

TravelRave Provides Key Insights of Asia

Into its 6th year, TravelRave 2015 saw some over 11,000 travel industry leaders and professionals from around the world descend in Singapore from 19-23 October. The Asian Business Travellers Report, a Singapore Tourism Board (STB) commissioned research in partnership with McKinsey & Company, Amadeus and Visa was also released during TravelRave.

STB, together with TTG Asia, are happy to share the highlights of original research findings and key insights featured across TravelRave 2015 events, that will help the industry hone strategies to tap into the burgeoning opportunities in Asia.

With Singapore's international appeal, strategic location and access to key Asian markets, we are well-positioned to serve as a regional hub and thought leader for the region, providing synergies across content, markets and networks for business delegates.

Come 2016, Singapore continues to host a year-long line-up of exciting travel and tourism business events and we look forward to your participation.



Andrew Phua
 Director, Exhibitions and Conferences
 Singapore Tourism Board

Opportunities for Industry in Transition

TTG Asia Media is proud and privileged to partner the Singapore Tourism Board (STB) for a second year to produce this report.

TravelRave, spearheaded by STB, is regarded as Asia's premier travel and tourism week. Once again, it provided thought leadership on what is shaking up the industry and how leisure, MICE, China and business travel are being affected.

This year's line-up of stellar speakers and panellists spoke about an industry in transition, the disruption to businesses and the different opportunities that have emerged.

They presented a landscape of how online travel and technology, economic and social integration and the growing power of business travel in Asia, including China's MICE market, and the crucial role of women in the workforce shaking things up.

I hope this report provides invaluable insights to you and your business.



Michael Chow
 Travel Trade Publishing Group Publisher
 TTG Asia Media

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TravelRave Partners

TravelRave 2015 Catalysing Travel and Tourism in Asia

TravelRave once again provided an invaluable platform for industry professionals to gain strategic knowledge, and for thought leaders to exchange insight into the region's multi-faceted environment. Travel buyers were also able to explore and discover exciting products Asia has to offer and travel suppliers were able to introduce interesting new developments.

Singapore's role as a key MICE hub continues to expand. Spearheaded by the Singapore Tourism Board (STB) with the support of its many partners, TravelRave's concentration of business events also provides ample opportunities for attendees to connect with industry leaders, re-establish and expand their network of contacts.

Following are the week's event highlights.



Asia Travel Leaders Summit

The annual **Asia Travel Leaders Summit (ATLS)** continued to focus on **three key content pillars**, namely consumer, innovation and talent to culminate in tangible collaborative initiatives for the region. For 2015, a **macroeconomics new pillar** — particularly on economic developments and greater economic cooperation in South-east Asia — was included in light of the ASEAN Economic Community launch in 2016.

Top Asian and international travel and tourism captains of industry gathered again at the sixth edition of ATLS to inspire purposeful dialogue in response to key issues facing the industry.

This **by-invitation event** is an intimate discussion among 30 to 40 eminent business leaders who have strong interests in the development of the travel and tourism industry in Asia, and seeks to help lay the foundation for collaboration and initiatives in response to the key issues discussed.

STB continued its partnership with Visa Worldwide and Google on the consumer and innovation pillars, and forged a new partnership with Amadeus Asia Pacific, allowing the summit to generate original insights into Asian business travellers. The summit also featured a lunchtime dialogue with Christoph Mueller, CEO, Malaysia Airlines, about the airline's future direction and plans.



Hotel Management Singapore Summit

New at this year's Hotel Management Singapore Summit were a productivity technology showcase session, an owner's dialogue session and the introduction of a new interactive Q&A webapp.

The productivity technology showcase featured practical case studies and solutions to help hoteliers boost efficiency and overcome the manpower crunch, the owner's dialogue focused on bridging the gap between hotel owners and general managers, and the Q&A webapp empowered delegates to raise sensitive questions anonymously.

Part of the Hotel Management Asia Summit series, the Singapore event is aimed at sharing success stories, exchanging best practices and resolving controversies in a neutral, closed-door environment.

The year's summit centered on major issues that would have a significant impact on profitability.

TravelRave 2015: Catalysing Travel and Tourism in Asia

hotel TECHNOLOGY CONFERENCE



Hotel Technology Conference

The 2015 Hotel Technology Conference (Hotel Tech) incorporated **more interactive features** than ever before with roundtable discussions and a real-time Q&A webapp.

By empowering the attendees to ask the questions that are important to them, they were able to influence the direction of the discussions and extract the insights they need from expert speakers, while the roundtable discussions provided the opportunity to crowd source ideas and best practices from peers, on practical and controversial subject matters.

In partnership with Savioke, **Relay by Savioke** – the acclaimed robot that delivers amenities efficiently – made its **Asian debut**. Delegates were able to interact with Relay and see the future of “frontline staff” in action.

By showcasing pioneering solutions such as Relay, highlighting local innovations and discussing challenges with a problem-solving approach, hotel technology and operational leaders were able to candidly share their experiences and envision the future.

ITB Asia The Trade Show for the Asian Travel Market



ITB Asia

Billed as the Trade Show for the Asian Travel Market and launched in 2008, the three-day event held at Sands Expo and Convention Centre, Marina Bay Sands attracted close to **10,300 attendees from 108 countries**.

There were 760 exhibitor organisations from 73 countries, 880 buyers and more than 4,710 minutes of high-powered conference content.

Reflecting the growing importance of the online travel space, keynote panellists this year included executives from Tuniu, Ctrip, Airbnb, Agoda, Expedia, TripAdvisor, Uber, Venture Republic Global and MakeMyTrip.

ITB Asia’s comprehensive conference programme included presentations by GfK, STR Global, Google and other leading companies on current trends and opportunities, as well as a panel discussion with the Singapore Tourism Board (STB) and leading Chinese players to highlight China’s growing importance in the travel industry.

In new partnerships, CAPA – Centre for Aviation launched the inaugural CAPA Aviation Outlook forum, while DestinationElite organised the show’s first Luxury Travel & Hospitality Forum.

In furthering the MICE partnership with K.I.T Group, the focus this year was on Asia’s association landscape, while a dedicated Incentive, Conference and Event (IC&E) conference was held in partnership with the Incentive Conference and Event Society Asia Pacific (ICESAP) featuring buyers and intermediaries from the IC&E space as key speakers.

TRAVELRAVE tours



RaveOn! Tours

This year’s RaveOn! Tours presented an array of authentic local offerings and experiences. Whether guests were a museum fan or a cultural junkie, there was something catered for everyone.

On the **Arts & Architecture tour**, delegates were taken to the new National Gallery Singapore and the newly refurbished Victoria Theatre & Concert Hall. They enjoyed a drive through of the museum precinct and had cocktails at The South Beach – a luxury and lifestyle hotel of design. The tour showcased local architecture and conservation, new developments and art/sculpture installations in the city.

On the **City in a Garden tour**, delegates visited the Singapore Botanic Gardens and Capitol Singapore. This was to highlight the recent UNESCO heritage title bestowed on the former and the greening effort in the city. The tour of the redeveloped and newly opened Capitol Singapore, a prime lifestyle conservation example, included dinner at local food outlet Palette, a site inspection of Capitol Theatre and a Deepavali Light Up drive through at the nearby Little India precinct.

TravelRave 2015: Catalysing Travel and Tourism in Asia



2015 Singapore Experience Awards

There were **80 finalists** across three award categories of Customer Service, Experience and Marketing & Media, and **27 outstanding individuals and organisations were recognised and honoured** for their passion and dedication in delivering extraordinary experiences.

Singapore Minister for Trade and Industry (Industry), S Iswaran was the guest-of-honour and he presented the awards at the ceremony held at the Raffles City Convention Centre.

Two individuals and two organisations were conferred top honours under the Outstanding Contribution and Special Recognition award categories.

The Lifetime Achievement for Outstanding Contribution to Tourism was presented to May Sng, former chairman of the Orchard Road Business Association for her significant contributions towards the development of the Orchard Road precinct.

Sing Mong Kee, former president of the Intelligent Transportation Society of Singapore, was named Best Business Event Champion for his role as a MICE ambassador who championed and secured the rights for Singapore to host the Intelligent Transport Systems World Congress (ITSWC) 2019.

In the Special Recognition category, the Breakthrough Contribution to Tourism award went to the BNP Paribas WTA Finals Singapore presented by SC Global for augmenting Singapore's reputation as a key sporting destination.

As the Best Healthcare Experience recipient for three consecutive years since 2013, Mount Elizabeth Hospitals took home the Exceptional Achievement award.



TravelRave Leaders Gala

TravelRave Leaders Gala – a gathering of the Who's Who in travel – was held at the newly revamped Capitol Theatre, after the historic building reopened its doors earlier this year. The Singapore Tourism Board (STB) partnered all the dining establishments at the Capitol Piazza to serve each outlet's specialty dishes to more than 300 C-suite guests, providing them with a gastronomic experience for the evening.

The gala celebrates the extraordinary achievements made by the Asian travel and tourism industry and serves as a platform to share the insights that were discussed during the Asia Travel Leaders Summit with a wider audience and to present **CNBC's Travel Business Leader Award**.

