



# WTM Global Trends Report 2010

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# **Global Trends Report - 2010 by Euromonitor International**



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## Foreword

The WTM Global Trends Reports 2010, in association with Euromonitor International, highlights emerging trends in the global travel and tourism industry.

At WTM Vision 2010, Euromonitor International's report *Forecast Update – Recovery in Sight?* predicted a multi-speed recovery for the global travel and tourism industry with different sectors and geographies returning to growth at different times in the coming four years following the financial downturn.

From mobile application development in Europe and deprivation holidays in North America to the growing tourism infrastructure in Iraq, which began at WTM 2009 when Iraq attended a trade exhibition for the first time in a decade, the WTM Global Trends Report will help the industry plan future investment.

I would like to thank Euromonitor International for compiling The WTM Global Trends Report 2010.

I wish you all a thought-provoking and productive WTM 2010.

A handwritten signature in black ink that reads "Fiona Jeffery".

*Fiona Jeffery,  
Chairman, World Travel Market*

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## Foreword

Euromonitor International is delighted to partner again with World Travel Market, the premier global event for the travel industry.

With ongoing economic uncertainty, the need for innovative ideas to capture consumers' imaginations is greater than ever, as the travel industry slowly recovers from the crisis.

- Deprivation holidays and boot camps are all the rage in North America.
- A mobile travel revolution is taking place, especially in Europe.
- The UK is witnessing a flood of Middle East investments in travel and tourism.
- Meanwhile, the race for Iraq is on as the country experiences a tourism revival.
- Africa is developing space and astro-tourism as it steps onto the global space stage.
- Latin America looks inwards to develop off the beaten track destinations.
- Asia is delving into the senses to connect with travellers through scent branding.

With cautious optimism in the air, lessons can be learnt from travel operators taking a leap of faith with innovation, creativity and technology.

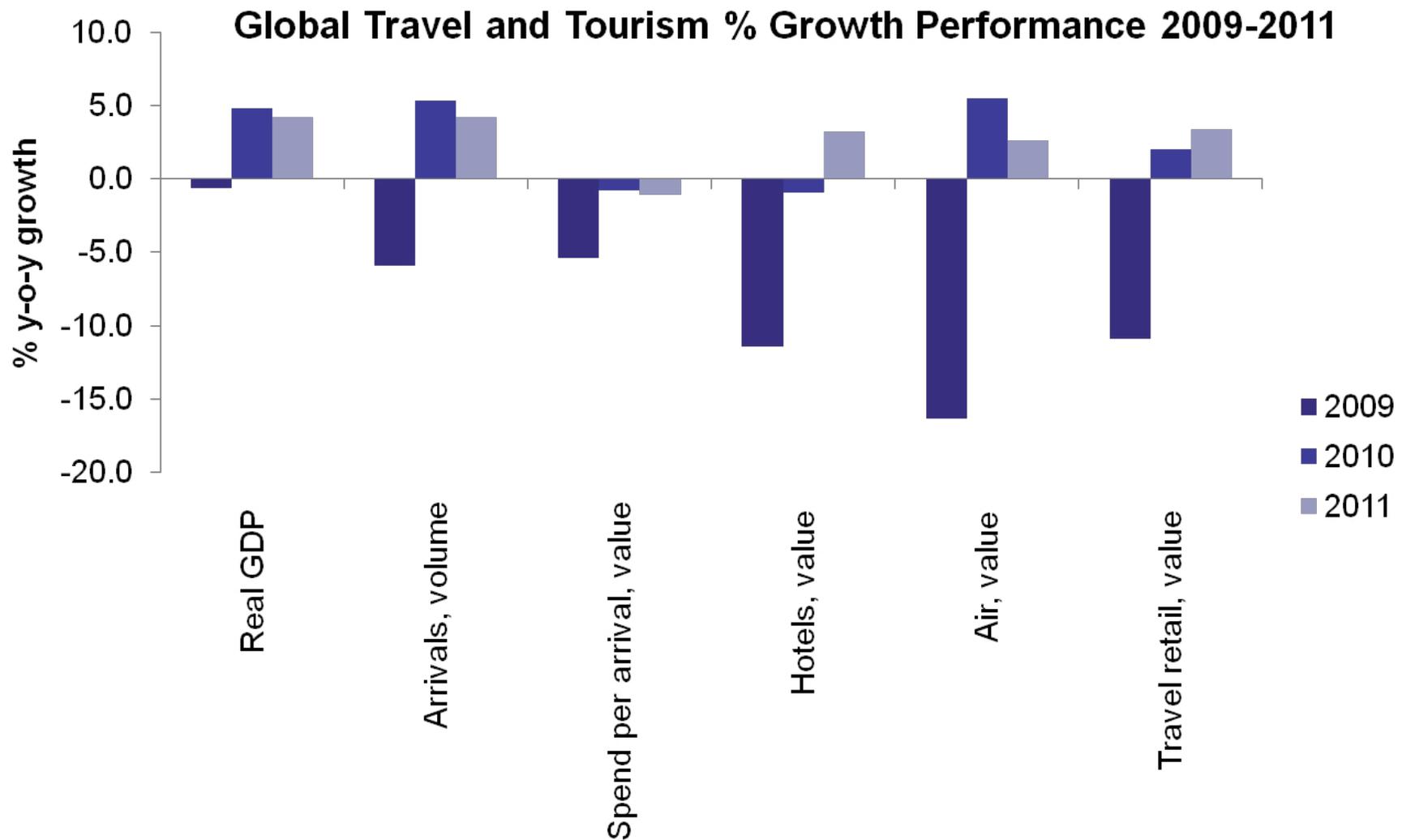
*Caroline J. Bremner*

*Caroline Bremner,  
Head of Global Travel and Tourism Research, Euromonitor International*



