."

Barathan Pasupathi
CEO
Jetstar Asia

"The travel agent of the future needs to make every single travel arrangement – they have to take care of everything that can possibly arise. On top of that, they need to personalise itineraries, while reducing any complexities."

Simon Fiquet
Industry Head – Travel APAC
Google

EVENT SUMMARY
Ignite ideas and seal new relationships

Market insights presented in this report were gleaned from the exciting line-up of quality conferences and exhibitions held during TravelRave 2014, Asia's premier travel and tourism week. Spearheaded by the STB, this annual event featured ground-breaking content, a cast of influential speakers and the unique opportunity to network with leaders and brandnames in the travel and tourism industry.

Asia Travel Leaders Summit

Helmed by the STB, the fifth edition of the Asia Travel Leaders Summit (ATLS) gathered the best minds and voices in the industry. The burning issue of attracting, retaining and training Millennial talent stole the limelight, igniting frantic debates to uncover practical and realistic solutions. Results from a region-wide study carried out by McKinsey & Company on behalf of the STB, which formed the basis for the insightful *Asian Millennial Workforce and the Travel Industry* report, was also unveiled, providing leaders with the latest quantitative and qualitative data on Millennial employee behaviour and career expectations. Other topics on the discussion roundtable included the intricacies of attracting and building consumer loyalty and the threat posed by technology firms encroaching on the travel space.

Aviation Outlook Asia

The 7th Aviation Outlook Asia remains the region's only strategic gathering of senior airline executives from Asia Pacific and the Middle East. Some 44 different airlines and their representatives were present at this illustrious conference. Discussions and debates this year centred on the upcoming ASEAN open skies agreement; the growth trajectories of low cost carriers; route development; and the need for legacy airlines to adopt new strategies to strengthen market share.

Hotel Management Summit Singapore

The newest addition to the TravelRave portfolio, the Summit directly addressed all major challenges impacting the hospitality industry, providing its attendees with a dynamic platform to discuss key operational, branding and financial issues directly impacting corporate and property profit and loss.

Hotel Technology Conference

For its fifth incarnation, the Hotel Technology Conference focused on utilising technology innovations to exceed guest expectation and improve operational efficiency. Some 170 delegates attended 11 keynote addresses and panel discussions that explored the latest technological trends in hospitality.

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EVENT SUMMARY

ITB Asia

ITB Asia's seventh run drew 852 buyers, 744 exhibitors and 9,650 trade delegates from around the world in 2014. As in previous years, a full range of travel products and services were showcased alongside thought-provoking conferences, workshops and seminars that highlighted and analysed key issues poised to dramatically transform the industry.

TravelRave Leaders Gala

Hosted by the STB at the newly refurbished Victoria Theatre & Concert Hall, the TravelRave Leaders Gala Dinner drew over 300 distinguished business leaders in the Asian travel and tourism industry together to celebrate the extraordinary achievements made by the industry. Stephen Ho, President, Asia Pacific of Starwood Hotels & Resorts Worldwide won the top accolade of CNBC Travel Business Leader of the Year 2014.

Web in Travel

Now in its tenth year, the Web in Travel (WIT) Conference continues to be one of the leading platforms for the digital travel space in Asia-Pacific. 2014's conference touched on several thought provoking topics, including the re-invention of online travel agencies and the evolving role of meta-search; brand loyalty; aviation trends and the importance of finding, nurturing and retaining talent.

Less is More

Held in conjunction with TravelRave, "All You Need Is Less" was a public exhibition showcased at the Marina Bay Waterfront Promenade that spun a fresh perspective on how major players in Singapore's tourism industry are working to minimise their carbon footprint.

RaveOn! Tours

A new edition to the TravelRave line-up, RaveOn! Tours gave delegates a chance to immerse themselves in Singapore's notable lifestyle and ethnic precincts including festive Little India, the vibrant Singapore River district and the urban oasis of Sentosa Harbourfront.

Tourism50 Gala Dinner and The 2014 Singapore Experience Awards

TravelRave ended on a high note with the Tourism50 Gala Dinner which celebrated tourism's contribution to Singapore and to acknowledge the industry's role in the success of developing Singapore into a compelling cosmopolitan destination. It was held in conjunction with the prestigious Singapore Experience Awards, which conferred accolades on nominated players who have demonstrated excellence in the delivery of an exceptional customer experience in the Attractions, Business Travel and MICE, Dining, Learning Travel, Medical Travel, Entertainment, Hospitality and Retail categories.

IN FOCUS
Key events and conferences

ASIA
TRAVEL LEADERS
SUMMIT

This must-attend event for Asia-Pacific travel and tourism leaders was well-received by all its attendees, facilitating discussions that cut across the various sectors that make up this diverse industry.

"This is my third ATLS and the value addition I witnessed in each of the sessions has been phenomenal. The ability to generate new subjects that are relevant to the travel industry, and current relevance is a major issue for me. I see ATLS as being a community that's being built the way it is for sharing of ideas, and bringing in major consultants to facilitate the process is an excellent idea. Singapore needs no introduction, so I think from a STB initiative, I really appreciate this event."

Madhavan Menon
Managing Director
Thomas Cook (India) Limited

"I've been with ATLS for the third time now, and I find every ATLS has a new progression. The insight we have gathered from this event is very useful in order for use to deal with the new workforce, Millennials. STB, TravelRave and ATLS has always been in my agenda, and as the insight derives directly from Asian travel leaders themselves, it's something that we need to absorb, because Asia is poised to achieve the highest growth for tourism."

Royanto Handaya
President Director
Panorama Tours

Aviation
Outlook Asia

Key topics this year:
• Market opportunities and challenges in India
• Expansion of low-cost airlines across Asia
• Who will dominate ASEAN's open skies?
• Airport route development
• Building partnerships

Major Airlines who attended:
• AirAsia
• AirFrance-KLM
• All Nippon Airways
• American Airlines
• Cebu Pacific
• Delta Airlines
• Emirates
• Etihad Airways
• Garuda Indonesia
• Japan Airlines

• Jet Airways
• Jetstar Asia
• Lufthansa German Airlines
• Malaysia Airlines
• Royal Brunei Airlines
• Scandinavian Airlines System
• Singapore Airlines
• Thai Airways International
• Tiger Airways
• United Airlines

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IN FOCUS

hotel management
SINGAPORE SUMMIT

Key topics this year:
- Service standards and value proposition
- Forecasting and business planning
- Technology innovation
- Productivity and operational efficiency
- Revenue generation and yield management

Key companies who attended:
- Accor Asia Pacific
- The Ascott Limited
- Capella Hotels Group
- Pan Pacific Hotels Group
- FHRI Hotels & Resorts
- Intercontinental Hotel Group
- Marina Bay Sands
- Park Hotel Group

"The Hotel Management Summit consistently provides great insights into new trends, best practices from the industry and fresh ideas on how to improve our business performance. The conference is of great value and one not to be missed."

David Shackleton
COO
Dusit International

hotel TECHNOLOGY CONFERENCE

Key topics this year:
- Wearable technology
- Mobile device management and integration
- Guest room access control
- In room controls
- Marketing tools and CRM aid

Key companies who attended:
- Cisco Systems
- Como Hotels and Resorts
- Marriott International
- Oracle MICROS
- Peninsula Hotels
- SAP
- Silverneedle Hospitality
- VDA

"The event seems to be gathering momentum in both the quality and number of attendees. Good breakout meetings. It is an invaluable event for both hoteliers and vendors."

Peter Ollerton
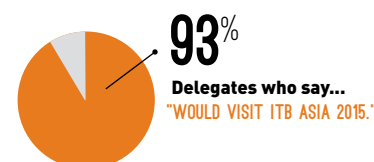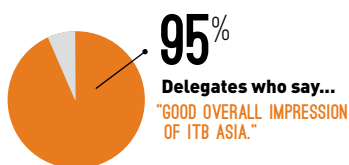Director - Business Development
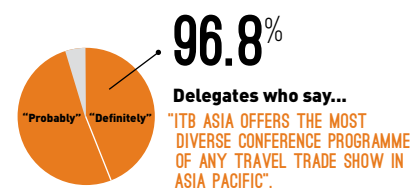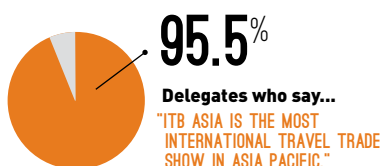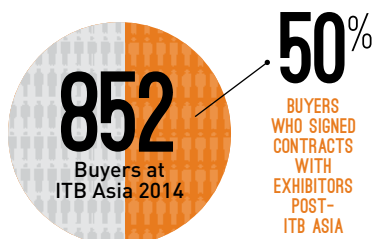South Pacific & North Asia
Nor1

ITB Asia
The Trade Show for the Asian Travel Market

2014 was another remarkable year for ITB Asia, solidifying its position as one of the most popular travel trade shows in the Asia-Pacific region.

ITB Asia is the definitive one-stop meeting place for travel trade buyers and suppliers. It has been another fruitful year, with many contracts having been negotiated and signed on the dotted line by the close of this three-day event.

852 Buyers at ITB Asia 2014

50% BUYERS WHO SIGNED CONTRACTS WITH EXHIBITORS POST-ITB ASIA

95.5% Delegates who say...
"ITB ASIA IS THE MOST INTERNATIONAL TRAVEL TRADE SHOW IN ASIA PACIFIC."

96.8% Delegates who say...
"ITB ASIA OFFERS THE MOST DIVERSE CONFERENCE PROGRAMME OF ANY TRAVEL TRADE SHOW IN ASIA PACIFIC".
"Probably" "Definitely"

95% Delegates who say...
"GOOD OVERALL IMPRESSION OF ITB ASIA."

90% Delegates who say...
"GOOD ORGANISATION."

93% Delegates who say...
"ITB ASIA IS A GREAT BUSINESS ENVIRONMENT WITH VALUABLE CONTACTS."

93% Delegates who say...
"WOULD VISIT ITB ASIA 2015."

Source: ITB

THE BIG PICTURE

Tourism in Asia has played a strategic role in driving the economic and social development of this vast, fragmented region. It is set to soar to even greater heights as more Asians experience a rise in incomes as their economies expand, arming them with the spending power to pursue their long-held aspiration to see the world. More Asians will join the ranks of the middle class over the next 15 years. In fact, the Organisation for Economic Co-operation and Development (OECD) forecasts that by 2030, Asia will represent the 66 per cent of global middle-class population and 59 per cent of middle-class consumption, compared to 28 per cent and 23 per cent respectively in 2009.