The gala also provides an opportunity for industry leaders to expand their network and exchange insight on the leading trends of the travel and tourism industry.

During this celebratory evening, George Tanasijevich, President and CEO of Marina Bay Sands, gave an exclusive interview in the **CNBC In Conversation** session, and Lee Seow Hiang, CEO, Changi Airport Group was also presented with the CNBC Travel Business Leader Award.

This year's gala also witnessed the **book launch** of *Planning for Tourism – Creating a Vibrant Singapore*, jointly produced by STB and the Centre for Liveable Cities. The book documents the development of Singapore's tourism landscape, recounting major challenges faced by the sector at each phase of growth, and how key policies and decisions in urban development planning have provided much needed boosts to tourism development.



Web in Travel

Web in Travel (WIT), launched in 2005, is the longest-running event for executives discussing matters relating to technology in the travel space.

Reboot was the 2015 WIT central theme and was aimed at promoting fresh thinking on changing customer behaviour and the rapid pace of technology changes.

Key speakers included senior regional executives from booking companies Agoda and Skyscanner, GDS companies including Sabre and Amadeus, ground services operators Uber and GrabTaxi, hospitality companies Airbnb, InterContinental Hotels and HomeAway, companies that offer experiences such as Rakuten, TripAdvisor and MakeMyTrip and airline Scoot.

This year's conference attracted **550 participants, 100 speakers from 33 countries** and the opening keynote was delivered by Vivian Balakrishnan, Singapore's Minister for Foreign Affairs and Minister in-Charge of the Smart Nation initiative, coordinated by the Smart Nation Programme Office in the Prime Minister's Office.

The pre-event 2015 WIT Boot Camp saw aspiring and current entrepreneurs, travel professionals and investors showcasing the latest trends redefining the digital travel space.

Start-ups such as Rome2Rio and Travelstart shared their stories on how they built their businesses, while market experts from Phocuswright provided key insights into relevant travel markets and segments.

TravelRave 2015

Industry in Transition – Disruption and Opportunity

This is a summary of the key online travel and technology trends which emerged from events this year

Mobile first or mobile only?

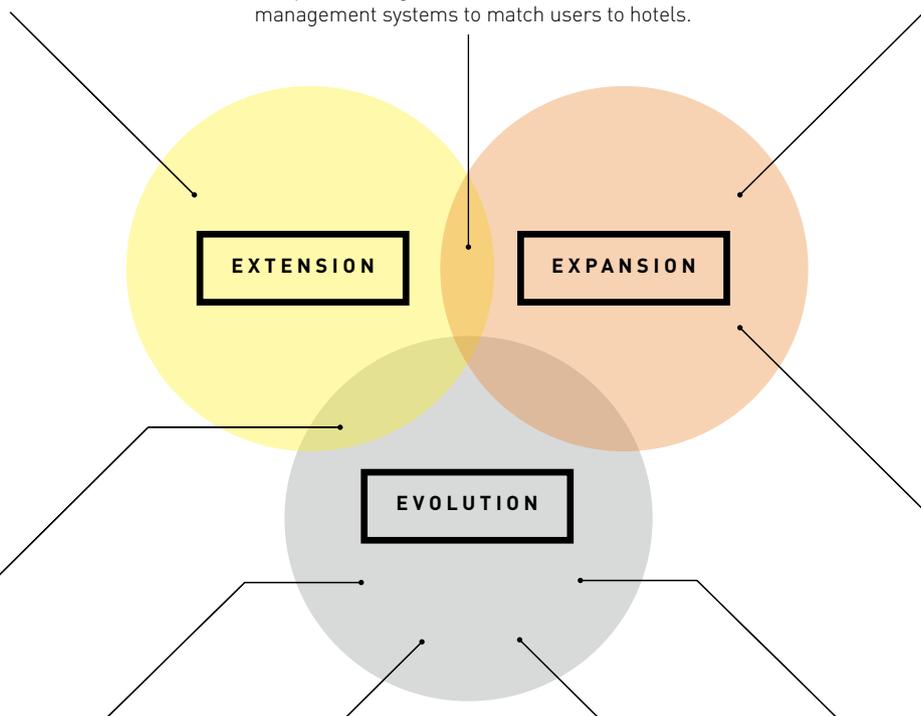
Industry stalwarts are now asking – is it time to go mobile only or mobile first? This is a question many are pondering, particularly when it comes to developing native apps, as their share of the market comes under siege.

Outsiders are taking a bite

Alitrip – the brainchild of online marketplace giant Alibaba – is creating an ecosystem that is envisioned to give online travel agents (OTAs) a big run for their money as they dig their tentacles deeper into online travel. Rakuten Travel, an offshoot of Japanese online marketplace Rakuten, is looking to complex data algorithms based on its customer management systems to match users to hotels.

OTAs are redefining what they do

OTAs are starting to look beyond their well-defined cache of flights and hotels. Holiday rentals, tours, activities, restaurants and even B2B solutions for independent hotels are now being unveiled. Some observers fear that this might dilute the OTA's core capabilities; but others are more optimistic, citing that these developments are just a natural progression.



Meta search continues to crash in on the OTA party

Meta search engines were built to cream the less lucrative top of the travel search funnel but they now see themselves as marketplaces, and are going beyond their traditional function as price-comparison sites and are turning into quasi booking sites.

Hotel brands are innovating

Monetising the webspace is becoming a reality for key brands. A first has been achieved by Accor, which is intent on transforming its online reservation space into a marketplace for independent as well as its own properties.

The shared economy ecosystem

The shared economy – led by Airbnb and Uber – is taking on a life of its own. Enterprising individuals are now creating a host of B2B spin-off businesses that enhance the entire guest experience.

It is a whole new ballgame

Technology is being used in ingenious ways to enhance the travel lifecycle. The travel technology landscape is embracing radical new players while established players are rebooting their business.

Distribution of content

The rise of user-generated content (UGC) will not end anytime soon. There is a real hunger for relevant information, and for authentic and compelling stories that lets a brand speak of its values and goals.

Loyalty through big data

On a broader scale, established players will have to relook how they can harness their big data to reward their most loyal customers. It is a game of giving the right rewards to the right people, at the right time.

TravelRave 2015: Industry in Transition – Disruption and Opportunity

Frontiers in Focus

Asia becomes the world's largest travel region



Peace, urbanisation and open skies are among the factors stimulating economic growth and the rise of secondary cities in India and China – where the development of hi-speed rail networks is expanding – is opening up new business opportunities.

India, with a US\$2 trillion¹ economy, is the “star child”, and it will be the fastest growing economy in the world in the next five years.

Business travel spend in Asia now makes up 38% of the global business travel market, which is worth more than US\$1 trillion².

Annual business travel spend in China since 2005 has increased 400%. In 2014, business travel spend of US\$288 billion put the US in top spot followed by China with US\$262 billion. By 2019, China's figure is forecast to jump to US\$420 billion compared to US\$349 billion for the US.

In 2014, India with business travel spend of US\$26 billion was ranked in 10th spot. It is forecast to jump to sixth position by 2019 with spend going up to US\$45 billion.

Expectations of the Asian business traveller for digital experiences are being shaped and heightened by their everyday consumer lives and online bookings and the use of self-booking tools are becoming dominant.

Asians are also twice as likely to make a booking that includes a weekend, compared to Europeans, and 81% are willing to extend their business trip for leisure³.

Business travel and MICE activity soar



A 2015 landmark survey⁴ shows China chalking up a whopping meetings spend of US\$110 billion in 2014.

The survey further adds that the meetings spend is 45% of all business travel spend in China.

The hubs of MICE activity, concentrated in three cities in China – Shanghai with a 27% share, Beijing 25% and Guangzhou 24% – are responsible for generating 76% of the country's MICE activity.

Manufacturing tops the MICE charts and based on total Chinese MICE spend by sector, manufacturing – accounting for US\$59 billion – blazes a trail. This compares to the spend by the utilities sector in second spot at only US\$13 billion and agriculture, forestry and fishing in number three spot with US\$5 billion.

Human capital development



Gender parity in Asia has the opportunity to increase GDP by between 5% and 12% in a “business-as-usual” scenario.

Women's contribution to GDP is 41% in China, and 34% in East and South-east Asia compared to a global average of 37%³.

This research by McKinsey & Company shows businesses stand to gain both individually and collectively if the gender gap is narrowed and there is strong correlation between the proportion of women on executive committees and a company's financial performance.

Meanwhile, a look into how companies prepare for succession has revealed that many treat it as an abrupt event triggered by the departure of the old CEO, rather than a structured process.

Many companies, according to McKinsey & Company, also focus on selecting a supposedly ideal CEO rather than asking what is the right CEO profile given the priorities ahead.

Lastly, TravelRave 2015 also provided students and industry leaders a platform to discuss the career opportunities within the tourism and hospitality industry.

1 Global Business Travel Association
 2 GBTA BTI Outlook – Annual Global Report & Forecast: Prospects for Global Business Travel, 2014-2018
 3 McKinsey & Company

4 Market Assessment of MICE Business Travel in China conducted by the GBTA Foundation and sponsored by Starwood Hotels and Resorts

ONLINE TRAVEL & TECHNOLOGY

Travel Technology – Expansion, Extension and Evolution

The travel industry is at a turning point. Technology is transforming lives at a rapid pace and is opening up business opportunities as well as man-machine interactions that were virtually unthinkable in the past.