## **Beyond the crisis**

- The global economy continues its multi-speed recovery, with a slowdown expected in 2011, curbed by advanced economies' austerity measures and weakness in the Eurozone.
- The threat of a double dip recession looms over the USA and the UK.
- Travel demand will continue to lag as consumer and business confidence struggles to regain momentum, through unemployment, debt and curtailed spending.
- However, the travel industry has turned a corner with improving demand leading to greater pricing power. Business travel is experiencing an upswing after the slump.
- IATA reported growth of 8.1% for H1 2010 in world passenger traffic, but a slowdown in H2. A profitable year is expected for 2010 overall, despite the ash cloud crisis.
- Consolidation continued apace, with merger activity for some (Continental/United, Thomas Cook/Co-operative Travel) and bankruptcy for others (Mexicana).
- Discount-prone categories - hotels and travel retail – are suffering from the effects of discounting, as leisure demand remains weak and value for money key.
- Asia, especially China, is storming ahead and integral to expansion, offering powerful economic growth and a burgeoning middle class, yet with a prevalence for saving.
- Technology companies are dictating the pace of change from mobile applications to social media. Delta's Facebook booking page sets the bar for others to surpass.



Source: Euromonitor International, IMF  
 Note: constant 2009 US\$ value, 2010-2011 forecast



**North America: Deprivation holidays**

**UK: Invasion of Middle East investments**

**Europe: Mobile travel applications**

**Middle East: Race for Iraq**

**Africa: Space tourism**

**Latin America: Roads less travelled**

**Asia: The fragrance factor**

## North America – Overview

- The financial crisis hit the USA hard and spilled over into the real economy, causing the longest recession since the Great Depression (1929).
- After a catastrophic 2009, the travel industry in North America began to see signs of recovery in 2010 as returning business travellers increased demand.
- The recovery is expected to gain momentum in 2011 as demand growth outpaces supply and most categories regain pricing power.

### North America: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	-2.6	2.6	2.3
Arrivals, volume	-8.9	2.8	1.3
Spend per arrival, value	-10.2	-1.5	1.1
Hotels, value	-16.4	-1.5	3.8
Air transport, value	-18.1	2.2	2.6
Travel retail, value	-13.3	0.4	2.0



## **North America – Deprivation holidays**

- Spurning luxury and excess, deprivation holidays are the new trend for business executives, amongst others, wanting to push their bodies to the extreme.
- Instead of relaxing, stressed out consumers enrol in boot camp-style spa resorts, take up adventure racing or extreme trekking to improve their health and wellness.

## **Extreme fitness junkies**

- The affluent are leaders in extreme exercise. 12% of Americans who exercise do so five times a week and 44% earn over US\$75,000 according to a NIH survey in 2008.
- The obesity epidemic and the popularity of fitness television shows, such as *The Biggest Loser*, underline the importance of exercise.
- Adventure racing has evolved from the growing interest in fitness. In 2009, there were 194 races, up from 11 in 1998, according to the US Adventure Racing Association.

**“An ageing population, expensive medical care and the obesity epidemic are encouraging more visits to spas. The boot camp-style spa resorts in particular help lifestyle changes to begin happening quickly.”**

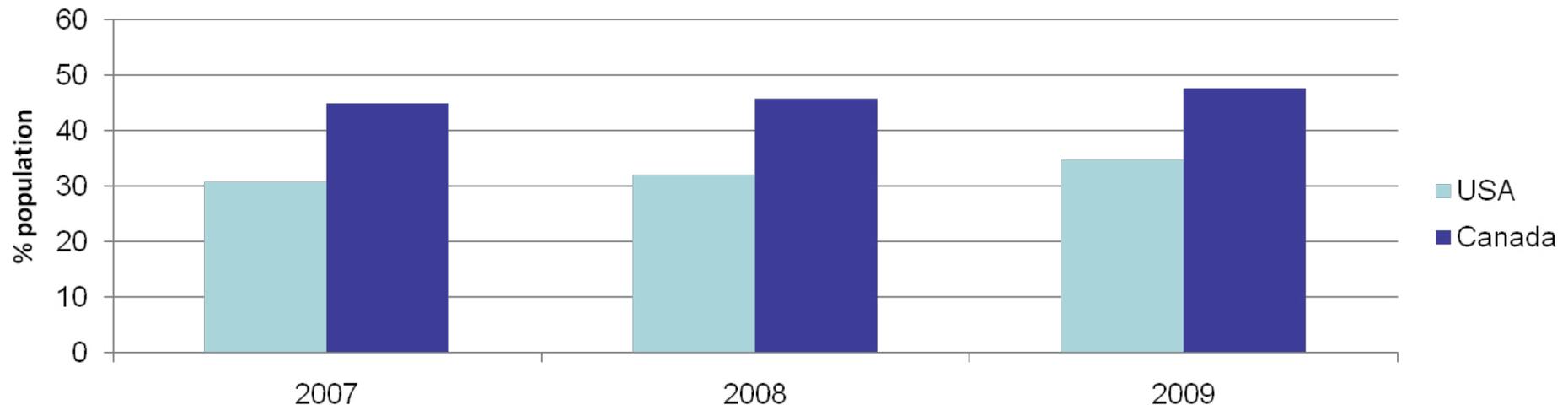
*Susie Ellis, President, SpaFinder*



## Luxury out, austerity in

- North Americans are engaging in extreme fitness at destination retreats such as The Ranch at Live Oak Malibu ([www.theranchmalibu.com](http://www.theranchmalibu.com)).
- With a weekly cost of US\$5,600, The Ranch targets high-level executives, celebrities and mothers looking to improve their health.
- A week's stay at The Ranch consists of 10 hours of daily exercise, including hiking, yoga and weight training. Guests are attracted by the ability to shed 5% of their body fat.