Continuous investment in infrastructure, ongoing economic growth and the facilitation of visa processes have continued to propel the travel and tourism market in Asia forward. In the first half of 2014, travel and tourism arrivals in the Asia-Pacific region grew by five per cent, the second highest rate of growth recorded for this period globally[1]. South Asia and North-east Asia were the region's top performers, which is unsurprising, given that these two areas are also experiencing unprecedented growth in the expansion of civil aviation routes, particularly within the low-cost sector, which is in turn fuelling intra-regional and domestic travel.

During the course of TravelRave, TTG Asia identified four megatrends that are expected by industry players and observers to exude a strong influence over the future growth and development of Asia's dynamic tourism trade.

Later, we will explore each megatrend in detail, looking specifically at their wider impact, and how they are sparking off radical shifts.

Emerging trend: More tourists from China's second- and third-tier cities.

MEGATREND 1

Watch out for the new wave of Chinese tourists

Asia's vibrant economies, powered by a burgeoning **middle-class**, are boosting both inbound and outbound travel throughout the region. China continues to dominate tourism traffic flows, and it is poised to retain its crown as the **largest source market** for the region for the foreseeable future. Delving deeper, there are clear signs that the Chinese outbound market is evolving rapidly, as Chinese travellers no longer originate just from first-tier cities such as Shanghai and Beijing. Disposable incomes within secondary cities are expected to continue growing at a rapid pace over the middle-term. In fact, the share of upper-middle-class households in third-tier cities is expected to reach **more than 30 per cent by 2022**, up from 15 per cent in 2002. Consequently, more individuals from second- and third-tier metropolitan areas such as **Tianjin**, **Qingdao**, **Dalian** and **Chongqing** will venture abroad[2].

MEGATREND 2

Millennials will come to define the structure of the industry

As Asia's economy moves full steam ahead, the emergence of **Asian Millennials** will represent both a challenge and a significant business opportunity for the travel and hospitality sector. Their ability to seamlessly integrate **technology** into their everyday lives, their pursuit of **work-life balance** and their idealism will come to define the way tourism and travel firms run their businesses. Numerous travel and hospitality brands are already experimenting and are developing new concepts and ideas that draw not only Millennial consumers but Millennial talent as well.

[1] United Nations World Tourism Organisation: Tourism Barometer August 2014
[2] McKinsey & Company Mapping China's Middle Class 2013

MEGATREND 3

New technologies will continue to disrupt and reshape the industry

Innovation in this case does not pertain solely to advances in hardware. It also encapsulates the establishment of new marketing **channels**, **brands** and **concepts** that harness the power of **technology** to enhance the customer experience, and the incessant demand for **personalisation** and customisation. Digitisation will continue to seep into the travel and hospitality space as new and established players battle it out to win customers' hearts and minds.

MEGATREND 4

Low cost airlines are the leaders in stimulating demand – even when it doesn't exist

The Centre for Asia-Pacific Aviation (CAPA) believes that low-cost airlines are now the **airline of choice** not only for the new middle-class consumer who is a complete novice when it comes to travel, but they are also favoured by experienced wealthy travellers who desire value for their hard-earned money.

"Low-cost airlines create demand where it does not exist. They disrupt and build the travel and tourism industry (in Asia) by changing the behaviour of Asian consumers."

Bobby Healy
Chief Technology Officer
CarTrawler

IN NUMBERS

GROWTH

According to the World Travel and Tourism Council (WTTC), tourism in Asia grew by six per cent between October 2013 to October 2014, generating US$2 trillion.

GROWTH: +6%

US$ 2,000,000,000

WORKFORCE

Some 65 million people currently work within the industry, according to the WTTC - equivalent to one in every 12 jobs in Asia and exceeding major industries, such as finance and IT.

65,000,000

1/12 JOBS IN ASIA

INTERNATIONAL ARRIVALS

In 2013, according to the United Nations World Tourism Organisation (UNWTO), international visitor arrivals reached 233.5 million for the Asia-Pacific, some 12 million more than 2012. This is projected to grow to 535 million by 2030.

INTERNATIONAL VISITOR ARRIVALS IN ASIA-PACIFIC

WORLD INTERNATIONAL VISITOR ARRIVAL

2013

2030

25%

30%

2013   233.5 MIL
2030   535 MIL
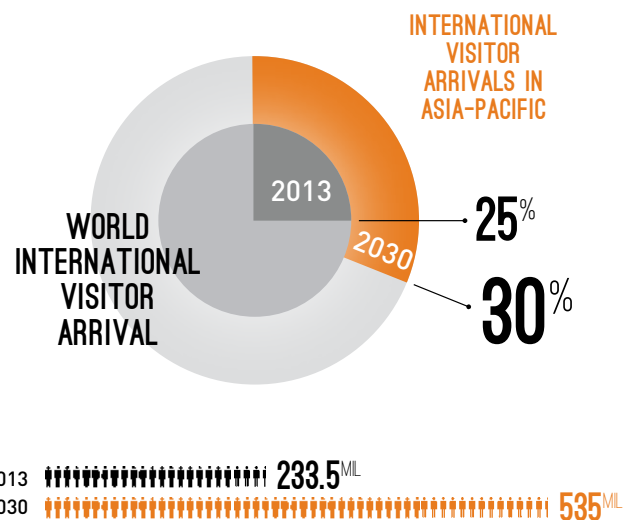
A NEW BREED OF CHINESE TRAVELLERS
Winning Chinese Travellers from Secondary Cities

All the insights showcased in this segment have been referenced from the conference track *Winning the Chinese Travellers from Secondary Cities* held at ITB Asia 2014.

The Chinese outbound market is certainly a force to be reckoned with. It now has the accolade of being the largest outbound market in the world in terms of both volume and value, and it is forecast to grow from 98 million in 2013 to 110 million by end-2014[1]. Some 134 million Chinese are expected to travel out of China by 2020[2].

China's economic prosperity is no longer concentrated just in the Eastern coastal regions, but it has fanned out to the central and western parts of the country. Residents in secondary cities such as Hangzhou, Tianjin, Nanjing, Wuhan, Qingdao, Chengdu and Jinan now possess a growing appetite for both international and domestic travel. Incredibly, less than 10 per cent[3] of the Chinese population have travelled abroad, highlighting that this massive market is still in the salient, intermediate stages of tourism development, and that it is on the verge of generating an even more explosive boom.

Less than 10 per cent of the Chinese population have travelled abroad.

So what does this mean for the travel and tourism industry in Asia?

First and foremost, it signals that **national tourism organisations have to work more closely with their regional and Chinese counterparts** to exchange best practices and to collaborate on programmes and campaigns to enhance both domestic and international Chinese tourism. Fundamentally, respective destinations will have to alter and evolve their products, resources and infrastructure to meet the needs of this diverse group of travellers.

A joint research report conducted by the STB and the China Tourism Academy (CTA) underscores the need for tourism authorities to work hand-in-hand with the private sector to design high quality experiential products for this emerging segment.

Simultaneously, there has to be an intense level of commitment from players within the travel and hospitality arena to reinvent or introduce new products tailored to meet the needs of these new wave of Chinese travellers to keep interest high, and to stimulate repeat as well as new visits through word of mouth marketing.

Speakers at the *Winning the Chinese Travellers from Secondary Cities* conference that took place at ITB Asia 2014, emphasised during their discussion that marketing strategies have to adapt and evolve, given that Chinese travellers from secondary cities are markedly different and distinct from one another.

"Travel and hospitality firms especially those operating in Singapore, Malaysia and Thailand should develop collaborative marketing programmes and integrated itineraries that cut across geographies to attract Chinese travellers from secondary cities."

Edmund Chua
General Manager
Lex Travel Pte Ltd

To capture an even bigger share of this pie, governments will also have to reassess their visa processes and policies. There have been numerous calls to Association of Southeast Asian Nations (ASEAN) governments by Chinese tour operators to relax their visa requirements for Chinese ordinary passport holders. Indeed, if ASEAN were to liberalise its visa procedures, it could attract between six and ten million additional international tourist arrivals by 2016[4].

[1] China Outbound Tourism Research Institute (COTRI)
[2] MasterCard Intelligence: The Future of Outbound Travel in Asia-Pacific, February 2014
[3] Mintel's Chinese Outbound Market May 2013
[4] United Nations World Tourism Organisation and the World Travel & Tourism Council: The Impact of Visa Facilitation in ASEAN Member States, January 2014
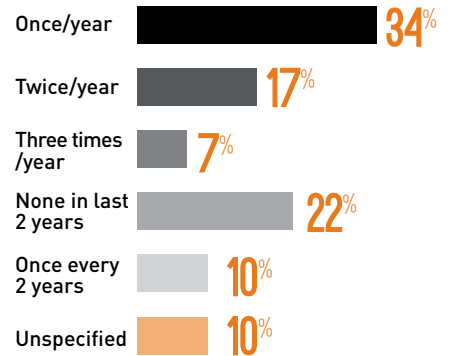
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CHAPTER 2   THE CHINESE

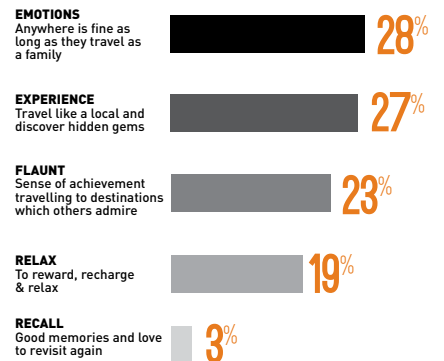# CHINESE TRAVELLERS FROM SECONDARY CITIES
KEY CHARACTERISTICS

- Will purchase value-for-money airfares and book budget hotels, but are much more generous when it comes to restaurants, attractions and shopping.

- They love to shop - not for themselves but for souvenirs for family and friends back home.

- With most of them being first time travellers, they tend to stay longer to explore a destination.

- Being newbies to travel, most prefer some help and hand-holding when booking and tend to rely on travel agents.

- They prefer destinations where Mandarin is spoken.

- Food is often the focus of their travels.

- They are price sensitive.

- Currently, they tend to flock to short-haul destinations, with Hong Kong and Macau on the top of their list.