Within online travel distribution, stalwarts and newbies alike will have to look closely at this ever-evolving sector and weigh up the potential risks and rewards. It is a winner takes it all game and there is no respite from this race. It is important to stay on top of trends and to constantly innovate, while developing tangible long-term and short-term initiatives that bring value to customers and which also add value to the company – be it in terms of financial revenue, credibility or brand equity.

Having a digital strategy is a must for any organisation bent on conquering the online arena. Harnessing big data and using it as a basis for customer and business analytics to optimise content and marketing plans is now imperative. Without a digital compass, companies will inevitably be left behind. Firms have to be agile and work with ever-changing variables, including the perception of value by the consumer, user expectations, as well as online marketing technology, particularly those spanning the social and



mobile spheres. Voice of customer (VOC) programmes encompassing tools such as guest surveys, analysis of social media postings, diving into user generated content (UGC) and email queries are gaining traction, enabling firms to evaluate and quantify their service points, and to pinpoint opportunities to up-sell and cross-sell products as well as to create relevant content.

In 2015, all technology trends point to the streamlining of the guest experience from start to finish. Providing customers with a seamless, convenient and intuitive service, to inculcate loyalty and to carve a distinct identity in an incredibly crowded market is now paramount, and it is what separates an exceptional player from a mediocre one.

“Many companies are focused on developing a digital strategy when they should instead focus on integrating digital into all aspects of the business, from channels and processes and data to the operating model, incentives, and culture. Our analysis of how companies with a high digital quotient (DQ) operate shows that 90% of top performers have fully integrated digital initiatives into their strategic-planning process.”



Alex Dichter
Director
McKinsey & Company

The world is becoming ever smaller with technology acting as a platform facilitating relationships in virtual spaces, in spite of geographic distances as well as political and social barriers.

The Sharing Economy

We now live in a world where the biggest accommodation provider has no real estate¹, the world's most valuable retailer has no inventory, the world's largest taxi company owns no vehicles and where the world's most popular media owner does not create any content.

The sharing or peer-to-peer (P2P) economy is here to stay, and it will continue to infiltrate the digital landscape, acting as a transactional buffer between individuals, connecting both the virtual and real world.

Relationships now extend beyond commercial suppliers. We can now tap into the resources individuals own at the touch of a button.

The rise of innovative P2P online marketplaces will continue to disrupt leisure travel. Although it is still in its infancy stage, companies such as Uber and Airbnb are expanding into business travel, giving traditional corporate travel management companies a run for their money.

However, in order to remain successful, firms in the sharing economy will have to continue to grow their credibility by focusing on the host-guest dynamic.

Younger people, who are more inclined to opt for shared economy alternatives, are savvy consumers. Hence, they prefer brands that are authentic, honest and which provide a seamless experience at all stages of the online funnel. In addition, having a seamless mobile interface will continue to play a critical role in keeping people logged into P2P networks.

Most of the giants in the P2P sector are able to meet this premise. But can other online travel distributors match their technology and their tenacity?



UP CLOSE AND PERSONAL

An Interview with
Julian Persaud
Regional Director
Airbnb Asia-Pacific

What has the impact of Airbnb been on the Asia-Pacific region in the last two to three years? Do you see Airbnb evolving into a different model in Asia?

We have been a global platform since 2008 but Airbnb's growth within Asia Pacific really took off in the last three years. As our fastest growing region – a growth of 240% outbound and 380% inbound last year – Airbnb has certainly found its footing here.

Our expansion has certainly increased conversations around the sharing economy. One thing that stands out is how governments in the region are becoming increasingly progressive. They understand the model and are trying to learn more about how to create fair and progressive rules for home-sharing to benefit their cities.

On our part, we are 100% committed to being constructive partners with regulatory agencies and policy makers. To best partner with governments, we released the Airbnb Community Compact, which is based on our core principles, with three commitments to help ensure home-sharing continues to make communities stronger. This is one of the many ways we are evolving to suit each region's needs as we ramp up supply efforts in Asia-Pacific.

Airbnb has made the leap into corporate travel, so what are your plans in Asia? What have been the main challenges in setting up this new initiative?

Business travel is becoming less about being a road warrior and more about "b-leisure", or "biz-cation". People are combining business trips with weekend stays and Airbnb's diverse offerings become a great fit for them. These travellers can also redefine their business

trip – discovering unique locations for temporary housing and team offsites, where a relaxed and friendly environment provides an opportunity to build closer working relationships.

There are now more than 1,000 businesses from over 35 countries around the world, including companies like Soundcloud and Google, which are formally making Airbnb part of their corporate travel programmes. Within the first 24 hours of its global launch, more than 500 companies signed up for the Airbnb for Business programme. This suite of travel management tools allow business travellers to book Airbnb accommodations directly and provide travel managers visibility into employees' travel itineraries, financial reporting data and centralised billing for the optimum business experience.

As we expand our corporate travel footprint in the region, it is important for us to understand the Asian business traveller and how we can help them belong anywhere, even while travelling for work. On the back of this, our business travel product is translated into 26 languages to support a global audience.

What plans do you have for the near future?

We are gunning for growth on the mobile front as Asians are becoming increasingly mobile-savvy. The Asian region alone has seen a 60-time growth in mobile bookings over the last two years and one third of all bookings from Asia came in via localised mobile platforms. On top of tablets and mobile phones, we have also introduced the Airbnb app for the Apple Watch.

¹ Airbnb now lists almost two million homes in 34,000 cities in over 190 countries as of December 2015.

CASE STUDY

Uber – The Transportation Game Changer



“What we need to do as a disrupter is to define what our goals are, and how our goals align with that of government regulators.”



Chan Park
General Manager, South-east Asia
Uber

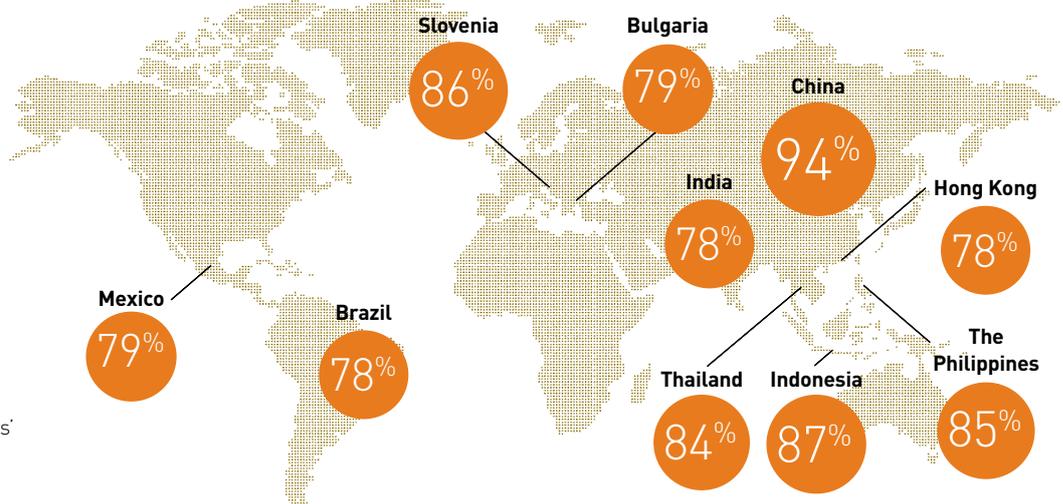
Asia has been an extraordinary success story for Uber since its inception in Singapore back in 2012. Since its launch, Uber has planted itself in 70 cities across Asia, with the bulk of future growth forecast deriving from the economic giants of China and India. Uber appoints local operation teams to manage and grow its driver base as part of its plans to entrench itself in Asia-Pacific. These teams also work closely with US-based research and development engineers to develop localised solutions. For instance in Vietnam and India, Uber passengers can use cash to pay drivers, which differs significantly from its original payment model that relies solely on credit cards.

One of the biggest barriers to Uber’s ambitious expansion plans is governmental resistance, due to a number of legal and taxation issues its business model raises. Uber is currently in talks with various officials across Asia in the hope that they would amend vehicle licensing regulations to allow it to carry out its strategies to fruition.

Uber has also dived headlong into corporate travel with the introduction of its Uber for Business product. This solution allows travel managers to manage business travellers remotely, enabling them to track expenditure and to ascertain compliance. So far, small and medium-sized enterprises (SME) have been their earliest adopters according to Uber.

INFOGRAPHIC

Top Countries Open to the Sharing Economy in 2014



Percentages represent consumers’ willingness to participate in a sharing economy.

Source: Skift 2014

Hyper-personalised Products

The power of technology is enabling companies to personalise products and services in real-time. Customers can now be targeted more accurately with their behaviour and lifestyles.

Analytics is now a big part of this picture and retailers, who have led the way in the application of this advanced matchmaking technology, are now leveraging their storehouse of in-depth customer details to pivot into other spaces including travel and hospitality.