**North America: % of Adults who Engage in Regular Physical Activity 2007-2009**





## **Opportunities – Toughening up**

- Destination spas and camps with tough fitness programmes will flourish as travellers seek physically and mentally transformative experiences.
- Deprivation holidays are an opportunity for destinations with harsh climates and rugged terrain to develop into unusual destinations for extreme tourists.
- Physically challenging activities, such as the Inca Trail and Mount Kilimanjaro, will continue to draw interest.

## **Future outlook – Stressed out**

- Deprivation holidays are likely to become a strong niche globally, aimed at stressed out travellers, driven by consumer concerns about rising healthcare costs and obesity.
- Growing interest in fitness is expected to develop philanthropic and green attributes as consumers not only want to improve themselves, but others and the environment.
- Future developments are likely to see families going to spas or young singles signing up for boot camps.

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## UK – Overview

- The UK was hit harder by the economic crisis than many other countries because of its reliance on its financial sector, marking the UK's longest post-war recession.
- The outlook for the UK economy is bleak. High unemployment and burgeoning public debt will inhibit strong growth, with recovery to pre-crisis spending levels taking several years.
- A raft of austerity measures aimed at reducing the country's deficit, along with an increase in VAT from 17.5% to 20.0% as of January 2011, will further hit the travel industry.

### UK: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	-4.9	1.7	2.0
Arrivals, volume	-5.2	-2.7	0.0
Spend per arrival, value	2.3	0.1	0.7
Hotels, value	-7.2	-4.5	0.1
Air transport, value	-10.2	-7.2	-3.0
Travel retail, value	-9.0	-0.3	1.8



## **UK – Invasion of Middle East investments**

- In an effort to diversify, many Middle Eastern companies are investing in the travel and tourism industry in the UK.
- The recent sale of Harrods to the Qatari royal family's investment company highlights the growing interest in UK brands including hotels, travel retailers and private jet companies.

## **Shopping spree**

- Sterling's depreciation against the US dollar makes the UK attractive for Middle Eastern investors. Changes to the law allowing Islamic-compliant funds to avoid taxation is a boon.
- Luxury British brands such as the Savoy, Grosvenor House, Claridge's are up for grabs.
- The Middle East is an important target market for the UK luxury industry, being more resilient in recession, unlike US and UK consumers that now seek value for money.

**“There has never been a better time for investment in UK real estate: property prices are at an all time low, the pound is down and investors seek a stable environment.”**

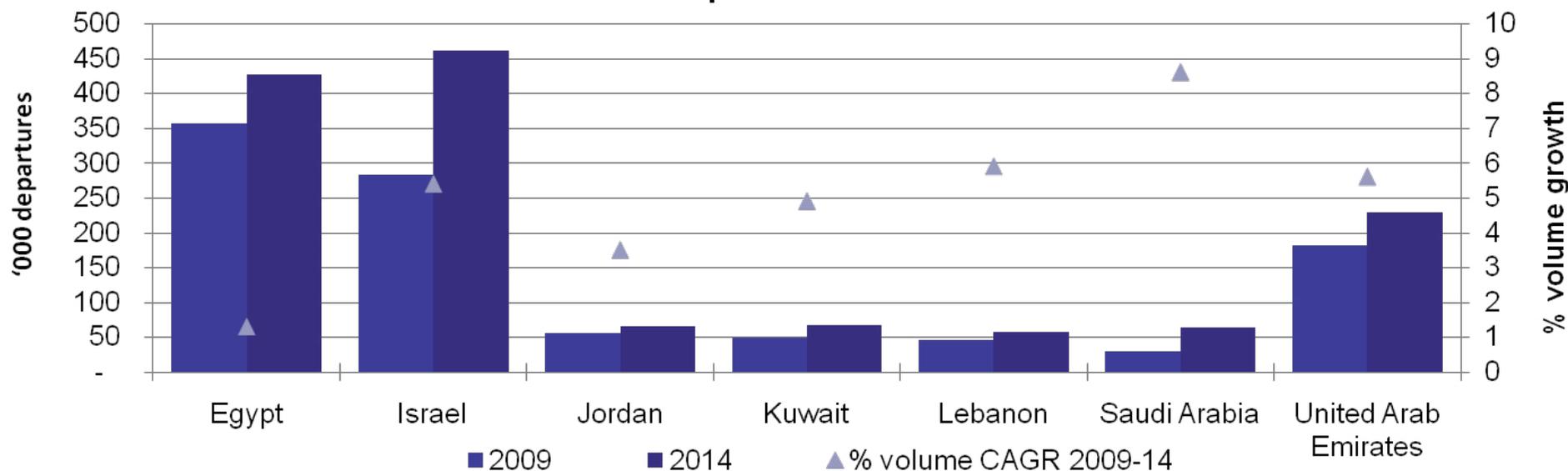
*Michael Thomas, Director General of the Middle East Association*



## Attractive petro-dollars

- With more than 400,000 millionaires in the Middle East with a combined wealth of US\$1.5 trillion (2009) according to Cap Gemini, this market is a must for the UK travel industry.
- The UK Border Agency is expanding its Visa Application Centres in Abu Dhabi, Dubai, Riyadh and Jeddah to accommodate applications from premium customers.
- According to tax-free shopping services specialist, Global Blue, Middle East visitors spent £810 million in the UK in 2009, with substantial increases expected in 2010.

**Middle East Departures to the UK 2009/2014**



## **Opportunities – Future fusionistas**

- The appeal of Middle East-owned properties in the UK will lure more customers from this region, catering to their preferences, customs and religion with a Western twist.
- The launch of Shari'a compliant hotels with no sale of alcohol is an opportunity to explore.
- Diversifying the consumer base to include women, young people and leisure guests from the Middle East can help travel operators achieve incremental sales.