- Most trips are for the primary purpose of sightseeing.

IN NUMBERS

OUTBOUND FREQUENCY

Once/year	34%
Twice/year	17%
Three times /year	7%
None in last 2 years	22%
Once every 2 years	10%
Unspecified	10%

MOTIVATION FOR TRAVEL

EMOTIONS Anywhere is fine as long as they travel as a family	28%
EXPERIENCE Travel like a local and discover hidden gems	27%
FLAUNT Sense of achievement travelling to destinations which others admire	23%
RELAX To reward, recharge & relax	19%
RECALL Good memories and love to revisit again	3%

TOP 7 DESTINATIONS

1. HONG KONG
2. MACAU
3. KOREA
4. THAILAND
5. TAIWAN
6. MALAYSIA
7. SINGAPORE

Source: Singapore Tourism Board, China Tourism Academy
Research Report on Chinese Travellers from Secondary Cities

THE AGE OF THE MILLENNIALS

Asian Millennials: Beyond the Hype & Stereotype

The Asian Millennial Consumer

Having grown up in a period of rapid globalisation and digitisation, Millennials (defined as those born between 1981 and 1995), have a very different outlook on life from previous generations. Deemed to be highly idealistic and narcissistic, Millennials require a whole different approach when it comes to marketing, given their cynicism and mistrust of traditional advertising.

Millennials are Digital Natives - having been born after 1980, when social digital technologies, such as Usenet and bulletin board systems came online, they have been hardwired from birth to use digital technologies for social and business networking. As a result, they have an egalitarian view of the world - and see technology as a tool to change what they perceive as wrong in the world. The generations before them, the Digital Migrants, on the other hand, were born before the widespread adoption of digital technology, are more meteoritic in nature and thus see technology as a means to an end.

Travel is a must and a necessity for Millennials, and they long to visit destinations they have yet to explore. They often rely on word-of-mouth marketing, traveller review websites and social media when making their travel decisions, and are apt to make their travel arrangements independently online[1].

A joint study carried out by STB, McKinsey & Company as well as Visa in 2013 affirmed that Millennial travellers are not a homogenous group, and that they desire complete autonomy and control over the travel planning process.

Firms within the hospitality and travel arenas are already in the process of transforming their products and services to fit the demands of Millennial travellers. Many are already harnessing technology to turn the customer experience on its head, a trend which we will explore in detail in proceeding chapters.

The Asian Millennial Employee

On the other hand, the impact and significance of Millennials as employees are coming into sharp focus.

THE ASIAN MILLENNIAL TRAVELLER KEY CHARACTERISTICS

- Not all Asian Millennial Travellers are created equal. Different nationalities possess distinct preferences and needs.
- Desire flexible travel, control and autonomy.
- Thrive on gathering as much information as possible – usually from a variety of online and offline sources.
- Allergic to transactions – the fewer steps they have to get things done the better.
- Display a distinct lack of brand loyalty.

IMPACT OF MILLENNIAL CONSUMERS

ON THE TRAVEL & TOURISM INDUSTRY IN ASIA

- Firms will no longer have just a social media strategy, but an umbrella digital strategy encompassing marketing plans to reach, attract, engage and retain Millennials through their mobiles, and tablets as well as entertainment and social media/peer review channels.

- Technology will be harnessed to develop products and concepts that put Millennials in complete control, allowing them to customise and personalise their total travel experience.

- More partnerships and tie-ups with brands outside of the travel and hospitality arena to enhance brand equity, loyalty and the guest experience.

With three out of four employees expected to make up the Millennial demographic by 2025 and with up to 80 per cent of the workforce in Asia already made up of Millennials[2], there is certainly a pressing need for tourism, airline and hospitality firms to recalibrate their organisational and succession planning practices, culture as well as structure in order to attract and retain Millennial employees.

Travel companies who are able to navigate this radical shift will be at a competitive advantage; not just because they would be able to develop their stable of talent; but also because their employees will be able to understand and engage better with the burgeoning Millennial consumer base.

The ATLS highlighted that Millennials are already exerting an influence in how organisations present themselves as employers and how they are training and rewarding their employees. Airlines and hospitality groups in particularly are responding rapidly to this change, and a number have implemented specific programmes designed to attract and retain Millennial talent.

[1] Pacific Asia Travel Association: The Rise of the Young Asian Travellers Report, October 2014
[2,3] Singapore Tourism Board: The Asian Millennial Workforce and the Travel Industry, October 2014

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CHAPTER 3   THE MILLENNIALS

In many respects, Asian Millennials appear to conform to several characteristics we tend to associate with Millennials in general. For instance, their burning desire to climb the career ladder swiftly and their tendency to job hop. However findings from a survey carried out by McKinsey & Company on behalf of STB, and which was unveiled at ATLS, showcased some interesting findings that revealed how Asian Millennials diverge from the Millennial stereotype.

Work-life balance which normally ranks high on the agenda for most Millennials globally is actually one of the least influential attributes that affects job satisfaction for Asian Millennials. They also place a higher value on job security and prestige, contradicting the stereotype of Millennials preferring entrepreneurship over working for an enterprise[3].

The study also uncovered that Millennials can be clustered into five distinct groups – The Idealists, Want-it-alls, Money-seekers, Breadwinners and Family-focussed – with each exuding different priorities and characteristics.

"There's going to be a great shortage of the right people to support the growth in this particular industry. We are indeed facing a talent crisis which could impact the quality of our product in the next ten years... we've seen a lot of investments in infrastructure but not a similar investment in human capital."

David Scowsill
President & CEO
World Travel & Tourism Council

With the current heightened emphasis on the shortage of talent in the industry, it has become critical for players in the travel, airline and hospitality industry to investigate and to experiment with innovative methodologies in order to draw and retain Millennial employees.

Companies will thus have to dive into unchartered waters and have both the gumption and the will to devise effective policies and practices, as succinctly surmised by the McKinsey & Company report, that weed out the bad, groom the good and retain the great.

Considering that Asian Millennials are a heterogeneous group, firms should not simply adopt a single umbrella retention solution. Instead, managers have to use the employee data they have to design flexible tailor-made programmes to facilitate career development and to cultivate loyalty.

Irrespective of the best talent management practices, higher churn among Millennials is a given. Instead of seeing it as a challenge, managers must find ways to elicit tangible results within shorter timeframes.

IN NUMBERS

Millennials are not homogenous

SEGMENT	Breadwinners	Idealists	Money-seekers	Family-focused	Want-it-alls
SHARE	32%	19%	18%	18%	13%
DRIVEN BY	• Salary • Career advancement	• Meaningful work • Prestige	• International exposure • Salary	• Flexible working arrangements • Meaningful work	• Meaningful work • International exposure • Flexible working arrangements • Prestige
WILLING TO COMPROMISE ON	• Flexible working arrangements	• Salary	• Flexible working arrangements	• Career prospects • International exposure	• Not willing to compromise
PREDOMINANT DEMOGRAPHIC	• Older, married males with children	• Young; single, well educated females who rent or live with parents	• Males	• Married females with children	• Young; singles without previous industry experience

Source: Singapore Tourism Board: The Asian Millennial Workforce and the Travel Industry, October 2014

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CHAPTER 3   THE MILLENNIALS

THE ART OF ATTRACTING & RETAINING MILLENNIALS

Leaders in the hospitality, airline and travel sectors shared their insights and ideas at ATLS on how companies can attract and retain Millennials. Here is a summary of what they said:

- Create a culture that Millennials want to be part of – develop a work environment that is supportive and transparent in terms of performance measurement and remuneration.

- Drive an employee's career according to their talents.

- Turn them into ambassadors for the company; engage and nurture them so even when they leave the company, they will become influencers, and help you to recruit the right mix of talent.

- Groom Asian Millennials from the start. Show them that their contributions do matter. Tap into their exuberance and energy to find creative solutions.

- Educate them about the travel and hospitality industry – emphasise opportunities for career advancement and development.

- Invest in your Millennials – do not be afraid of churn. Stretch them to get the best out of them while they are working for you.

- Circulate them across the business – let them experience different departments and functions. Empower them to create their own career map. Since some of them do not just define career advancement in a linear fashion, look at developing their knowledge and experience laterally.

- Give them the flexibility of managing their workload and hours.

Great Expectations

The notion that Millennials are highly ambitious, motivated individuals who desire both prestige and recognition holds true for younger Asian Millennials. Remarks made by Millennial students and management trainees who attended *TravelRave Future Leaders 2014*, jointly hosted by STB and ITB Asia (above) certainly affirms that they possess these traits:

- "I want to be a general manager in five years."

- "Actually, I often ask myself — What can this company offer me? I want exposure, recognition and support."

- "Turnover and churn is not always a definite with my generation. I would like to stay with my company, but in return I expect them to give me the chance to build my experience and skills – if my company continues to offer me such opportunities, I would be more inclined to stay."

It is also apparent from these statements that younger Asian Millennials expect management to support them every step of the way in ensuring that they attain their career goals, no matter how lofty or seemingly unrealistic they might be.

HILTON WORLDWIDE
How they fast track Millennial employees into management

"At Hilton we take individuals with the right attitude and passion for the industry from different generations – be it Baby Boomers, Generation Xers or Millennials – and bring them together to form workgroups for specific projects. In doing so, we achieve multiple synergies as each team member brings different perspectives and solutions to the table, creating the best of both worlds. Here you have someone who has worked for Hilton for more than a decade, who knows our brand DNA inside-out working side by side with a Millennial who is hungry to make his/her mark and who is highly knowledgeable about the Millennial consumer. It is the perfect combination in any organization to get visible results and to prepare Millennials for their next position."

Martin Rinck
President, Asia Pacific
Hilton Worldwide

PATINA HOTELS & RESORTS
In order to attract, retain and cultivate loyalty among its Millennial frontline employees, Patina Hotel & Resorts have instituted several practices, including the 360 degree Concierge programme that aims to develop staff members by exposing them to different roles.

"Firstly, you have to get it right from the start – you have to find individuals that are a good fit for your company – someone who is completely aligned with your company's culture and values. Our 360 Degree Concierge programme essentially eliminates the traditional departments you find in hotels. Now we are telling our frontline employees – you are all hosts; you are all concierges. There is a lot of training involved as all employees will be given a wider job scope and we hope to nurture a sense of personal responsibility, so that they feel empowered to make decisions to ensure guest satisfaction."