Analytics is proving to be the primary catalyst for change in the travel industry today. Real-time analytics, predictive analytics and artificial intelligence (AI) can be integrated to give guests a hyper-personalised experience. AI is uncanny as it has the ability to create structure from disparate bits of information making them well-suited for applications that address the initial stages of trip planning – research and inspiration. The analysis of customer behaviours and profiles on the other hand leads to more adept marketing decisions.

CASE STUDY

Alitrip – A New Contender

The standalone travel service platform of e-commerce giant Alibaba is actively pursuing the emerging wave of young, highly-educated, affluent and tech-savvy independent Chinese travellers.



Travel is a natural extension for the Alibaba Group and in 2014, it served 50 million Chinese travellers. It currently offers two million products that cater to every stage of the trip lifecycle. Big data accumulated from the Alibaba Group's activities is used to help partners tailor products to fulfil specific customer needs and to develop highly targeted marketing initiatives. In October 2015, Alitrip launched Local Expert, an advisory platform that links consumer queries to travel experts and providers. Earlier in the year it released Post Post Pay which allows guests to reserve rooms through Alitrip without paying a deposit and to enjoy express check-outs.

“We develop products that give Chinese travellers a seamless experience. As a consumer and data-driven C2B platform, we have created our own ecosystem, as well as innovative proprietary products which are facilitated by strategic supplier partnerships with hotels, airlines and travel agents.”



Sherri Wu
Chief Strategy Officer
Alitrip

DID YOU KNOW?

MORE THAN
70%

of Alitrip's bookings are derived from mobile devices.

Source: Alitrip

Online Travel Market – Reboot

Suppliers – airlines, hotels, global distribution systems (GDS), ground transportation providers and travel agents – are not keeping still. They know that travellers want to be empowered and are keen to have more choice and control over all aspects of the travel process. Technology is letting companies meet and even exceed this need. Here are the four key trends¹ that are reshaping the entire online travel market:

TREND 1

Placement and positioning

- More companies are developing products and services targeted at each stage of the trip lifecycle – from planning to booking, to travelling and after the trip.
- This strategy enables firms to monitor and monetise each step of the (online) funnel, augmenting the bottom line.

TREND 2

Data analytics

- Data and market intelligence now power business strategies and decisions.
- Ultimately, this creates unique, localised ecosystems that customers can tap into and firms can use to secure loyalty and long-term sustainability.

TREND 3

Product diversification

- Online travel agents are looking to generate revenue from alternative sources such as table reservations, activities and vacation rentals instead of relying solely on traditional revenue streams such as bookings and advertising.

TREND 4

Aggregation

- Larger travel and hospitality firms are assimilating smaller, nimble technology-based companies, leveraging their expertise to attain market leadership.

Search and Social

Search engines and social media are now well-established tools employed by consumers for inspiration and information during the trip planning stage. Word-of-mouth recommendations still play an influential role in travel decisions. However, more and more individuals are relying on social media channels for recommendations, instead of having one-on-one conversations with friends and family. Once people receive passive inspiration and cues from social media sources, they go back to search engines such as Google and Baidu to actively hunt for in-depth information.

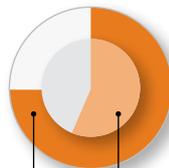
Video content is becoming increasingly important, giving consumers a feel of a destination while permitting brands to carve a clear, distinctive message and to stand out in a crowded marketplace.

Facebook's Simrat Sawhney, Head of Client Partnerships, South-east Asia, emphasised that organisations are using videos more creatively to share their brand story. At the same time, they are integrating other interactive page elements such as gif.images which do not take up much data bandwidth into their social media content.

More importantly, social media has become a rich and pliant source of data for companies, providing managers with invaluable insights into consumer interests and behaviour.

Online Travel Bookings in China via Mobile

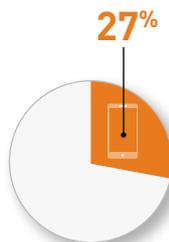
Source: PhoCusWright²



75% 2017 56% 2015

Share of Mobile (Smartphones and Tablets) Bookings Globally

Source: Skift³



CASE STUDY

AccorHotels – A Daring Digital Strategy

In September 2015, AccorHotels took the unusual step to feature select independent hotels alongside its own portfolio powered by Fastbooking, a B2B hotel tools provider it acquired in April 2015. Hotels in France, Italy and Spain have signed up to this new online marketplace, alongside properties in Singapore and Bangkok, with a pipeline of 500 hotels from these five markets expected to be added by year-end. AccorHotels intends to expand this scheme to 10,000 independent properties worldwide by 2018, thrice the number of its current inventory.

“Online travel agencies act as distributors; we are hoteliers first and foremost and our value proposition for our new (digital) strategy is that the (independent) hotels we select are vetted by us.”



Romain Roulleau

Senior Vice President, Digital & E-Commerce
AccorHotels

1 Web In Travel conference at TravelRave 2015

2 China Online Travel Overview, Eighth Edition, July 2015

3 Charts That Show Mobile Booking's Gain on Desktop Around the World, September 2015

CASE STUDY

Enhancing the Chinese Visitor Experience with Digital Tools

As part of its wider strategy to draw more Chinese visitors to Singapore, the Singapore Tourism Board (STB) has devised a digital marketing framework aimed at delivering an enhanced online experience for both potential and actual Chinese visitors to Singapore. This new integrated suite of digital and mobile services was developed in partnership with four prominent players in the Chinese online travel sphere — Alitrip, Tuniu, Dianping and Mafengwo — and is targeted chiefly at free, independent travellers. These partnerships will enable STB to engage these digital-savvy visitors at various points, from the trip planning stage, right to the point where they share their post-trip stories.

At the same time, STB also launched a new YourSingapore WeChat Service Account and Baidu Connect service that will provide Chinese visitors with real-time location-based mobile services. Attractions such as Gardens By the Bay and River Safari will be featured in the YourSingapore WeChat account, which is equipped with audioguides and maps.

“Mobile technology has enabled us to bundle compelling offers, user-generated stories and new developments, and to bring them to emerging markets in China. Essentially, this new alliance delivers a better experience for Chinese visitors – pre, during and post-trip.”



Edward Chew
Regional Director, Greater China
Singapore Tourism Board

Local Measure – Making Sense of Social Media

Australian-based start up Local Measure has ambitious plans to shake up how hotel companies harness social media data. Their solution scans social media conversations on platforms including Facebook, Twitter, Instagram, Weibo and Foursquare at a specific location, instantly identifying what people are saying about a property or brand.

“Our technology allows hospitality and tourism clients to get real time guest feedback and drive loyalty and guest advocacy.”



Gary Spero
Vice President
Local Measure

CASE STUDY

Savioke – Relay the Robot



Photo: Savioke

Savioke’s robot takes the pain out of mundane tasks for busy hoteliers, particularly for the Housekeeping and Room Service Departments. The robot acts as a silent bellhop, delivering food, toiletries, towels, at the request of guests and staff.

Relay currently operates in five hotels in Silicon Valley and one in Los Angeles with two more hotels in the pipeline. It was very well received at the Hotel Technology Conference 2015 where it made its Asia debut.

“Our robot provides a consistent — and what we term as a stress-free — experience. For example, if there is a female guest travelling solo, she will feel more comfortable opening the door to a robot rather than a person.”



Steve Cousins
CEO
Savioke

Mobile Continues to be a Catalyst for Strategic Change

Mobile continues to be the biggest disrupter for the travel and hospitality industry. Indeed, it is imperative that companies invest in mobile channels as the importance of the mobile experience has long surpassed that of the desktop experience. Design, functionality and real-time responses all play crucial roles in delivering a mobile experience that fosters brand loyalty and evangelism.

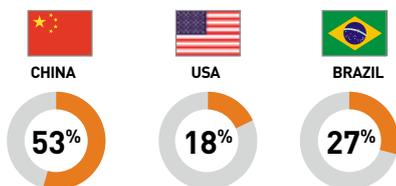
Discussions among industry experts at the Web In Travel conference at TravelRave 2015 suggest that a significant number of travel and hospitality companies in Asia are still coming to grips with the burgeoning number of consumers migrating to mobile. Anecdotal evidence also shows that there is some inertia to creating native apps that feed into integrated customer relationship management systems owing to both time and cost constraints.

Designing for mobile is a hard, arduous task. Mobile consumers want the essentials of whatever they are looking for instantly. Things that prolong their search or give them extra hassles will quickly lead to them ditching a mobile service or app, undermining a brand's value. On a brighter note, if companies get it right, consumers are generally quick to spread the word around. Simplicity and consistency are key. In the last 12 months, the phrase "mobile first" has become the new mantra for digital channel design. For the travel industry, given current mobile growth rates, it is not too far from "mobile only" becoming a reality.