## **Future outlook – The new luxury**

- Middle East cash funds will positively influence the expansion of luxury brand portfolios in the UK, at a time when recession has severely curbed domestic demand.
- London will position itself as the new luxury hotspot for luxury travel services with an increased focus on personalisation and sophistication.
- Unique and innovative services will be the cornerstone of London's luxury development.
- Real estate will continue to generate interest from Middle East sovereign wealth funds, with potential suitors for the Olympic Park after the London 2012 Olympic Games.

**North America: Deprivation holidays**

**UK: Invasion of Middle East investments**

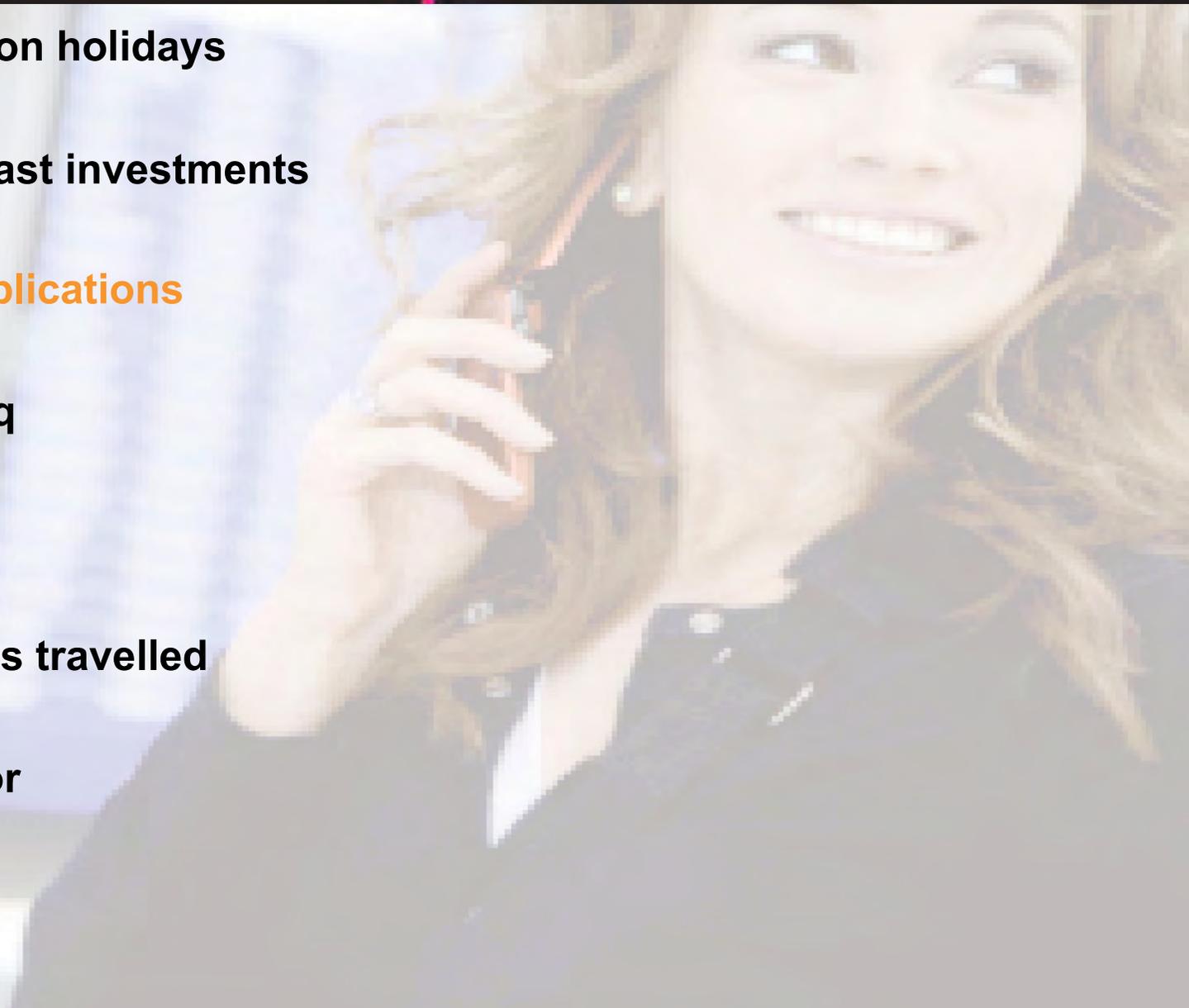
**Europe: Mobile travel applications**

**Middle East: Race for Iraq**

**Africa: Space tourism**

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## Europe – Overview

- European travel and tourism is expected to record a weak performance in 2010 as a result of the global economic crisis and growing competition from other regions.
- Travel retail, transportation and travel accommodation are expected to stagnate.
- The ability of European travel operators to develop new products, as well as embrace new technologies, will play an important role in the future of the travel industry.

### Europe: Key Performance Indicators 2009-2011

% growth	2009	2010	2011
Real GDP	-4.6	1.6	2.1
Arrivals, volume	- 6.6	-0.9	1.8
Spend per arrival, value	-1.5	-0.4	0.0
Hotels, value	-8.5	-2.5	0.1
Air transport, value	- 9.7	-2.4	1.4
Travel retail, value	-8.7	-1.3	1.6