Marc Dardenne
CEO
Patina Hotels & Resorts

INNOVATION
Technology: The Enabler and Disrupter

Technology has permeated every aspect of the tourism, hospitality and airline sectors, transforming the way firms operate, as well as how they seek to understand and cater to the needs and demands of guests and customers. We are on the brink of a major revolution, punctuated by numerous disruptions and dramatic innovations in technology which will radically transform the whole guest experience.

THE SHARING ECONOMY

A Real Threat?

There has been an injection of innovative ideas into the travel and tourism space, with talented Millennials blazing the way, developing brands that harness the power of technology that put the consumer firmly in control.

Peer-to-peer network (P2P) products and services such as Airbnb and Uber have made massive inroads, changing the way people travel and how they perceive tourism and hospitality products. This segment, which has been dubbed the sharing economy, is poised for astronomical growth, and in the long term, this will drive established brands and businesses to develop strategies that encompass both hardware and heartware to attract and retain customers in order to combat their encroaching influence.

The world's top sharing economy sectors are forecasted to generate around US$335 billion in revenue by 2025, from US$15 billion today today[1].

[1] PriceWaterHouseCoopers: Sharing Economy, Megatrends: The Collisions, August 2014

Spacebase
A New Peer-to Peer Network for Meeting Planners

Spacebase, was crowned the overall winner for Web In Travel's (WIT) 2014 edition of its annual Start-Up of the Year Competition. The Berlin based company has developed a user-friendly booking platform that connects event and meeting organisers with unique venues around the world.

"I love meetings but meetings tend to be boring and are often held in boring spaces. Creative spaces can add magic to your meetings. We want to change the way people meet."

Julian Jost
CEO
Spacebase
www.spacebase.com

Certainly with Asia boasting one of the best internet and mobile connectivity in the world. It is not hard to see the sharing economy digging its tentacles deeper into the space occupied by hotels, transport firms, destination management companies, and travel agents.

Most travel and hospitality firms that TTG Asia spoke to while conducting research for this report were unfazed by the growth of shared economy products, as they believe that they still possess the upper hand when it comes to conceptualising brands and services that cater to the unique needs of both the business and leisure travellers.

A large proportion believe that there will always be a demand for established brands that have spent decades building their reputation and who are leaders in their playing field.

However, managers have to accept that change is inevitable. In this vein, in order to survive the increasingly competitive landscape, companies have to keep reinventing themselves, aligning themselves with key consumer and technological trends.

"Businesses in the sharing economy have passionate advocates and passionate users; and ultimately, they have the power to destroy the traditional business models that they have hacked. Incumbents often attribute the success of these new entrants to their ability to tap into underutilised assets, maintain low overheads and avoid costly regulations—unfair, they claim. But in complaining, traditional businesses are missing a valuable point – these new models are creating real value and convenience for customers, not just lower prices. Incumbents need to seize the opportunity to learn from these disruptors, not fight them."

Alex Dichter
Director
McKinsey & Company

"When it comes to accommodation, the sharing economy looks like a huge potential threat to traditional operators within the travel and tourism industry, but I think we should not feel overtly fearful. In terms of consistency and security, established brands and businesses will have the upper hand as there is usually a higher risk associated with products in the shared economy which generally have less reliability."

Bernold Schroeder
CEO
Pan Pacific Hotels Group

THE LESSON

What can today's travel and hospitality firms learn from emerging tech-based players

The following tips, gleamed from various sessions and discussions held during Web in Travel (WIT), ATLS, ITB Asia and the Hotel Technology Conference as well as several interviewees, succinctly summarises exactly what travel and hospitality firms have to do in order to achieve competitive advantage through technology.

- Stay one step ahead; but you can't plan too far in advance. Nine months is just about right to launch new tech-based products and services. You do not want to introduce something that has already become obsolete.

- Anticipate customer needs using existing data. Then, create products and services that delight, hook and reel them in.

- Introduce new technology quickly across the board; there's no time to waste.

- Get customers talking about your technical enhancements – use social media as well as user-generated content alongside conventional media.

- Get all stakeholders to support any technological changes.

- You can't wow customers with technology all the time; but you must make sure that they work seamlessly in order to satisfy expectations.

- Change is inevitable – roll with it and don't resist it.

- Make any technical additions easy to use; and make sure your tech product has entertaining elements. Humour is always good.

- Tune your tech product and services to suit local needs and idiosyncrasies.

- Tweak products constantly. Don't be smug.

GOING MOBILE

Mobile technology is taking Asia by storm. It is a platform that has radically altered consumer behaviour and the way suppliers display and structure their product portfolio.

Millennials or Generation Y are the most inclined to own smartphones and to use mobile apps to communicate and to carry out tasks. Unsurprisingly, some 43 per cent of Millennials in Asia cannot live without their smartphones[2]. However, they are seemingly "allergic to transactions", and prefer tools and apps that give them the ability to access and pay for services and products instantly.

The travel and tourism industry is not resting on its laurels, and is devising new, unique ways in which to make the entire guest experience – from planning to booking; to checking out and to giving feedback - as seamless and painless as possible.

By harnessing an array of mobile technological tools, travel and hospitality firms are giving customers the power to make active choices that personalise their whole travel experience. This is the era of mass customisation – a concept that was simply unthinkable just a decade ago.

With more freedom to pick and choose the various elements of travel to suit their personal needs or whims, consumers are far more likely to make bookings through their mobile, instead of perceiving it simply as a source of travel information. The Asia-Pacific region is one of the global leaders for the m-commerce sector. As a matter of fact, Asia-Pacific's m-commerce market earned US$76.2 billion in 2013 and is expected to grow to US$153.26 billion in 2017[3]. The Chinese are the most apt to make mobile purchases, (59.4%), followed by the Thais (51.2%) and Koreans (47.6%)[4].

"Asia is the largest region for smart phone usage in the world, with China firmly in the number one position and India set to take second place by 2017. This is revolutionising the way that travellers consume travel – from inspiration to search, booking, experiencing and sharing. Travel providers can get a better understanding of travellers and more than ever can take advantage of fantastic opportunit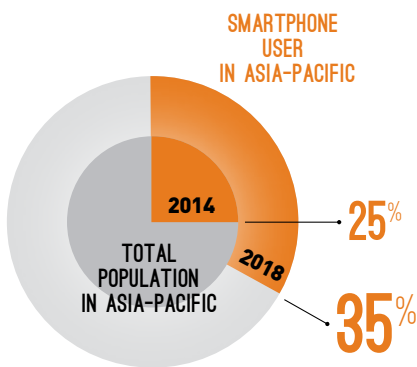ies to personalise their offering to meet the needs of their customers. With travellers embracing mobile technology as almost a second skin, you might say it is pervasive and persuasive."

Angel Gallego
President
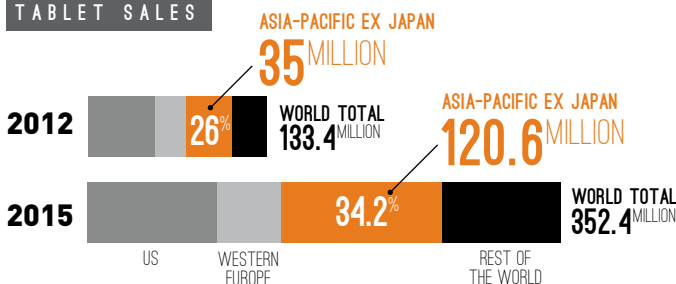Amadeus Asia Pacific

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IN NUMBERS

SMARTPHONE USE IN APAC

Mobile bookings in Asia have grown alongside the boom in smartphone and tablet penetration usage. Between 2014 and 2018, smartphone user penetration in the Asia-Pacific is forecast to grow from around 25% to 35%.

Source: eMarketer, June 2014

SMARTPHONE USER IN ASIA-PACIFIC

TOTAL POPULATION IN ASIA-PACIFIC

2014 — 25%
2018 — 35%

TABLET SALES

ASIA-PACIFIC EX JAPAN
35 MILLION

2012   26%   WORLD TOTAL **133.4** MILLION

ASIA-PACIFIC EX JAPAN
120.6 MILLION

2015   34.2%   WORLD TOTAL **352.4** MILLION

US   WESTERN EUROPE   REST OF THE WORLD

Source: Statista, January 2015

MOBILE BOOKINGS

Asian consumers are more likely to use their tablet to book future travel, and smartphones to make bookings while on the move. This could be a result of the smartphone's greater portability and ease of use, whereas the tablet is more suited to use while sitting down, for example while travelling on a train or while out in a café. In fact, the numbers show considerable variations, with 76% of travellers using their smartphones for making 'urgent' travel arrangements while on the move, compared to just 35% using their tablet devices for the same purpose .

76% OF TRAVELLERS USE SMARTPHONES

35% OF TRAVELLERS USE TABLETS

Source: Nielsen: The Asian Mobile Consumer Decoded, January 2014

Aggregate APAC mobile travel gross bookings doubled from US$3.2 billion in 2012 to US$6.4 billion in 2013.

2012/2013 GROWTH IN MOBILE BOOKINGS
+100%

Source: PhoCusWright: Asia Pacific Online Travel Overview Seventh Edition, August 2014

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[2] Visa: Connecting with the Millennials; 2012
[3] Frost & Sullivan: Analysis of the APAC Mobile Commerce Market 2013
[4] MasterCard: MasterCard Intelligence Online Shopping Survey 2014

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CHAPTER 4 INNOVATION

CASE STUDY

Check-in, check-out with mobile devices

Technology is giving travel and hospitality companies the ability to simplify their procedures while enabling them to provide tailormade, lifestyle-attuned products and services – which in turn enhances the whole customer experience.

Hilton rolled out the world's first interactive hotel mobile app in October 2014. Using their personal devices, guests to any of Hilton's 4,200 hotels globally will now be able to check-in and choose their exact room from digital floor plans, and to customise their stay by purchasing upgrades and making special requests for items to be delivered to their room, on their mobile devices, tablets or computers. Guests also will be able to check-out using their smartphones and tablets.

Starwood launched Starwood Preferred Guest (SPG) Keyless at Element and W Hotels in November 2014. Powered by the SPG app, guests are now able to bypass the front desk and go directly to their rooms. Guests then unlock their rooms with a simple tap of their smartphones.

What major technological change will have a major impact on the travel and tourism business in Asia?