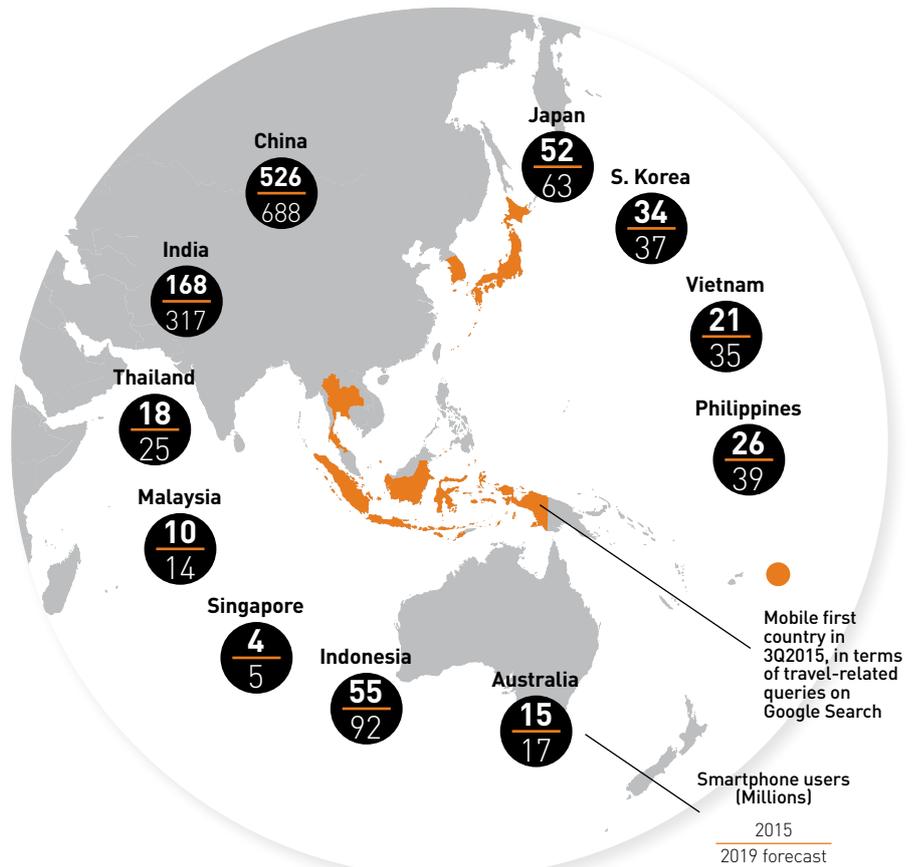
Going mobile is a long-term investment, and some key players such as MakeMyTrip have swallowed up smaller mobile technology specialists to enhance their own mobile DNA. Others have gone mobile first, especially those targeting China and Indonesia.

Mobile Use Comparison (2014)

Use of Smartphone When Booking a Hotel or Flight



Source: PhoCusWright



Source: Global Mobile Landscape 2015, eMarketer, Google data

ON THE HORIZON

Wearables

Apple Watches and other similar devices with apps provide real-time travel information.

Augmented/virtual reality

With this technology, users can observe a scene through a phone camera or on devices, such as Oculus Rift, that are facilitated by relevant facts from the Internet.

Beacons

When installed, beacons can detect the location of nearby beacon-capable smartphones, collect location data, and send personalised travel information.



¹ Search, Shop, Buy: The New Digital Funnel, PhoCusWright, Special Project, June 2015

ASIAN BUSINESS TRAVEL

Asia Becomes the World's Largest Business Travel Region

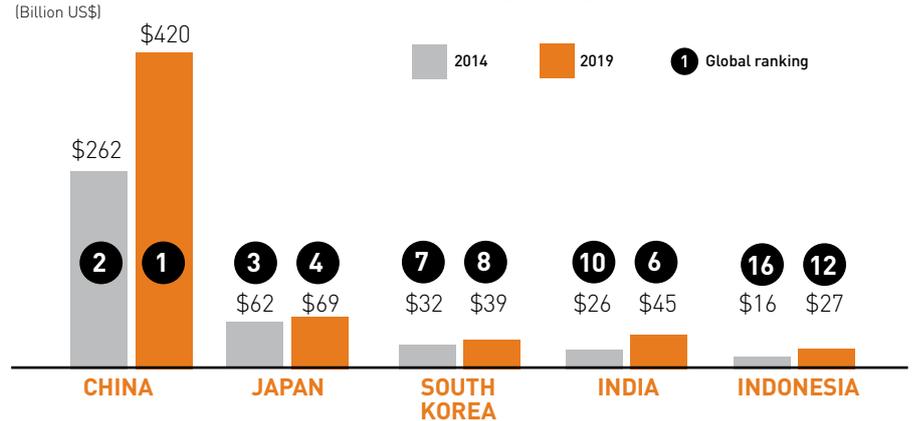
Business travel spend in Asia now makes up 38% of the global business travel market, which is worth more than US\$1 trillion, according to the *GBTA BTI Outlook – Annual Global Report & Forecast: Prospects for Global Business Travel, 2015-2019*.

Shared at ITB 2015, the report found that the business travel market is being led by China, where annual business travel spend has increased 400% since 2005. In 2014 China's business travel spend of US\$262 billion put it as the world's second biggest behind the US with US\$288 billion. But by 2019, China's figure is forecast to jump to US\$420 billion compared to US\$349 billion for the US.

With the Chinese government's policies centred on maintaining moderate economic growth, reducing local government debt and rebalancing the sources of growth away from investment and exports toward consumption, China's soft landing is expected to continue.

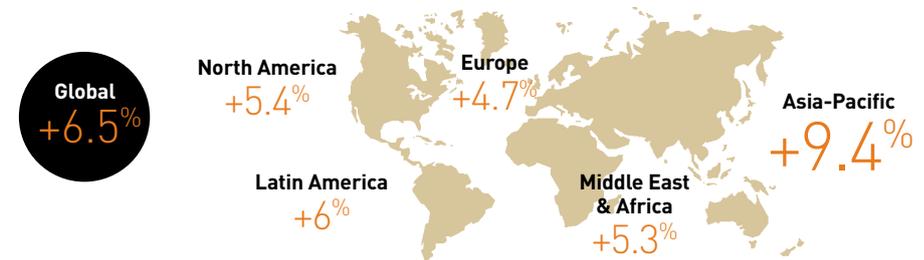
The other Asian country to watch is India. In 2014, India's business travel spend was US\$26 billion, which put it in 10th spot and the Global Business Travel Association (GBTA) forecasts that India will jump to sixth position by 2019 with spend going up to US\$45 billion.

Business Travel Spend and Global Ranking of Key Asian Countries



Source: Global Business Travel Association (GBTA)

2016 Business Travel Demand Growth Forecast



Source: Global Business Travel Association (GBTA)

Why the industry should pay attention to India's potential

The Global Business Travel Association (GBTA) says India will be the fastest growing economy in the world in the next five years and it is now valued at US\$2 trillion.

Based on its BTI Outlook™ study of the BRIC (Brazil, Russia, India, China) economies, India leads and delivered a year-on-year 1Q2015 growth of 7.5% and a quarter-on-quarter 1Q2015 growth of 7.5% as well.

GBTA calls India the "star child" because business travel spend in India will jump from US\$26 billion in 2014 to US\$45 billion in 2019 and India will move from 10th spot in the global ranking of key Asian countries to sixth spot.

GBTA adds that the current economic conditions in India provide a favourable outlook for business travel spend for the following reasons:

India's economic growth can be attributed to the continuing Modi "dividend" which refers to Prime Minister Narendra Modi sweeping into office in May 2014 promising jobs, prosperity and international renew.

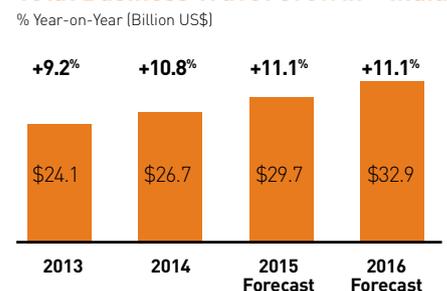
Factors that will drive India's businesses and demand for business travel include infrastructure development projects, steady job creation and the advancing middle class demanding more goods and services and lower oil prices energising household consumption.

The entire travel supply chain targeting business travellers can reap new business opportunities.

Travel and technology Indian start-ups – such as MakeMyTrip, which is India's leading online travel company, Guido, which is a mobile travel guide and tour planning app, and bus-

aggregator Redbus, which offers real-time booking of bus routes across bus operators and is now expanding into Singapore and Malaysia – can for example tap India's burgeoning business travel sector and create products and services targeted at business travellers.

Total Business Travel Growth – India



Source: Global Business Travel Association (GBTA)

Focus on the Asian Business Traveller

The report – *Asian Business Travellers: Five Things You Need to Know*¹ – was commissioned by the Singapore Tourism Board (STB).

STB's knowledge partner McKinsey & Company undertook research on China, India, Indonesia, Japan and Singapore, with booking pattern analysis from Amadeus data and spending pattern analysis from Visa data.

The report was a highlight at the 2015 Asia Travel Leaders Summit.

The research provides a better understanding of Asian business travellers (ABTs). For instance, Asians are twice as likely to make a booking that includes a weekend compared to Europeans and 81% are willing to extend their business trip for leisure.

ABTs – Essential Takeaways for Travel Companies

First, know your end users

ABTs have much more freedom and flexibility over their travel decisions than expected. With this decision-making power tipping away from the company towards the employee, travel companies cannot rely solely on their corporate travel desk and must also know and target their end user directly.