## **Europe – Mobile travel applications**

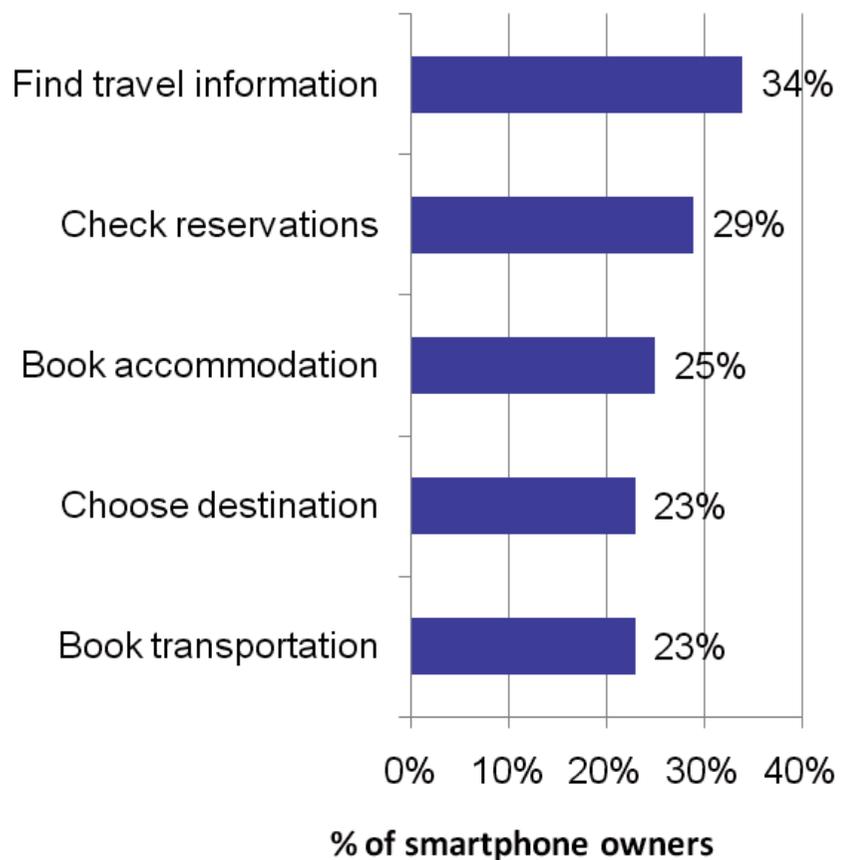
- Following the success of the iPhone, smartphones are revolutionising the travel industry thanks to geo-localisation services based on GPS technology.
- Smartphone penetration is expected to reach 92% in Europe by 2014 according to Ovum, with mobile phones set to overtake PCs as the most common web access device worldwide.
- The growing importance of mobile is leading to a shift in power from technology players such as search engines like Google to smartphone manufacturers and developers.

## **Technological shifts**

- Business travellers were the first consumer group to adopt mobile travel technology due to the need to make last minute reservations. Leisure consumers are quickly catching up.
- Mobile applications offer various services from flight booking/check-in (BA), guidebooks (Lonely Planet), tourist information (Visit Lisbon) to building an itinerary (Triplt).
- GPS-based travel applications impact travel behaviour, favouring last-minute bookings via smartphones at your destination, leading to shorter booking windows.

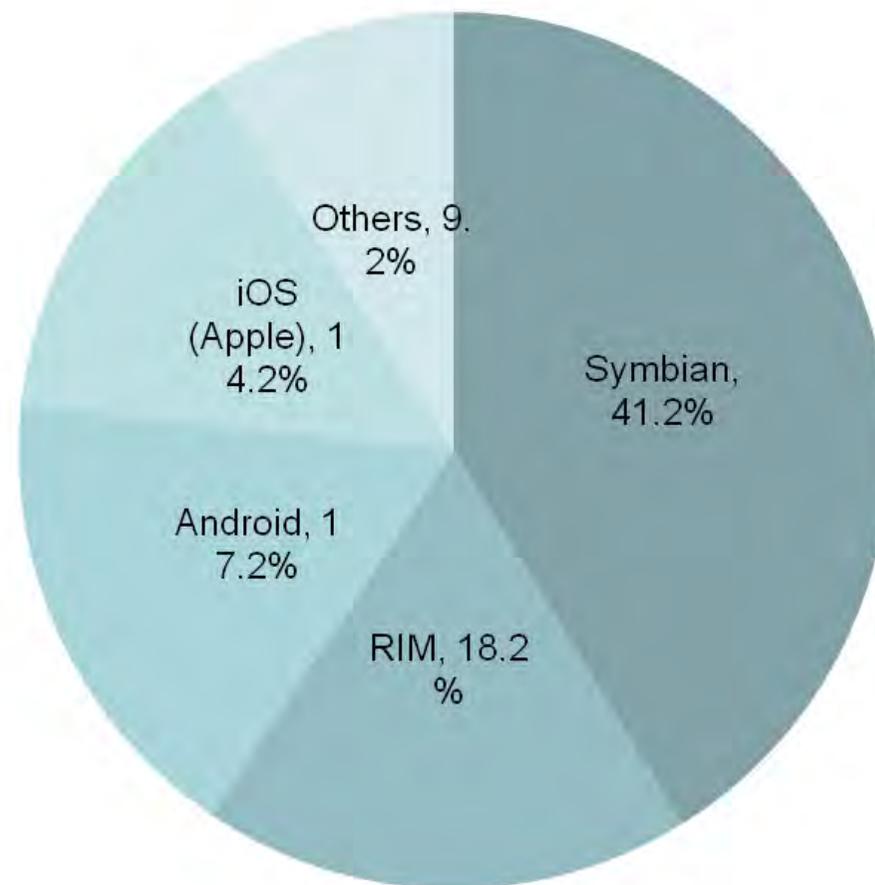


**Smartphone Travel Usage  
Survey Jan/Feb 2010**



Source: compete.com

**Global Smartphone Sales by  
Operating System % Volume Share  
Q2 2010**



Source: Gartner

**"Mobile is currently in the throes of a land grab by organisations that until now were unconnected to travel distribution, seen as a potentially lucrative area for companies outside the sector to make inroads."**

**"The likes of Google and Apple do not have the cumbersome baggage of legacy systems and historical relationships, can easily acquire technology and expertise and have the brand equity to pull it off."**

*Kevin May*

*Journalist, Editor and Co-founder, Tnooz*



## **Opportunities – Power play**

- The opportunities from smartphones for travel operators are huge.
- To remain competitive, travel operators will need to provide a website optimised for mobile phone search and potentially a mobile application, partnering with developers.
- Although a presence on Google and other search engines will remain key, mobile travel applications are expected to gain ground thanks to their superior convenience.