Simon Fiquet, Industry Head, Travel APAC, Google tells us what he thinks:

*There's one clear, definite trend: **mobile**. Smartphones will continue to have a large impact on travellers across Asia.*

A study conducted by Taylor Nelson Sofres (TNS) last year highlights that Asian travellers are dreaming about their new destination through online video. The research also uncovered that when they are traveling, they like to receive all the notifications they need automatically — from flight itineraries to the weather at their destinations and currency conversion tools — directly on their phone. Or when they are using their phones as a guide book, to find interesting things to see and do around them, potentially with recommendations and reviews from locals.

What businesses need to do is follow consumers onto mobile — offering them a great experience no matter what device they may happen to be using.

SOCIAL MEDIA

Social media has certainly made its mark on the global travel and tourism industry. In theory, marketers are aware that social media is a powerful means to generate sustainable, positive word-of-month marketing. However, firms are still struggling to determine how best to harness the medium.

Is it a distribution channel, a customer service tool, a branding platform, a referral and lead-generation service, or perhaps all of the above? Results have been mixed and most significantly, engaging with customers on social media does not always translate into actual purchases.

Travel and hospitality firms are resigned to the fact that social media is best utilised as a marketing and branding channel – a means to communicate and engage with followers and to stimulate interest and nurture brand loyalty.

Ultimately, as surmised by Simon Fiquet of Google during his presentation at ATLS, firms should use social media to garner a band of loyal influencers – individuals who are avid exponents of a company's brands and services, and who are liable to spread the word about the brand's efforts and exploits both offline and online.

Social media resonates strongly with Millennials as technology is in their DNA. Coupled with the fact that they are cynical about conventional media advertising, it is the best means to reach out to them and turn them into influencers.

CASE STUDY

AIR NEW ZEALAND
Using social and digital media for maximum marketing impact

Generating demand and awareness in international markets was a seemingly impossible task for a relatively small airline like Air New Zealand (ANZ). However, it overcame its shortcomings by fully embracing social and digital media. This strategy was integrated with the flag carrier's customer service, product innovations and marketing initiatives across the business.

ANZ's safety videos have become a global phenomenon, having garnered 30 million views online. Their "Hobbit" video, which leverages the popularity of the Lord of the Ring's movie franchise which was shot entirely in New Zealand, garnered 12 million views. Its social media attracted 20 million impressions globally.

"Essentially, we use our safety videos to drive tourism and to drive demand to New Zealand. How did we do it? First, we decided to become the official airline of Middle Earth (the setting for Lord of the Ring movies). Getting behind a big proposition has garnered a lot of attention. As a country, New Zealand does not have the budget to reach markets globally. Hence we really needed to do a different piece of marketing to stand out from the crowd."
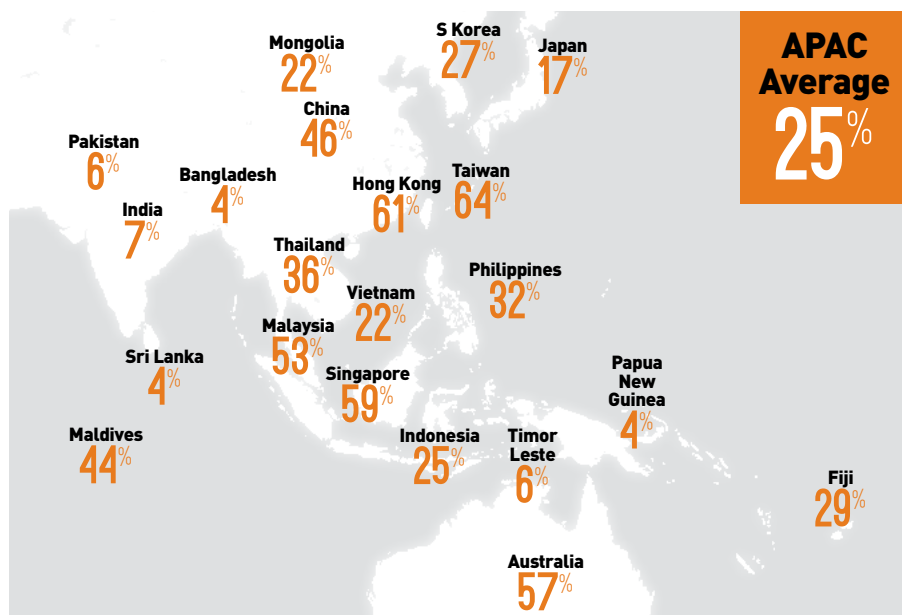
Christopher Luxon
CEO
Air New Zealand

TOP 5 TIPS TO LEVERAGE SOCIAL MEDIA

- Be platform relevant. Know which social media platforms are being used geographically.
- Focus on the travel experience. Know how travellers use social media. For example, Facebook documents the journey while Instagram is used for sharing experiences.
- Devise different social media strategies based on demographics and interests.
- Provide content on a daily basis.
- Talk and engage actively. Acknowledge, and resolve problems immediately.

SOCIAL MEDIA PENETRATION

Mongolia 22%
S Korea 27%
Japan 17%
China 46%
Pakistan 6%
Bangladesh 4%
India 7%
Hong Kong 61%
Taiwan 64%
Thailand 36%
Philippines 32%
Vietnam 22%
Malaysia 53%
Sri Lanka 4%
Singapore 59%
Papua New Guinea 4%
Maldives 44%
Indonesia 25%
Timor Leste 6%
Fiji 29%
Australia 57%

APAC Average 25%

Source: We Are Social Singapore: US Census Bureau, CNNIC, Tencent, Facebook. January 2014.

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CHAPTER 4   INNOVATION

OTAS AND META-SEARCH: THE NEXT PHASE

Online travel agents (OTAs) and meta-search engines in Asia are on the cusp of a huge radical shift, as they battle it out to garner a share of a fast-growing online marketplace. User-generated content sites are also invading OTAs' turf and the differences between these two types of travel sites are becoming increasingly blurred. As such, we can anticipate more consolidation to happen in the near term, as each of these three sectors recalibrate their business models.

With facilitated or assisted bookings gaining ground in Asia – where users don't have to leave meta-search or user-generated content sites to transact and complete a booking – intermediaries, including both offline and online travel agents, are effectively being bypassed.

Meta-search engines now don't see themselves simply as price comparison sites, but as gateways to enable customers to get the best value for money deals – which traditionally, are what both offline and online agents effectively do. To achieve this, meta-search players such as SkyScanner and Wego are now focussing intently on developing their site content, while providing a better customer experience.

Paradoxically, as OTAs and meta-search engines have become more entrenched in the last decade, their once vaunted capability to provide dynamic pricing and disintermediation has become a bane, and is beginning to undermine profitability.

The boggling array of choices at hand means that a high proportion of online visitors to these sites are just browsing reams and reams of information but are reluctant to make any booking, in case a better deal is just a click away. This inevitably puts a strain on the systems and networks that OTAs and meta-search engines manage.

On a positive note, this makes for perfect market conditions for new, nubile entrants who are able to quickly and effectively devise solutions that fill market gaps and satisfy unmet needs.

THE NEXT BIG THING
IN TECHNOLOGY FOR THE TRAVEL AND TOURISM INDUSTRY

- Wearable technology – radio frequency identification or RFID tags used as part of a key management or payment system.

- Apps and online portals that make booking ground transportation – car rentals, transfers and rail etc – a lot easier.

- Online tools that allow local communities to connect with overseas travellers, generating much-needed income while developing tourism sustainably.

- Mobile tools to help travel agents transmit itineraries and information, track their clients' movements, and provide more personalised services.

- Peer-to-peer networks and products for corporate travellers and MICE organisers.

- Personal travel guides with audio and video on smartphones or on smartglasses that work via GPS.

- Travel planning apps that generate information based on user-generated content.

- Distribution tools and products that are designed to fully complement local individual market conditions and consumer behaviour.

INSTANT BOOKING
TripAdvisor's portal for direct booking

TripAdvisor Instant Booking, which debuted in May 2014, is a feature that allows travellers to quickly and easily make a hotel reservation through the hotel or OTA partner while conveniently remaining on TripAdvisor.

"With instant booking, we want to improve the customer experience and remove "friction" from the booking process, allowing travellers to make a reservation while staying on TripAdvisor.

On the partner side, we've been making great progress. We've signed 43 partners in total, 12 that are live and are powering bookings, and 31 that are being implemented. In Q4 2014, we launched an Instant Booking beta on TripConnect giving independent hoteliers direct access to TripAdvisor's global hotel demand. Early results have been positive and some partners have noted that Instant Booking has quickly become one of their most effective marketing channels.

We believe that the instant booking path could result in more bookings and improved downstream conversion for partners. In turn, we believe this will benefit smartphone monetisation, a nice potential win-win-win for users, partners and TripAdvisor.

There is still technical work to be done, so we expect the roll out to be gradual with more and more partners adopting the product over time.

At the moment, instant booking is only available in the US and UK, with a gradual roll-out to additional markets planned later this year."

Lily Cheng
President, APAC
TripAdvisor

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CHAPTER 4   INNOVATION

IN FOCUS: WEB IN TRAVEL (WIT)

A Premier Platform for Technological Change

10 years on from its birth, WIT has grown to become one of the world's premier platforms for the travel and tourism industry to share and analyse ideas, concepts, issues and insights inspired by developments within the technology sphere. Since its inception, technology has evolved swiftly, and it has become omnipresent in all facets of the travel, hospitality and tourism industries, transforming how firms operate and manage their entire distribution and marketing processes as well as their customer experience.

Yeoh Siew Hoon, the founder of WIT, explains how it has evolved over the years, and the impact it has had on Asia's travel and tourism sector.

How has WIT evolved since you started 10 years ago?

WIT has grown in tandem with the Asia-Pacific online travel industry. When we launched our first edition in 2005, there was a heightened awareness that the Internet would change travel but few knew the wide-ranging impact it has had. Two speakers that year personify the evolution of Asia travel.

One, property tycoon Kwek Leng Beng, one of the biggest hotel owners in the world – Millennium & Copthorne Hotels PLC owns and operates over 120 hotels in 18 countries. He likes to joke that when he bought The Plaza New York in 1995 from Trump, "People said, 'Who's this Singaporean in New York buying The Plaza?'"

Two, Deep Kalra, who brought the world's attention to India with the successful IPO of

MakeMyTrip in August 2010 and raised the bar for online travel in Asia. So Asia has gone from real estate play to e-commerce play, bringing with it a new wave of businesses, and entrepreneurs.