Second, personalisation is essential

Travel companies already collect a wealth of data on their customers. However, there is a significant opportunity to get a lot smarter about how they use it – particularly in tailoring their offerings to meet individual needs.

Dynamic bundling is an example of this, where travel companies use data on travellers' prior experiences to create packages tailored to their preferences. Amazon-like anticipatory selling and using "next product to buy" logic, is another example where customers are offered what they want before they know they want it, whether it is wi-fi, meal upgrade, etc.

Third, when it comes to ABTs, recognise that you are in the business of selling time

Convenience is king and it is a clear priority for Asian business travellers across all demographic backgrounds. Therefore, to be competitive, travel companies must prioritise and mobilise resources focused on delivering efficient and timely journeys.

While factors such as availability of direct flight routes and convenient hotel locations are difficult to address, travel companies can improve their operational performance to meet the needs of ABTs.

¹ Data sources to support the research comprised online consumer surveys of business travellers, interviews with travel managers, booking pattern analysis from Amadeus data and spending pattern analysis from Visa data



THE 5 THINGS YOU NEED TO KNOW

- 1 Employee empowerment among Asian business travellers (ABTs) is high and rising
- 2 Business travel is just as susceptible to the disruptive forces affecting leisure travel
- 3 ABTs exhibit some clear, universal preferences
- 4 ABTs are not homogenous
- 5 There are four ABT archetypes

See page 17 for a better understanding of the Asian business traveller and page 18 for a snapshot of what is important to the different traveller types

Source: *Asian Business Travellers: Five Things You Need to Know*, McKinsey & Company

The Promise of the ASEAN Economic Community

Also lighting up the scene in the region is the ASEAN Economic Community (AEC) becoming a reality in 2016. The ratification of AEC policies is still a work-in-progress, but the agreement to streamline visa, VAT and other business rules means the removal of economic obstacles and a freer flow of goods, services and people in South-east Asia. It is good news for businesses and an increase in international and intra-regional business travel can be expected.

“The immediate impact (of the ASEAN Economic Community) we foresee is the increase in business travel. We also foresee more (travel industry) cooperation among the destinations under the ASEAN brand.”



Tran Trong Kien
Chairman & General Director
Thien Minh Travel, Vietnam

UP CLOSE AND PERSONAL



An Interview with
Cheryl Lim
Associate Partner
McKinsey & Company

Lim, who presented the findings of the study based on a sample size of 2,565 respondents from SMEs and MNCs, shares some of the highlights

Were there significant similarities and/or differences between Asian Business Travellers (ABTs) in Small and Medium sized Enterprises (SMEs) and MultiNational Companies (MNCs)?

The survey responses were controlled to ensure a representative spread across company type within each of the five countries studied. Overall, 37% of respondents were from SMEs, 42% from large local companies (LLC) and 21% from MNCs.

Travel behaviour varied by company type, but mostly along expected lines and differences between respondents from different types of companies were mostly along predictable lines.

SME respondents expectedly ranked “value for money” much higher, a factor that likely contributed to their higher tendency to fly LCCs or stay at shared accommodation.

Another key difference is that a significant proportion of SME respondents were unaware or unsure of their corporate travel policy – 40% – compared to 18% across LLC and MNC respondents.

For MNCs, loyalty for instance was a bigger factor and respondents were twice as likely to bend policy for loyalty points compared with SME travellers.

They also appeared to be the biggest spenders, consistently being the group most likely to spend personally on extras, fly full-service carriers and stay in international chains. Even in these cases, however, country differences mattered more than company differences. For example, 97% of MNC respondents from India were willing to purchase add-ons, compared with only 69% of MNC respondents from Singapore.

What type of companies are more open to giving ABTs more autonomy and why?

Based on our qualitative interviews with travel managers, it appears that technology companies are at the forefront of providing ABTs with the highest degree of autonomy.

The main reason cited by travel managers was the in-house capabilities these companies possess to design and deliver technology solutions that allow self-bookings. Gamification, where employees are rewarded for choosing lower-cost travel options, is one tool emerging in technology companies.

The online survey we conducted did not distinguish respondents based on their industry type.

Is cost saving still the top priority or something else?

Cost is indeed a key decision-making factor for travel managers in choosing travel partners. However, they also reported that ancillary services, which ensure convenience and efficiency for their employees – such as priority check-in and lounge access – were key differentiating factors when establishing partnerships with travel providers.

In the five things to know about ABTs, what is the most surprising finding?

We were expecting ABTs to have some level of freedom over their business travel arrangements, but not to the degree we uncovered in our research – that 69% of travellers are able to choose their preferred airline, either from a pre-approved list of carriers or with no policy restrictions on carriers at all, and 74% enjoy this flexibility with their choice of hotels as well. Significantly, these figures did not vary materially by company type or level of seniority.

“We were expecting ABTs to have some level of freedom over their business travel arrangements, but not to the degree we uncovered in our research – that 69% of travellers are able to choose their preferred airline ... and 74% enjoy this flexibility with their choice of hotels as well.”

Based on the study, what do travel companies need to pay the most attention to and why?

Travel companies must target and engage end-users directly, learn from the disruptors, differentiate from them, make friends with the competitor and form partnerships.

In owning the end-to-end journey and trying to extend it, personalisation is key.

As for the next wave of segmentation being about preference not demographics, and the use of data analytics as the engine needed to support this type of evidence-based decision-making, many of these implications are interdependent and mutually reinforcing.

The 4 Asian Business Traveller Archetypes

According to the *Asian Business Travellers: Five Things You Need to Know* report, the Service Seeker, Belt Tightener, Stereotypical Suit and Points Maximiser are the four archetypes that emerge among Asian business travellers polled and they represent 34%, 32%, 17% and 17% respectively of the respondents.

While the characteristics of each archetype can vary by age, position, country, size of company, nature and frequency of travel, one thing stands out for each of the archetypes.

When it comes to the traits of Asian business travellers by country, unique traveller profiles emerge.

The report describes **Singaporean** business travellers as "budget luxe" and when selecting flights ranked in-flight comfort as their most-valued attribute even above convenience.

Digital savvy and willing to spend describe **Indian** business travellers who have the strongest appetite for digital processes and are most willing to use online and mobile booking tools.

Chinese business travellers are heavily service oriented and concerned about prestige. They are the only ones who ranked award-winning service among the top three factors for selecting either a flight or a hotel.

Indonesians have the most positive experience as business travellers and agree it is a perk of their job. They place clear emphasis on feel-good brand and service factors and tend to combine a business trip with a leisure trip.

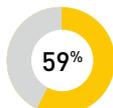
With the policy- and price-conscious **Japanese** business traveller, work and leisure do not mix. They were the least likely to consider business travel a perk of the job and the least likely to deviate from travel policy.

Service Seeker



The Service Seeker values service, brand and facilities and the defining preferences are award-winning services, work and leisure facilities and feeling valued as a customer.

CHARACTERISTICS



Are Indonesian or Chinese



Are willing to pay for ancillary services on flight/hotel

Belt Tightener



As the name suggests, the Belt Tightener is acutely price sensitive and value seeking, and the defining preferences are lowest fare and value for money.

CHARACTERISTICS



Are in junior positions



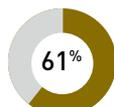
Predominantly travel domestically

Stereotypical Suit



For the Stereotypical Suit, convenience is of the utmost importance and the defining preferences are direct flights, convenient arrival/ departure times and convenient hotel location.

CHARACTERISTICS



Are over the age of 35

Found across all countries, companies and positions in roughly equal proportions

Points Maximiser



The Points Maximiser prioritises loyalty points and comfort and the defining preferences are loyalty and reward programmes, comfortable seats and luxurious rooms.

CHARACTERISTICS



Are Singaporean or Japanese



Are frequent travellers (more than three times a year)

Mighty MICE Action in China

In 2015, a landmark study titled Market Assessment of MICE Business Travel in China – involving more than 1,500 business travellers – was conducted by the GBTA Foundation and sponsored by Starwood Hotels and Resorts, which operates 150 hotels in China and where more than 150 more are in the pipeline.

The study, first released at ITB Asia 2015, focuses on China's domestic MICE market, and is based on the GBTA Business Travel Index (GBTA BTI™), the survey of business travellers in China and macroeconomic data. This is the first in-depth look at China's domestic MICE spend.

The objectives of the study were to determine the size of China's domestic MICE sector, develop a delegate profile for MICE activity in China and assess the opportunities for travel companies that provide products and services for MICE events held in China.

According to the study, China's domestic MICE spend in 2014 was US\$110 billion or 45% of total business travel spend that year with volume of 138.5 million or 42% of business travellers.

MICE travel industry suppliers should take note that three Chinese gateway cities dominate the hosting of MICE events and they account for 76% of China's domestic MICE activities. Shanghai has the largest share with 27% share, Beijing with 25% and Guangzhou with 24%.

In choosing accommodation for MICE events in China, the top three reasons are location (62%), hotel services and amenities (51%) and hotel brand (37%). Most China domestic MICE travellers (59%) stay an average of two to four nights.