## **Future outlook – Next generation**

- The evolution of m-commerce is expected to be extremely fast, with high international roaming costs the major obstacle.
- 50% of European travellers are forecast to use a smartphone to find travel information and/or make reservations by 2015, according to Euromonitor International.
- An important development is the rise of travel and tourism reservations through social networks' applications such as Facebook for iPhone.

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## Middle East – Overview

- The Middle East demonstrated resilience to the global economic crisis in 2009, and real GDP growth is expected to recover as early as 2010.
- Strong demographic growth and emerging economies helped the region avoid decline.
- Regional economic growth supported Iraq's tourism industry as the majority of tourists visiting the country are from the Gulf Cooperation Council and the broader Middle East.

### Middle East: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	2.0	4.1	5.1
Arrivals, volume	2.8	6.5	7.7
Spend per arrival, value	-8.3	-1.7	-0.7
Hotels, value	-2.9	7.6	8.9
Air transport, value	0.9	11.5	12.2
Travel retail, value	-0.8	8.8	10.1



## **Middle East – Race for Iraq**

- Endless wars and political conflicts have overshadowed Iraq's position as the cradle of civilisation, but post-war Iraq is experiencing a tourism revival.
- Erbil and Kurdistan are picking up speed thanks to growing business activity.
- The Tourist Board of Iraq's attendance at World Travel Market 2009 is testament to the importance of tourism to the country's future regeneration.
- Iraq is exhibiting at World Travel Market 2010, its first time at a travel event in a decade.

## **Business boom**

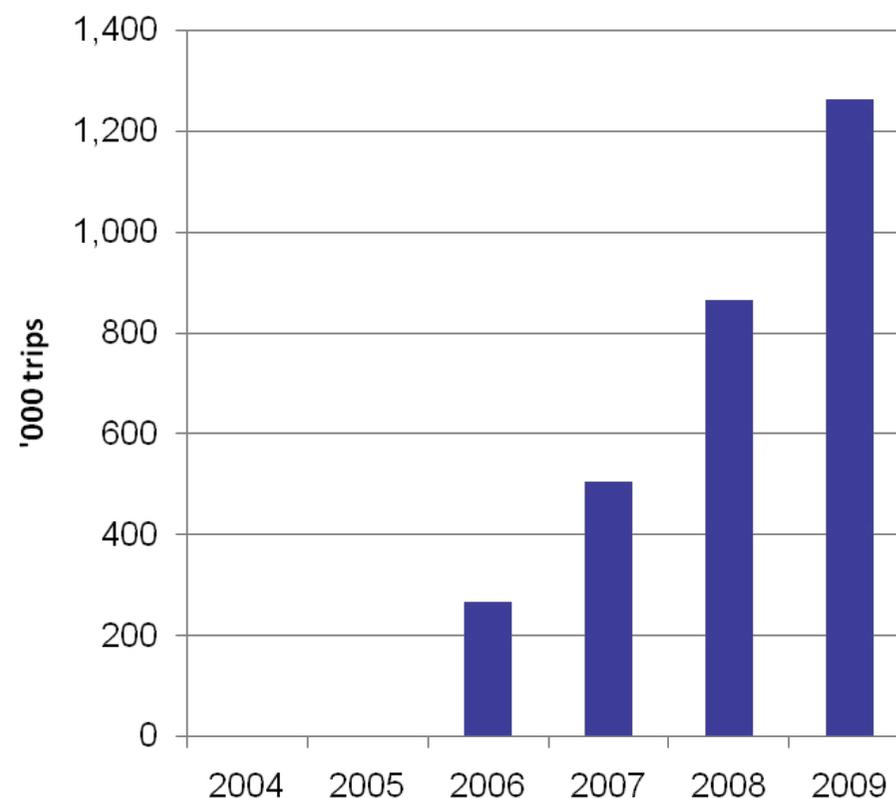
- Around US\$230 billion worth of projects are underway, with 87% growth in 2009, of which 35% are dedicated to construction.
- 1.3 million arrivals visited Iraq in 2009, with religious tourism accounting for 75%, mainly from Iran.
- In Kurdistan, the Ministry of Tourism has grown to more than 500 employees.
- Gulf investors are piling into Iraq, driving up business tourism by 58% in 2009. The reopening of routes to the West is increasing visitors from Germany, the US and UK.



## From zero to hero

- Historically, religious tourism was the main driver of tourism in Iraq.
- Landmarks such as the city of Najaf are famous destinations for Shia pilgrims.
- Archaeological landmarks are also popular, for example, Samarra, the former capital of the Abbasid Caliphate.
- The Kurdish region in the North offers shopping, adventure tourism, mountain resorts and a mild climate.
- There are plans to develop tourism in areas such as Dohuk and Sulaimaniya in Kurdistan.

**Iraq International Arrivals 2004-2009**



Source: Ministry of Tourism, Euromonitor International



## **Opportunities – On the map**

- Direct flights to Iraq from European countries now include Austria, Germany, Greece, Norway, Sweden and the UK, paving the way for more to follow.
- flydubai launched new routes to Erbil and more low cost carrier competition is expected.
- Cruise ships could reach Basra and conduct tours from there.
- International travel agencies such as Sharaf Travel (UAE) and Terre Entière (France) set up in Iraq in early 2010.
- Safir Hotels & Resorts opened a 340-room property in Karbala in 2010.