Low-cost airlines democratised flying; technology democratised travel; and social media democratised communications, changing the social and political landscape of Asia.

Today, according to PhoCusWright, one quarter of the total Asia-Pacific travel market booked online in 2013, up from one fifth in 2012, and by 2016, nearly one third will be booked online.

How have your goals/objectives/strategy changed?

We started with the idea of creating a marketplace, a community and an eco-system around online travel. That hasn't changed.

What legacy do you want WIT to leave?

That it made a difference to the fastest and most important growth segment of travel.

What impact has WIT had on the travel industry? Do you have any concrete examples of past winners that have gone on to revolutionize the travel sector?

Our role is to create a platform for growth and change. The "revolution" part is up to the players themselves. At WIT 2014, when we celebrated our 10th anniversary, we recognized 10 WIT Warriors, individuals and companies who have had the greatest influence on online travel in APAC. Each of them has had a significant impact on the online travel space in the region.

We've also had entrepreneurs come up through our Start-Up Pitch from all across Asia, who've all gone on to raise funds, created new businesses and in the process, created wealth and jobs for others.

What makes WIT the travel technology event to attend? Why WIT and not any other event?

I think that's a question best left for customers to answer. Most of the feedback we get is that we are different, we deliver quality content and a great customer experience, and we are a genuine sharing event.

WIT started as a standalone event, but is now part of TravelRave - what has this partnership meant for WIT?

A higher profile platform – for example, this article would not be possible without Travel-Rave's partnership – and increased collaboration opportunities.

Travel is about partnerships and WIT has grown, thanks to the right partnerships. Our partnership with ITB Asia, from their launch event to now, is a case in point.

Where will you be taking WIT next?

Where there is demand for an event like ours, and where there is a need for a platform and community like ours. In 2014, we held WIT conferences in Dubai, Jakarta, Tokyo and Singapore, as well as smaller WIT events in Phuket, Bali and Penang. We held our first WITNext event in Taipei on Nov 27, and this was a result of our friends in Taiwan who felt their industry needed a platform like ours to provide that first spark.

WIT WARRIORS

The top ten personalities who have had the greatest influence on online travel in the last decade as determined by WIT.

Rob Rosenstein
CEO and Co-Founder
Agoda
One of the most successful pioneers for online hotel bookings in Asia.

Fritz Demopoulos
Co-Founder
Qunar
Revolutionised online travel search in China.

Deep Kalra & **Keyur Joshi**
Co-Founders
MakeMyTrip
One of Asia's earliest online travel agent success stories.

Kathleen Tan
CEO
AirAsia Expedia
A wealth of experience that is now helping to shape AirAsia Expedia's digital marketing strategies.

Melissa Yang
Co-Founder and CTO, Tujia Inc
Developed a new category in China – vacation rental online bookings.

Morris Sim
CEO & Founder
Circos Brand Karma
Innovative consultancy that provides high-tech tools for hoteliers to leverage on big data.

Adrian Currie
SVP
Priceline Group
Key influencer behind successful mergers and acquisitions of travel tech businesses.

Kei Shibata
CEO & Co-Founder
Venture Republic Japan
Mastermind behind WIT Japan.

Ross Veitch
Co-Founder
Wego
Travel meta-search pioneer.

Martin Symes
Chief Marketing Officer
Abacus International
Early mover and advocate of digital technologies across various segments.

LOW-COST CARRIERS
Growth is imminent

Low-cost airlines have expanded rapidly across the globe, but most noticeably in Asia. South-east Asia is now one of the fastest growing aviation markets in the world, and low-cost carriers have been at the helm of this massive development, and they now account for almost 60 per cent of traffic within the region[1].

Growth within South and North Asia seem comparatively muted when pitted against South-East Asia, but nonetheless, their performance far outstrips that of North America and Europe. Both markets still hold immense potential, given their sheer geographical size. Capacity has grown enormously throughout Asia, and both low-cost and full-service carriers have been beefing up both their regional and mid-haul routes.

Simultaneously, both legacy and low-cost carriers (LCCs) are also increasingly adopting a "hybrid" approach – merging both full-service and low-cost models to meet the changing needs and tastes of travellers. Citilink, owned by Garuda Indonesia and AirAsia X are prime examples of this model.

Owing to regulatory barriers and protectionist policies, low-cost airlines have banded together to penetrate major markets like China, Indonesia and Japan. These tie-ups generate links between Asia's hubs, while low-cost carriers gain strength from an extended network.

More low-cost players are also eyeing a greater share of the business travel market – currently dominated by legacy airlines - and are embracing alternative forms of distribution, including travel agencies – to reach out to them.

However, numerous barriers to growth still remain including a lack of adequate airport infrastructure, excessive capacity on some routes that provokes lower yields and load factors, and shortages in both pilots and slots at airports.

More low-cost players are also eying a greater share of the business travel market.

Owing to these constraints and coupled with the intense competition, there have been some casualties. Singapore-based Tiger Airways for instance, incurred a net loss of S$223 million in the year ending 31 March 2014 compared to a loss of S$45 million the previous year[2].

Nonetheless, despite these challenges, all the economic conditions to facilitate growth of low-cost carriers are in place, and with the ASEAN Opens Skies agreement coming into force in 2015, low-cost carriers will have new avenues to expand their reach and to augment their profitability.

The prognosis is clear - low-cost carriers specifically those that have scaled up their operations and who have access to huge domestic markets and who leverage on their domestic dominance to expand and launch regional routes are the clear winners in the race to dominate Asia's skies. It is the likes of Lion Air, Air Asia and Cebu Pacific that will surge ahead.

Growth within the Asian aviation market is imminent and tourism demand will naturally flourish on the back of this vibrant sector. Tourism in Asia is certainly poised for an unprecedented boom, fuelled by low-cost airlines as they continue to venture into regional airports and smaller destinations.

WHAT'S FUELLING THE GROWTH OF LCCS IN ASIA?

- Pent-up demand generated by the growing stream of middle-class consumers.

- Increasing demand for value for money even among affluent passengers – both business and leisure travellers now prefer allocating a larger proportion of their budget to upmarket/luxury accommodation, first-class dining and shopping at their destination.

- Diversified distribution networks – especially on meta-search and Global Distribution Systems (GDS).

[1] Official Airline Guide and Centre for Asia-Pacific Aviation
[2] Tiger Airways Annual Report 2014

Is the open skies agreement in ASEAN really "open"?

"There is an ongoing myth that the Open Skies Agreement in ASEAN will be as great as the shake-up experienced in Europe when the European Union (EU) liberalised its aviation markets 15 years ago. But what is being proposed in ASEAN is in reality not a true, single aviation market.

The 3rd, 4th and 5th freedoms – meaning that airlines can fly from their home bases to other points - have been secured but not the 7th – where airlines can fly to and from two or more destinations out of their home base (e.g. Airline from A connecting points between B and C).

The reality is that airlines will have to continue setting up joint ventures with local partners - sacrificing both their ownership and control - in return for the opportunity to expand their footprint. This is what the likes of AirAsia and Lion Air have done with their respective overseas joint ventures.

This is a sub-optimal solution, especially given that ASEAN has signed an accord with China that grants it unlimited 3rd and 4th freedoms. So while Chinese carriers can connect any point in China with any point in

ASEAN, the ASEAN carriers can only connect their own home points with points in China. Currently, China is not a threat as its airlines are still in their infancy – but the signing of this agreement has opened the floodgates – and other countries outside ASEAN have expressed their interest to sign similar deals. This would spell immense future competition for ASEAN airlines.

The only way for ASEAN to neutralise the impact of the Chinese agreement is for ASEAN leaders to come together, and to grant all member states 7th freedoms.

We have a long way to go since unlike Europe, where the European Commission presides over supranational decision-making, there is no such body in ASEAN – and we have to depend on persuasion, diplomacy and cajoling to push individual countries to take appropriate action for the regional good".

Alan Khee-Jin Tan
Professor of Aviation Law
National University of Singapore Law School

WHAT ARE LCCS IN ASIA FOCUSSING ON IN THE IMMEDIATE FUTURE?

- Improving customer service.

- Exploring smaller cities.

- Attracting corporate travellers.

- Improving offerings of ancillary services and products.

- Partnering other airlines to feed their network.

IN NUMBERS

AVIATION CAPACITY

Low-cost carriers in the Asia-Pacific region operate a combined fleet of nearly 1,000 aircraft. There are 1,591 aircraft orders in place – highlighting that we have not really seen the end of the boom yet.

1,000
AIRCRAFT IN OPERATION

1,591 AIRCRAFT ORDERS

60% of the 1,591 aircraft on order by the Asia-Pacific LCC sector, or 964 aircraft, are by the Lion Air and AirAsia/AirAsia X groups.
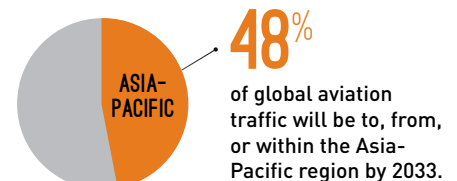
MORE PLAYERS

2014 saw a record level of start-up activity as about 10 LCCs were launched, bringing the total number of LCCs operating in Asia-Pacific to nearly 60.
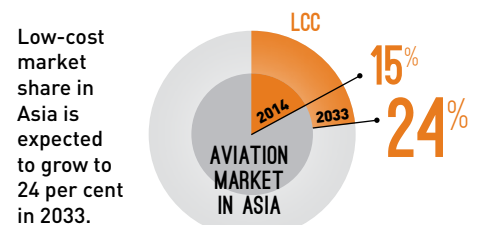
NUMBER OF **LCC**s OPERATING IN ASIA-PACIFIC **60**

→ **23** IN SOUTH-EAST ASIA
→ **16** IN NORTH ASIA
→ **6** IN SOUTH ASIA

BY 2033...

ASIA-PACIFIC

48% of global aviation traffic will be to, from, or within the Asia-Pacific region by 2033.

>100MIL NEW PASSENGERS are projected to enter the market annually over the next two decades in Asia

Low-cost market share in Asia is expected to grow to 24 per cent in 2033.