The latest China Conferences Statistics Report shows the majority of MICE events are

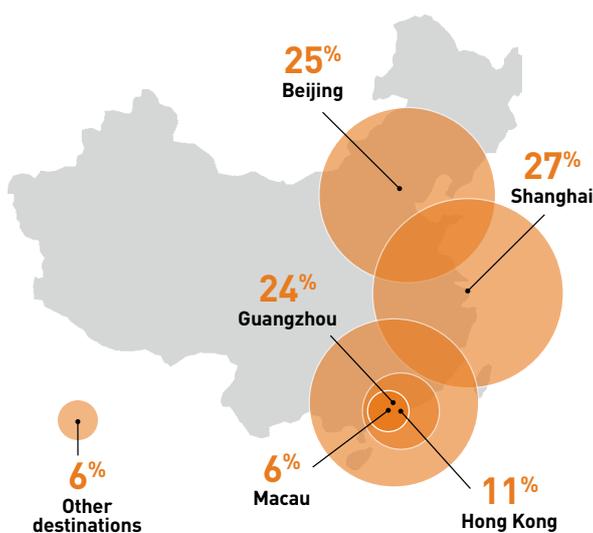
corporate conferences, which take up a 54% share, followed by institution conferences at 23%, government agency conferences at 14% and association conferences at 9%.

In China, MICE spend is dominated by the manufacturing sector which contributed a total spend of US\$59 billion in 2014, far ahead of utilities in second place with US\$13 billion and agriculture, forestry and fishing in third place with US\$5 billion.

Future MICE spend between 2014 and 2019, based on the compound annual growth rate of projected gross output by sector, shows the top three as health and social work taking up 12% – due to China's ageing population – followed by sectors catering to a rising middle class with water supply and sewage taking up 10.5% and financial and insurance activities at 10%, which tied with education.

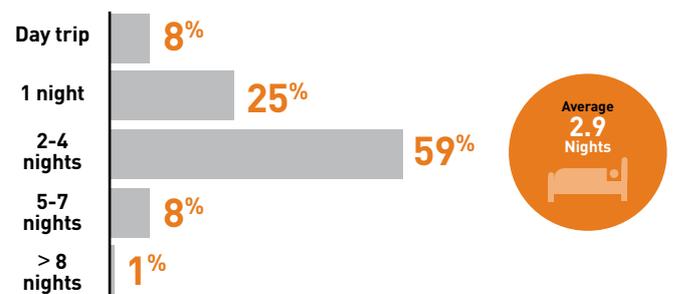
INFOGRAPHIC

Percentage of Total MICE Events Hosted by City in China in 2014



Source: Global Business Travel Association (GBTA)

Average Length of Stay of China's Domestic MICE Travellers



Source: Global Business Travel Association (GBTA)

Top MICE Spend by Sector in China (Billion US\$)



Source: Global Business Travel Association (GBTA)

Characteristics of Chinese MICE delegates

The 2015 landmark study titled *Market Assessment of MICE Business Travel in China* revealed:

- 1 Of the business travellers surveyed, 86% said they had attended a MICE meeting with 10 or more people where they had to **travel 80km or more** in the last 12 months.
- 2 The average length of stay was **2.9 nights**, with 59% staying between two and four nights and 25% one night. The average spend per trip was US\$829, with air transportation taking up 32%, lodging 20% and F&B 15%.
- 3 The "typical" MICE event had between **50 and 100 people** attending a convention or conference, a training course or seminar or some other group meeting.
- 4 Hotels reap a large benefit and when a meeting is held at a hotel with a designated room block, **88%** of delegates stay at the hotel.
- 5 The top reason for choosing a hotel is the **location** (62%), followed by hotel **service and amenities** (51%) and the **brand** (37%).
- 6 As for the type of venue the MICE event was held in, **38% took place in a conference or convention centre**, 33% on site at company offices and 21% in training centres.
- 7 Airlines also benefit greatly with **64% of attendees flying to the MICE event**, compared to 18% taking the train and 14% going by a rental or personal car.
- 8 The most common reason for taking the trip for 53% of business travellers is to **attend a training course or to attend a seminar**
- 9 There are different reasons for attending different MICE events but the most important is for **business development**, followed by training.
- 10 The median age of the MICE delegate is 37, with the majority, 48%, **between the age of 35 and 44**. Overwhelmingly, 72% of meeting attendees are **male**.



“In China, there is a rapid take-up of IC&E projects by many business sectors from international fast-moving consumer goods companies to many local companies learning from international companies operating in the country. The rise of China’s large middle class and the demand for a more sophisticated marketplace will fuel rapid growth of the industry.”



Nigel Gaunt
President

Incentive, Conference & Event Society Asia Pacific

GBTA expects China’s domestic MICE sector to continue to grow with a potential net increase of 20% based on respondents forecasting the number of meetings they expect to attend in the next 12 months compared to the previous 12 months.

The study concludes that China’s MICE growth is expected to continue and the Incentive, Conference & Event Society Asia Pacific (ICESAP) shares the same view.

ICESAP sees technology, automotive, pharmaceutical and other sectors in China embracing IC&E in order to retain staff as employers struggle with manpower issues and also need to retain the loyalty of distributors, sales channels, etc.

Meanwhile, luxury incentive trips are emerging in China and it is not uncommon for incentive delegates to fly first class. It is also not unheard of for top automotive industry dealers on incentive trips to travel on private jets.

Top achievers are looking for deluxe experiences money cannot buy such as a surprise meeting with the former President of South Africa, the late Nelson Mandela.

As for China MICE and the demand for ecotourism, ICESAP sees a rising trend where corporate social responsibility (CSR) programmes incorporate teambuilding activities with tree planting, animal rescue among others. There is also increasing use of locally sourced produce.

The Economic Power of Gender Parity

The McKinsey Global Institute (MGI) in a report¹ published in September 2015 states that advancing women's equality can add US\$12 trillion to global GDP growth in 2025, equal to the combined GDP of Germany, the UK and Japan combined.

If women in the labour force participated identically to men, as much as US\$28 trillion could be added to global GDP in 2025, equivalent to the current US and China economies combined.

These figures demonstrate that women matter and more can be done to capitalise on the contribution of the female population – which accounts for 50% of the working-age workforce but only 37% of global GDP now.

At the Asia Travel Leaders Summit, McKinsey & Company said in Asia, women's contribution to GDP is 41%² in China, and 34% in East and South-east Asia. Within East and South-east Asia, women contribute between 28% and 42% to GDP – with 28% in Indonesia, 32% in Malaysia and 40% in Singapore.

According to McKinsey, what is at stake is that higher female representation correlates with a 47% increase in return on equity and 56% higher earnings before interest and taxes margins.

The UN World Tourism Organization (UNWTO), which produced the Global Report on Women in Tourism, revealed that the overall representation of women in Asia is 56%.

UNWTO also states the industry can offer significant opportunities to narrow the gender gap in employment and entrepreneurship and women are nearly twice as likely to be employers in tourism as compared to other sectors. The report shows that women are well represented in service and clerical-level jobs, but are poorly represented at professional levels and earn 10% to 15% less than their male counterparts.

Research by the World Travel & Tourism Council (WTTTC) and Oxford Economics adds the industry offers women prospects for self-employment, which is less accessible in other sectors.

Other reports highlight a gender gap at the leadership level among women in Asia.

While the industry employs a large number of women, the White Paper on *Women in Tourism and Hospitality: Unlocking the Potential in the Talent Pool* by the University of Strathclyde in Glasgow, says the large talent pool is currently under-utilised in Asia-Pacific.

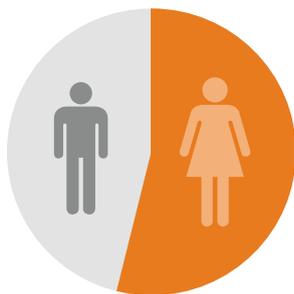
Of the nearly 75,000 associates working in one international hotel chain in Asia-Pacific, for example, 42 per cent are women, 38 per cent are women executives, and only 12 per cent are at general manager level.

The aim of the White Paper is to raise awareness of the potential of women and to promote workplace gender equality in the hospitality sector. The authors recommend collaborative efforts from private organisations, government and employees and say stakeholders need to invest and "get involved".

1 McKinsey Global Institute *The Power of Parity: How Advancing Women's Equality can Add \$12 Trillion to Global Growth*, September 2015

Women in Travel and Tourism

Where They Stand



Pay of women in hotels and restaurants is closer to that of men than in other sectors.²



70% of employees in the hospitality sector are women.³



Women hold less than 40% of hospitality management positions.⁴



Only 20% of hospitality management positions held by women are at general manager level.⁵

“There is strong correlation between the proportion of women on executive committees and company financial performance. McKinsey’s Women Matter research found that companies in the top quartile for women’s representation in their sector saw a 47% increase in RoE (return on equity) and 56% higher EBIT (earnings before interests and taxes) margins, compared to companies that had no women.”



Cecilia Ma Zecha

Head of External Relations, South-east Asia
McKinsey & Company

Source:

1. UN World Tourism Organization (UNWTO)

2. World Travel & Tourism Council

3-5 White Paper on Women in Tourism and Hospitality: Unlocking the Potential in the Talent Pool by the University of Strathclyde in Glasgow

The C-suite Transition

Look into how companies prepare for succession has revealed that many treat it as an abrupt event triggered by the departure of the old CEO, rather than a structured process.