## **Future outlook – Open for business**

- By 2014, 700 travel accommodation outlets are forecast to operate and are expected to increase in line with the country's security and perceived attractiveness.
- Rotana is opening its first hotel in the country in Erbil in late 2010, with additional expansion plans for its Arjaan and Centro brands. Rotana in Baghdad is scheduled for 2012.
- In Erbil, the five-star Divan Erbil Park Hotel and Le Royal Park Hotel will open in 2011.
- Millennium and Copthorne are also planning two Copthorne hotels in Kurdistan.
- The Iraqi Ministry of Tourism announced projects such as the US\$1 billion Wasit Tourist City.

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## Africa – Overview

- Travel and tourism in sub-Saharan Africa was resilient during the recent economic crisis.
- Albeit small, arrivals were maintained and revenues in all categories increased in 2010.
- South Africa is the powerhouse of the region’s tourism market, with arrivals and receipts three times larger than any other African country.

### Africa: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	2.6	5.0	5.5
Arrivals, volume	2.6	9.4	3.3
Spend per arrival, value	0.2	6.9	3.0
Hotels, value	-4.3	0.5	2.3
Air transport, value	-7.7	5.3	2.9
Travel retail, value	-5.8	3.4	2.2



## **Africa – Space tourism**

- Astronomy and space tourism are taking off in Africa as South Africa develops world-class space technology and becomes a major global hub for astronomy.
- Telescopes in-room, night safaris, astronomy courses and tours are already on offer.
- One day, the dream of a future spaceport for space tourists may become a reality.

## **Astro-credentials**

- South Africa is stepping onto a world stage with the Southern African Large Telescope (SALT), MeerKAT research facilities and is shortlisted for the Square Kilometre Array.
- In January 2009, the National Space Agency Act was signed into law with the aim to position South Africa among the leaders in space science and technology.

**“South Africa's investment in astronomy has stimulated the country's economy,  
boosted tourism and created new jobs.”**

*Kevindran Govender, Manager of the SALT Collateral Benefits Programme*



## **Stargazing appeal**

- Astro-tourism attracts all age groups including independent travellers, families and amateur and professional astronomers. Space tourism is, however, for the select few.
- Astronomy Africa provides a wide range of services including corporate functions, travel advice and community development programmes. ([www.astronomyafrica.com](http://www.astronomyafrica.com))
- Cape Town Observatory doubled its open nights per month to two over 2009-2010, and enjoyed a 200% increase in visitors.
- Annual visitors to the Southern African Large Telescope (SALT) now exceed 13,000.
- More African companies are capitalising on astronomy, using amateur telescopes to attract foreign visitors and companies ([www.karoohoogland.co.za](http://www.karoohoogland.co.za)).
- Tourism businesses such as guesthouses are getting in on the act, adopting names such as Cosmos, with even an astronomy-themed miniature golf in Sutherland.



## **Opportunities – Night vision**

- By quantifying light pollution levels, it will be possible to map out the most suitable areas for astro-tourism in Africa to promote key destinations.
- Tour and wildlife guides can be trained in basic astronomy and telescopes can be placed in a wider range of hotels and observation sites.
- 50% of the world's population can no longer see the stars so few places remain in the world where people can enjoy the skies pollution-free.

## **Future outlook – To infinity, and beyond**

- South Africa, as the host of the International Astronomical Union's Office for Astronomy Development, will help create a breeding ground for global astronomy.
- Astro-tourism holidays will continue to grow in-line with increased urbanisation, creating demand for destinations with areas suited to observe clear night skies.
- In the long term, South Africa may well take up the challenge to develop space tourism to compete with the Americas, Russia and Middle East as a future space port.



**North America: Deprivation holidays**

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## Latin America – Overview

- Latin America rebounded quickly from the global economic downturn thanks to greater financial flexibility and improvements in commodity prices.
- The region is witnessing increased investments in tourism infrastructure and rising consumer spending which will boost the rate of change.
- A proposed merger between TAM and LAN in August 2010 will create the largest airline in the region and set off a battle against Avianca-TACA for Colombia and Brazil.

### Latin America: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	-1.7	5.7	4.0
Arrivals, volume	-5.0	0.5	3.4
Spend per arrival, value	1.7	0.4	0.1
Hotels, value	-5.0	1.0	4.3
Air transport, value	-4.6	8.6	5.9
Travel retail, value	-8.4	2.4	3.8



## **Latin America – Roads less travelled**

- In Latin America, there is a move towards promoting interior tourism, going beyond the usual sun and sea destinations to showcase off the beaten track destinations.
- Emerging destinations at the heart of countries suffer from poor infrastructure and lack tourism services, which constrains growth in these less affluent areas.

## **Social media spreads the word**

- Twitter, Orkut, Facebook, MySpace and blogs are efficient, low-cost tools increasingly used to promote new, emerging destinations.
- Trip, a regional airline in Brazil, uses Twitter to announce new routes to previously un-served remote destinations such as Lençóis, near Chapada Diamantina National Park.