AVIATION MARKET IN ASIA

LCC
2014 **15%**
2033 **24%**

Sources: Centre for Asia-Pacific Aviation , Boeing: Current Market Outlook 2014-2033

BUSINESS TRAVEL & MICE

Connections, Caution and Compliance

In addition to drawing travel professionals and experts from the leisure segment together, TravelRave also acts an interactive platform for corporate travel managers, travel management companies and business travel associations to share ideas as well as radical insights while offering unique networking opportunities.

BUSINESS TRAVEL
KEY TRENDS IN ASIA

- Companies want tighter control over travel expenses and expect technology to deliver this. More firms will thus harness technology to ensure employees adhere to compliance policies and to also ensure their welfare and security whilst on the road.

- Technology will be used to offer employees more control over the business travel planning process, enabling them to create more personalised itineraries

- Travel management companies to become smaller and leaner as they use technology to improve productivity and the delivery of services.

- There will be more localisation of travel management services to cater to different business traveller behaviours.

- Millennials have high expectations - they expect their firms to meet their needs while respecting their desire for leisure time and privacy even when they are travelling on business.

IN NUMBERS

THE ASIA-PACIFIC MARKET

Asia Pacific is the largest business travel region in the world, comprising 38 per cent of global business travel. Business travel spending in Asia Pacific totalled US$392 billion in 2013 – more than doubling in size since 2000 with a growth rate of 7.5 per cent annually. Business travel spending is projected to continue growing at a 10.2 per cent annual pace over the next five years .

38%

ASIA-PACIFIC

GLOBAL TRAVEL BUSINESS

US$ **392** BILLION

SPENDING GROWTH 2015-2020 **+10.2%**

CHINA

Business travel in the Asia-Pacific region is dominated by China. Driven by infrastructure investments, exports and service development, business travel spending in China has grown from US$32 billion in 2000 to US$225 billion in 2013, an average of 16.2 per cent each year. By comparison, growth in business travel spending from the US has grown at an annual rate of just 1.1 per cent since 2000[1].

+16.2%
ANNUAL GROWTH RATE

US$ **32** BIL
2000
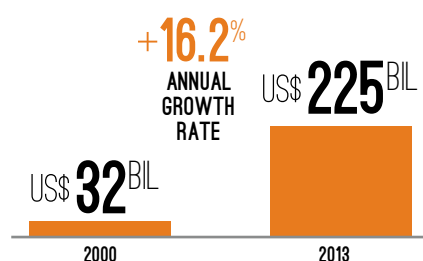
US$ **225** BIL
2013

BIG SPENDERS IN 2013

#	Country	Amount
1	UNITED STATES	US$274 BIL
2	CHINA	US$225 BIL
3	JAPAN	US$61 BIL
4	GERMANY	US$54 BIL
5	UK	US$41 BIL
6	FRANCE	US$35 BIL
7	BRAZIL	US$31 BIL
8	SOUTH KOREA	US$31 BIL
9	ITALY	US$30 BIL
10	INDIA	US$24 BIL

Source: Global Business Travel Association Foundation

TRAVE RAVE 2014 | Expansion and Evolution in Asia's Travel and Tourism Industry: Discussions and Discourse at TravelRave 2014

CHAPTER 6 BUSINESS TRAVEL & MICE

Welf Ebeling
Vice President Operations - Asia
Global Business Travel Association

Welf Ebeling was the keynote speaker for ITB Asia 2014. He also hosted the Global Business Travel Association's (GBTA) Business Travel Forum, which also took place at ITB Asia 2014.

How can companies harness technology to plug in gaps within corporate travel?

The rapid development of mobile technology has fundamentally changed how people book travel these days. However the majority of Asian companies has not yet adopted this new form of travel procurement and retain their highly regulated and largely manual corporate travel procedures. At the same time younger employees nowadays expect to have the same flexibility and instant information available when traveling on business as they do when booking a holiday.

There have been numerous discussions about "Open Booking" under which employees can pick and choose their own flights and hotels.

The jury is still out whether this is the way forward as most companies are reluctant to hand over control of the travel planning process, and are concerned that they are going losing the edge on negotiated discounts by implementing such a system. Furthermore they worry about losing valuable data and jeopardizing their duty of care programs.

Distribution Companies and travel suppliers are already geared up for these changes and are steering customers towards the use of technology through a myriad of new apps and online promotions.

Companies will ultimately have to conform and chose more traveler centric solutions that not only meet the individual needs and expectations, but ensure compliance to travel policies as well as real-time movement tracking.

Is the concept of "bleasure" – where business trips are combined with leisure trips become more commonplace within Asia?

Actually, this trend is most pronounced in Asia compared to anywhere else globally especially among Millennials. Generally,

Millennials now perceive business travel as an entitlement rather than a perk. They expect the company to take care of their needs whilst they are on the road, and this includes respecting their need for privacy and leisure time.

Indeed, younger business travellers are inclined to extend their stay after they have completed their assignments and tasks. We can accredit this trend to the fact that Asian business travellers are significantly younger than their European or North American counterparts.

Research highlights that in Europe, business travellers typically derive from the 45 to 55 age bracket; while in Asia they tend be in their late 20s to their 40s. An interesting fact is also the significant difference in gender ratio. A recent study of premium travel purchases showed that in contrast to a European 80/20 male to female mix, Asian premium travelers are 55 per cent female versus 45 per cent male.

In addition, as holiday entitlements are relatively short in Asia, it makes perfect sense for individuals to combine business and leisure trips to maximize their time on hand whilst at a destination.

What about face-to-face meetings and corporate transient travel? Are they diminishing?

Actually the number of face- to-face meetings are still growing however companies are now evaluating the need for face-to face meetings much more stringently. And virtual meeting technology has made it easy to avoid traveling for routine and repetitive meetings.

Personally I do however feel that current online meeting technology can still not replace the human interaction you experience in a face to face meeting but maybe that too will change in the future.

MICE
KEY TRENDS IN ASIA

- Meeting planners are being asked to do more with smaller budgets – it is all about Return on Investment (ROI).

- Compliance and cost will remain the top two concerns for Asian MICE planners.

- More hybrid meetings on the horizon – using technology to connect onsite and offsite attendees.

- A greater dependence on social media for internal communication.

- Stricter and clearer service level agreements drawn up with meeting suppliers.

- Lead times are getting shorter.

- Meeting planners are becoming more adventurous when picking destinations especially for regional MICE events.

- China will continue to lead the way in terms of MICE value and volume; with Japan following close behind.

- Companies will shift to using four-star properties for most MICE activity, with five-star properties and luxury properties being used exclusively for special occasions.

Source: American Express Meetings & Events 2014

TRAVE RAVE 2014 Expansion and Evolution in Asia's Travel and Tourism Industry:
Discussions and Discourse at TravelRave 2014

CHAPTER 6 BUSINESS TRAVEL & MICE

INTERVIEW

Lisa Hopkins
Managing Director - APAC
BCD M&I

Lisa Hopkins was a panellist for a conference track hosted by Meetings Professionals International (MPI) that took place at ITB Asia 2014.

How is technology being utilised by companies today to manage and plan their MICE?

Technology has extended from just being about online web registrations to something that is highly interactive and which is based entirely on the concept of big data. Moving forward, I predict more companies in Asia using data to fuel MICE planning decisions. This data that will be audited and succinct in nature, allowing firms to calculate their exact spend and return on investment (ROI) on meetings.

I envision most of this data sitting in one tool or portal, enabling companies to buy smarter and to evaluate suppliers efficiently, to spot trends and to leverage existing relationships with preferred partners.

Surprisingly, despite Asian consumers being relatively fast adopters of technology, this is not the case for the Asia-Pacific's MICE industry. This segment has actually been quite slow in harnessing technology – many companies remain sceptical and wary – but they are catching up. There is little doubt that in five years everybody will be using some sort of technology tool to manage and plan their MICE.

MICE budgets in Asia - are they returning to the levels we saw prior to the Global Financial Crisis of 2008-09?

Budgets have definitely recovered and I don't see any issues there at the moment. However, compliance has certainly grown in importance. Firms are highly geared to monitor and audit meetings today.

Ten years ago, the term "compliance" was not even associated with meetings. Today, it is a completely different story and compliance and the key issues it raises is a key buzzword within the MICE sector, and it will certainly continue to remain at the forefront of MICE planners' minds.

Is hybrid technology the next big thing for MICE in Asia?

We will see more hybrid technology but adoption rates will be rather slow. It will be used mainly as a channel to bring employees across the world together – for example, to transmit a company's new vision or strategies.

However, when it comes to customers and clients, I think firms will continue to rely on face-to-face meetings – nothing beats the personal touch in this case.

What are your predictions for Asia's MICE industry?

For the next five years, firms will be watching their pennies closely, but it will still be an optimistic market. Meetings and incentives in Asia are expected to be increasingly driven by a higher need for face-to-face engagement – especially with customers and clients.

There will also be a huge swing towards strategic meetings management. More and more companies are receiving edicts from their global headquarters that dictate their buying policies and how they should be harnessing big data to make MICE planning and management decisions.

Finally, I foresee more companies integrating their business travel and MICE management and planning functions, leading to economies of scale.

TOP INTERNATIONAL MEETING COUNTRIES 2013

	Country	Number of meetings	Percentage of all meetings
1	Singapore	994	9.4%
2	USA	799	7.5%
3	Korea Rep	635	6.0%
4	Japan	588	5.5%
5	Belgium - tied	505	4.8%
6	Spain - tied	505	4.8%
7	Germany	428	4.0%
8	France	408	3.8%
9	Austria	398	3.7%
10	UK	349	3.3%

Source: Union of International Associations

WHERE DO WE GO FROM HERE?
Soaring Ahead Against All the Odds

Forecasts for the region's travel and tourism sector look extremely bright, with predicted growth rates of over four per cent anticipated in value terms over the next decade – a figure that is significantly higher than other economic segments[1]. No other region in the world exudes as much potential in terms of economic prosperity and progress.

In order to capitalise on this incredible growth, destinations and regional authorities particularly in emerging markets such as China, India, Indonesia and the Mekong region, will have to ensure that they create favourable business climates to bolster investment, innovation and entrepreneurship, while creating programmes to promote and implement sustainable tourism practices.

Governments could also do much more to implement visa-free regimes and to liberalise their airspace to facilitate travel and tourism growth across the region.