Many companies, according to McKinsey & Company, also focus on selecting a supposedly ideal CEO rather than asking what is the right CEO profile given the priorities ahead.

With a "lack of structure", many C-suite successions are reactive and divorced from the wider system of leadership development and talent management, and this approach has significant risks.

For example, potentially good candidates may not have sufficient time or encouragement to develop. Unpolished talent could be overlooked. Companies may gain a damaging reputation for not developing their management ranks.

Headquartered in Hannover, Germany, TUI – the largest leisure, travel and tourism company in the world, whose portfolio includes travel agencies, hotels, airlines, cruise ships and retail stores – has in place an integral and future-oriented strategy that is aligned with its corporate goals.

At TUI, HR development is not just a tool to close the skills gap, but is a strategy – with a wide range of programmes and methods – to identify and develop potential executives and to prepare them for the expectations they will face.

TUI has implemented an International Graduate Leadership Programme which allows university graduates to gain experience in different departments of the organisation and assume responsibility from the very beginning.

Another of its programmes targets high-potential managers and possible successors for executive positions, and the candidates are challenged to identify solutions to a corporate initiative while at the same time developing their own personal leadership style.

Additionally, young hopefuls receive training focused on self-management and staff management skills, while experienced managers can discover options for further career development in a rapidly changing corporate environment.

“Travel and tourism is a very dynamic industry highly dependent on external factors. Exceptional occurrences such as natural disasters can have a massive impact. High employee turnover, especially in the C-suite, is fairly common. Due to demographic changes, many countries are going to face a serious skill shortage in the future. Therefore, fostering young talent is most valuable.”



Michael Frenzel
Chairman
World Travel & Tourism Council
and Chairman Emeritus, TUI AG

3 Biases that Jeopardise Successful Transition of C-Suites



The **"more of me"** bias is where CEOs look for or try to develop a copy of themselves.



The **sabotage** bias is where there is the tendency to promote a weak candidate who therefore seems likely to prolong the current CEO's tenure.



The **herding** bias is where transition committee members may adjust their views to match the incumbent CEO or the chairman of the board.

Source: McKinsey & Company

The Situation for Women Managers in Asia

According to McKinsey & Company's Women Matter research in Asia, women face the double-burden syndrome of balancing work and home responsibilities.

Among business leaders surveyed, 40% ranked the "double burden" of holding a job while looking after their families as the greatest obstacle preventing women from moving into senior roles.

The second most-cited reason in Asia is the "anytime, anywhere" performance model, making it more difficult for women who want to balance work with family responsibilities.

The third most-cited reason in Asia is a lack of pro-family public policies or support services, for example, quality childcare and parental care.

Nowadays, the majority of the students taking tourism management courses at universities are female and TUI says equal employment opportunities have to be created to allow any suitable candidate to move up the career ladder.

The travel and tourism industry employs many women with university degrees but the majority of the C-level positions are held by men.

Michael Frenzel, Chairman, World Travel & Tourism Council, and Chairman Emeritus, TUI AG, says the industry can tap the full potential of C-suite female candidates by fostering the coordination of holding a job and looking after a family.

"The travel and tourism industry employs many highly qualified women who have the potential to take on a C-suite position... possible options in this regard could be (the provision of) childcare, flexible working hours and a home office," he noted.

Attracting and Retaining Future Talent

ITB Asia Future Leaders

Students and industry leaders gathered for this annual event at ITB Asia, eager to discuss the opportunities in the tourism and hospitality industry. Three presenters shared their views on how they managed to grow their careers in this diverse and exciting sector.

Mr Melvin Lim, Area General Manager, Far East Hospitality, shared how going abroad gave him experiences that enabled him to progress up the career ladder; **Ms Gabrielle Choy**, Area Director of Human Resources – Singapore, InterContinental Singapore, explained how she leaped from an operational to marketing role; and **Elaine Heng**, Assistant Director, Group Marketing & Communications, Park Hotel Group explained how students can leverage their training to take on managerial roles.

Students were also given a sneak peek of the Singapore Skills framework for the hotel industry which aims to provide in-depth information on the industry and employment outlook, career progression pathways, occupations, skill descriptions, as well as skill training programmes.

Students' Say

Which area most appeals to you in a career in the hotel industry?



How many in the audience are keen in a career in hotels after our speakers have shared their views?



Source: ITB Asia Future Leaders 2015



UP CLOSE AND PERSONAL

An Interview with **Neeta Lachmandas**

Executive Director, Institute of Service Excellence (ISES) at Singapore Management University (SMU)

Although the tourism and hospitality industry here in Singapore is flourishing, it continues to be crippled by a shortage of qualified manpower. Lachmandas believes that there are possible solutions, but there needs to be a radical shift in the mindset of both employees and consumers in recognising the value of service staff.

How severe is the manpower problem?

I would say it is pretty immense. There are gaping shortfalls in talent. A fair number graduate from tourism and hospitality courses at tertiary institutions but we tend to lose a large proportion of the cohort. These students are highly intelligent, and they are passionate about the industry. But in the course of four years, they lose their passion and love for the industry. Why does this happen? It is because there is a lack of structured training and feedback. Companies need to inspire students from the outset, by giving them a clear pathway in terms of career progression, and this does not always happen.

Why is there ambivalence to investing in people?

When I speak to companies about investing in their staff, many claim they cannot afford the time to train. Some others do not want to train their employees as there is an unfounded fear that they would be poached by rivals. Hence, by and large, in Singapore, delivering good service is seen as a cost rather than a potential revenue generator.

What is the best recourse for the industry?

The upshot is that there has to be more recognition of service employees from both employers and customers. Businesses in the tourism and hospitality sphere need to change. They need to alter their perspective to see good service and delivering good service adds value to the top line. Service is a huge differentiator. Frankly, serving people demands a defined set of skills. Therefore, it is imperative to treat service staff as professionals and to recognise the tourism and hospitality sectors as a highly skilled industry, and to compensate and empower its members. There needs to be a shift in the work culture and mindsets within organisations and there is a dire need for better managers, who are adept and flexible enough to balance the different needs of employees with operational requirements.

However, we should not be too hard on ourselves. There is definitely a greater awareness among industry leaders for the need for quality service.

Tips from the Experts at ITB Asia Future Leaders 2015

How to Carve a Long and Fruitful Career in Tourism and Hospitality

- **Earn your stripes** – do not be afraid of pulling up your sleeves to get a job done.
- Know that there is **no shortcut to success** – be prepared to do some hard graft.
- **Always do everything with integrity** – be authentic and honest. Uphold your values.
- **Work together** – teamwork is a key aspect of providing good service. Do not blame others when things go belly up; co-operate and find solutions.

TravelRave 2015 Partner Acknowledgement

The Singapore Tourism Board wishes to thank all the partners who provided generous support to make TravelRave 2015 a success.

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TravelRave 2015 Report Partner

TTG Travel Trade Publishing was commissioned by the Singapore Tourism Board (STB) to develop this report, which highlights key insights regarding trends and issues affecting the travel and tourism industry in Asia raised and discussed during TravelRave 2015. The main sources of research used in the compilation of this report were:

- Attendance at various TravelRave 2015 conferences and events.
- Interviews with various selected delegates and key speakers at TravelRave 2015.
- Desk research encompassing both offline and online resources including PhoCusWright, STB, Skift, McKinsey & Company, the Global Business Travel Association (GBTA), the Incentive, Conference & Event Society Asia Pacific (ICESAP).

TTG Travel Trade Publishing has been connecting Asia-Pacific's travel industry with its leading trade publications since 1974. Widely acclaimed as the industry's preferred read and advertisers' choice of marketing platform, the one-stop integrated portfolio of print and online titles spans across the leisure trade, corporate travel, MICE and luxury travel domains, reaching key decision makers and trade professionals across Asia-Pacific and beyond. Core titles include *TTG Asia*, *TTG China*, *TTG India*, *TTGmice*, *TTG-BTmice China*, *TTGassociations*, *TTG Asia Luxury* and *TTG Show Daily*.

CAPITOL
Theatre

Capitol Theatre

TravelRave Leaders Gala Venue

Capitol Theatre is an architectural and lifestyle gem, revived from being a historical, neo-classical icon to a vibrant destination at the heart of Singapore's civic and cultural district. Furnished with the latest state-of-the-art audio and visual system and South-east Asia's first rotational floor system that allows customised seating configuration for every occasion – from performances, seminars and conferences to movie screenings, the restored Capitol Theatre is Singapore's first venue with direct ground level access to the 900-seat theatre, providing a grand and glamorous entrance for any Red Carpet event.

About TravelRave 2015



TravelRave

TravelRave, Asia's premier travel and tourism week, took place from October 19 to 23, 2015 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 2015 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.



Singapore Exhibition & Convention Bureau

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.



Singapore Tourism Board

The 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. The board aims to differentiate and market Singapore as a must-visit destination offering a concentration of user-centric and enriching experiences through the YourSingapore brand. For more information, please visit www.yoursingapore.com



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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 bureau 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 the travel business events happening in Singapore, please contact:

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