The future of Asia's travel and tourism industry also lies chiefly in its people. Its success therefore hangs on how governments and companies implement policies and schemes to train, retain and reward individuals. There is still a long way to go in this respect, as firms adjust to the new realities posed by the next generation of employees – the Millennials – who demand a more flexible approach to career development and advancement. Observers concede that technology can only ease manpower shortages to a degree – there is still the need for a personal touch in every aspect of the customer experience.

Asia's travel and tourism industry is invariably poised for success. But it will be a long, rocky climb for companies and destinations wanting to secure a place at the top.

The future for tourism in Asia is bright and rosy, although there are dark clouds on the horizon. Several discussions during TravelRave highlighted that the region faces numerous threats that could undermine the anticipated growth in travel and tourism. Nonetheless, the experts and professionals who convened at TravelRave also emphasised that Asia is an area of immense opportunity, and travel and hospitality firms should continue to look East to expand their footprint.

A summary of their thoughts and opinions on the strengths, weaknesses, opportunities and threats in relation to the future of Asia's travel and tourism industry are summarised below:

Weaknesses/Threats

• Fragmentated segments that lead to opportunity costs.

• Government support in some countries is virtually non-existent.

• Poor or inadequate infrastructure.

• Shortage of skilled manpower.

• Political instability.

• Lack of suitable tourism-related education/ training programmes.

• Archaic visa regimes.

Strengths/Opportunities

• Low penetration rates and multiple markets remain untapped and immature – travel and hospitality firms still have a lot of room to expand.

• New markets, brands and segments to develop – especially within the online and mobile arena.

• Strong service ethic among several Asian countries, that can be adapted to suit the changing needs of international and domestic travellers.
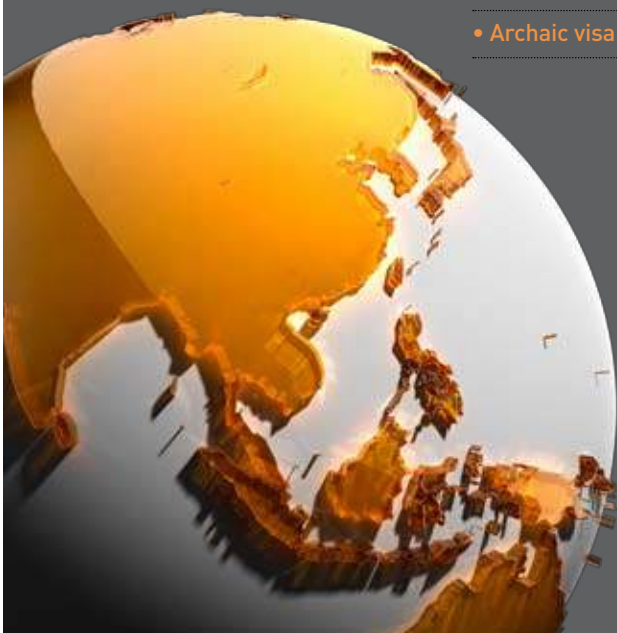
Disclaimer: All the views, analysis, observations and opinions expressed in this report are solely that of TTG Asia and not STB.

[1]: World Travel & Tourism Council, Travel & Tourism Economic Impact 2014 (World)

OUR VALUED PARTNERS

STB wishes to thank all our partners who generously lent their support to make TravelRave 2014 as well as ATLS 2014 a reality.

McKinsey & Company, ATLS Knowledge Partner

McKinsey & Company is a global management consulting firm dedicated to helping the world's leading organisations address their strategic challenges. With consultants deployed in over 100 offices and more than 50 countries around the globe, McKinsey advises on strategic, operational, organisational and technological issues. For more than eight decades, the firm's primary objective has been to serve as an organisation's most trusted external advisor on critical issues facing senior management. McKinsey was the Knowledge Partner for the study, *Asia Millennial Workforce and the Travel Industry*, the results of which were unveiled at the ATLS 2014.

Parkroyal on Pickering, ATLS Venue and Hotel

The 367-key Parkroyal on Pickering, owned by the Pan Pacific Hotel Group, is the flagship property for the revitalised brand. The hotel, which opened in 2013, is designed by acclaimed architectural firm WOHA, and boasts extensive landscaping and environment-friendly features. Other facilities includes its signature all-day dining restaurant, Lime; an infinity-edge pool on the fifth floor; a luxurious residence-styled executive lounge and rooftop terrace on the 16th floor; and a collection of meeting and event venues on the second floor.

CNBC, ATLS and TravelRave Leaders Gala Broadcast Partner

CNBC is the leading global broadcaster of live business and financial news and information, reporting directly from the major financial markets around the globe with three regional networks including CNBC in Asia, CNBC in EMEA and CNBC in the US. CNBC.com is the pre-eminent financial news source on the web, featuring an unprecedented amount of video, real-time market analysis, web-exclusive live video and analytical financial tools.

Handy, ATLS Technology Partner

Handy is the brainchild of Tink Labs, a Hong-Kong based technology company dedicated to providing smartphone solutions for the hospitality industry. Their Handy smartphone rental service allows hotels to elevate the guest experience, while creating various opportunities to raise spa and dining revenues. The platform gives guests unlimited 3G connectivity in and out of the hotel; as well as the ability to make local and international calls. Handy smartphones also come pre-loaded with comprehensive city guides.

Gryphon Tea, TravelRave and ATLS Beverage Partner

The Gryphon Tea Company was founded in 2006 by Singapore's established tea manufacturer and exporter, Lim Lam Thye Pte Ltd with the mission of making high-quality, gourmet teas. Today, the company continues to produce exquisite blends made from the world's finest handpicked tea leaves and herbs, promising quality in each and every cup.

StarHub, TravelRave Mobile Partner

StarHub is Singapore's fully-integrated info-communications company, offering a full range of information, communication and entertainment services for both consumer and corporate markets. StarHub operates a mobile network that provides 4G, 3G and 2G services.

Bacardi, TravelRave Leaders Gala Beverage Partner

Bacardi - nurtured by seven generations of the Bacardi family - is a vibrant, family-owned spirits company, as well as the world's largest privately held spirits company. Around the globe, Bacardi employs nearly 6,000 people who are guardians of a tradition of excellence dating back 153 years. The Company sells in more than 150 global markets and operates 29 production facilities - for bottling, distilling and manufacturing - in 16 countries.

Lavish Dine, TravelRave Leaders Gala Catering Partner

With over a decade of experience catering to some of Singapore's most prestigious events under its belt, Lavish Dine has established itself as one of the country's premier full-service gourmet caterers. They create edible works of art, taking guests on an unforgettable gastronomic journey through their innovative interpretations of Asian classics.

ASQE, TravelRave Concierge Partner

Asqe provides high standards of service to individuals who require lifestyle support while in Singapore. Their expert team of trusted assistants are on hand to make each visit fuss-free. Visa arrangements, insider recommendations, remittance services, locating short term accommodation rentals or family friendly transport – no request is too small or too big for Asqe.

Our research methodology

TTG Travel Trade Publishing was commissioned by the Singapore Tourism Board to develop this report. This report aims to showcase key insights regarding trends and issues affecting the travel and tourism industry in Asia raised and discussed during TravelRave 2014.

Three main sources of research were used in the compilation of this report:

• Attendance at various TravelRave 2014 conferences and events.

• Interviews with various selected delegates and key speakers at TravelRave 2014.

• Desk research encompassing both offline and online resources including American Express Meetings & Events, Boeing, The Centre of Asia-Pacific Aviation (CAPA), emarketer, Frost & Sullivan, Global Business Travel Association (GBTA), MasterCard Intelligence, Nielsen, Singapore Tourism Board (STB), Statista, Pacific Asia Travel Association (PATA), PhoCusWright, PriceWaterHouseCoopers, United Nations World Tourism Organisation (UNWTO), Visa and the World Tourism and Trade Council (WTTC).

TTG Asia Media's Travel Trade Publishing group has been connecting Asia-Pacific's travel industry with its leading trade publications since 1974. The one-stop integrated portfolio of print and online titles spans the leisure trade, corporate travel, MICE and luxury travel domains, reaching key decision makers, influencers and professionals in each sector. The group's titles are widely acclaimed as the industry's preferred read and chosen by advertisers as an effective marketing platform. With its online titles, circulation now reaches readers worldwide. Core titles include *TTG Asia*, *TTG China*, *TTG India*, *TTGmice*, *TTG-BTmice China*, *TTGassociations*, *TTG Asia Luxury* and *TTG Show Daily*.

About TravelRave

TravelRave, Asia's premier travel and tourism week, took place from 27 to 31 October 2014 with an exciting line up of quality events featuring thought-provoking content, influential speakers and the chance to network with some of the leading names in the travel and tourism industry. Leveraging Asia's growing potential, TravelRave 2014 provided a dynamic platform for business leaders and industry professionals to convene, share knowledge and insights, network and discover new business opportunities and celebrate Asian tourism at its best. Find out more at www.travelrave.sg.

About the Singapore Tourism Board and Singapore Exhibition and Convention Bureau™

Singapore Tourism Board (STB) is a leading economic development agency in tourism, one of Singapore's key service sectors. Known for partnership, innovation and excellence, STB champions tourism, making it a key economic driver for Singapore. We aim to differentiate and market Singapore as a must-visit destination offering a concentration of user-centric and enriching experiences through the "YourSingapore" brand.

The Singapore Exhibition and Convention Bureau™ (SECB) is a group within STB tasked specifically to champion business travel and business events as key drivers of the tourism sector and enablers for industry growth in Singapore. It aims to establish Singapore as a dynamic business events destination where people, technology and ideas converge to create great value for customers. As the leading government unit for the business events sector in Singapore, the Bureau works with stakeholders to create, attract, and grow business events, as well as ensuring exceptional experiences in the delivery of these events. The Bureau also develops partnerships with international organisations and alliances. For more information, please visit www.stb.gov.sg or mice.yoursingapore.com.

About BestCities Global Alliance

The Singapore Exhibition & Convention Bureau™ (SECB) is a member of the BestCities Global Alliance. BestCities is the first global alliance to put in place a certification programme – with standards certified by Lloyd's Register Quality Assurance (LRQA) – to ensure a consistent level of convention bureaau service excellence from all partner cities. BestCities Partners are Berlin, Bogotá, Cape Town, Copenhagen, Dubai, Edinburgh, Houston, Melbourne, Tokyo, Chicago, Singapore and Vancouver. For more information, please visit www.BestCities.net.

For information on TravelRave and partnership opportunities, please contact:

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