**“Brazil has much more to offer than sun and beach products.**

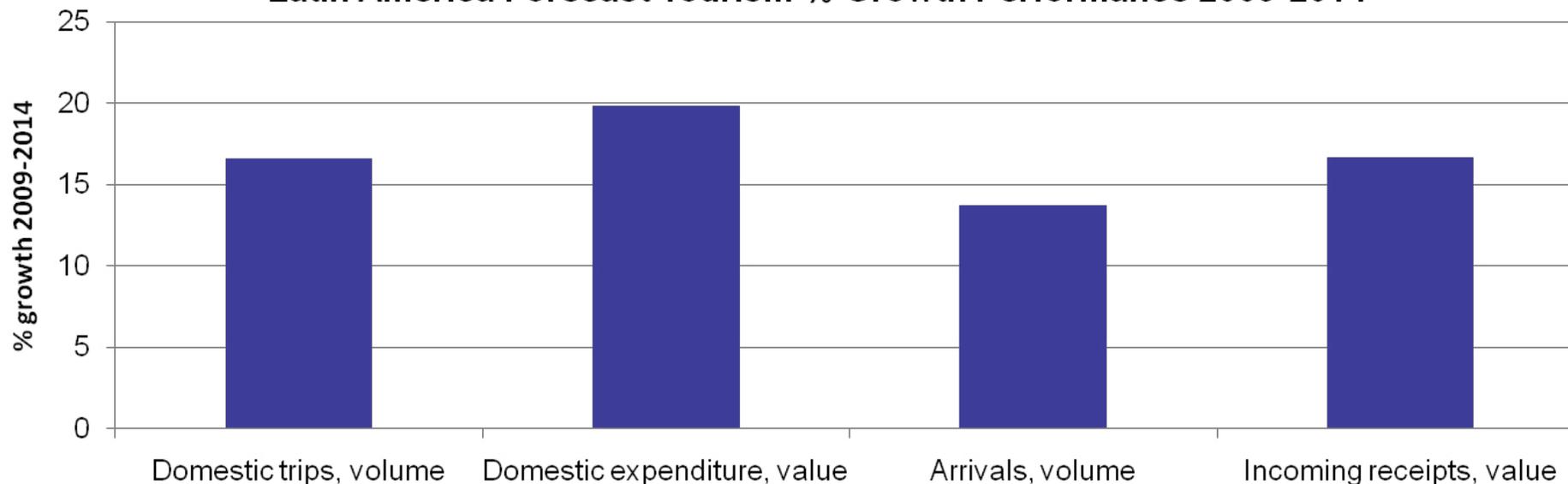
**The programme for the Regionalisation of Tourism has been key to expansion by introducing new products and destinations.”**

*Sáskia Lima, General Coordinator of Tourism Segmentation, Ministry of Tourism, Brazil*

## Far from the madding crowd

- Brazil is promoting fam trips to introduce the Pantanal to international tour operators and travel agents. Mexico is pushing Pueblos Mágicos to domestic and international visitors.
- The Salt Flats of Salar de Uyuni (Bolivia) are growing in popularity.
- Valle de la Luna, San Pedro de Atacama (Chile) is known for stargazing and sandboarding. The dramatic rescue of the 33 trapped miners will further boost its international appeal.
- Ciudad Perdida (Colombia) is a draw for adventure tourists, accessible only by trekking through jungle to see the ruins.

**Latin America Forecast Tourism % Growth Performance 2009-2014**



Source: Euromonitor International



## **Opportunities – New frontiers**

- With a vast territory, Latin America has countless unexplored destinations. Regional airlines and buses/coaches will be critical to accessibility.
- The move inwards will enable hotels, airlines and travel retailers to sell new destinations and improve undeveloped tourism infrastructure.
- The 2014 FIFA World Cup will be a growth catalyst for Brazil, with Mato Grosso and Mato Grosso do Sul, where the Pantanal is located, set to benefit from the exposure.

## **Future outlook – Infrastructure gap**

- Promoting and developing off the beaten path destinations will continue in the long term as governments and companies diversify their offerings.
- The Brazilian National Civil Aviation Agency is improving the country's connectivity to new cities to reduce the time to reach the interior of the country.
- A lack of infrastructure and tourism personnel will be a major challenge, although governments are working with the travel industry to build a sustainable legacy.

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**Asia: The fragrance factor**

## Asia – Overview

- Leading the world out of the global economic crisis, Asia’s travel and tourism industry is strongly supported by intra-regional demand thanks to rapid economic recovery.
- Arrivals are predicted to top pre-downturn levels by 2011, aided by proactive government tourism initiatives to help boost demand.
- International hotel chains continue to expand, coupled with new airline routes opening up.

### Asia: Key Performance Indicators 2009-2011

<b>% growth</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Real GDP	3.6	7.4	6.9
Arrivals, volume	-5.3	3.6	4.3
Spend per arrival, value	-3.6	-0.5	0.4
Hotels, value	-9.3	1.5	3.1
Air transport, value	-15.3	1.1	3.3
Travel retail, value	-10.8	0.3	2.2



## **Asia – The fragrance factor**

- The Asian travel market is taking scent branding or olfaction by storm, as it offers guests a more unique experience, triggering emotions and encouraging brand loyalty.
- Customisation is key with different scents for different hotel locations (beach, resort or city), by time of day and even by purpose.

## **Proustian rush**

- Smell is a strong human sense, with close links to memory and emotion.
- Equal Strategy is Asia's only marketing agency specialising in fragrance and music. ([www.equalstrategy.com](http://www.equalstrategy.com))
- Fragrances and air care sales in Asia are predicted to increase in value to US\$3 billion and US\$1.5 billion respectively in 2014.

**“Asia will embrace scent in the same way as luxury or fashion, initially with opulence showing a preference for bold scents, followed by refinement.”**

*Eric Nicolas, Director, Global Brand Management, InterContinental Hotels Group*



## **Scent delivery technology**

- The Scent Hotel in Koh Samui (Thailand) transformed from its origins as a scent market stall into a boutique hotel with fragrance at its core.
- Scents tend to be delivered to public areas like hotel lobbies via air conditioning.
- The latest scent delivery systems can provide up to five fragrance options per room, set to operate at specific times.
- The Scent Marketing Institute recommends that the provision of fragrance is on an opt-in basis to account for those with Multiple Chemical Sensitivity or allergies.

## **The long tail**

- Popular morning smells include citrus and peppermint that energise the body to improve productivity for business travellers.
- Jasmine and vanilla provide a more natural solution than sleep remedies.
- Surveys show that apple is the favourite smell of the Japanese.
- Marriott offers different scents for its airport, city and beach outlets.
- InterContinental hotels use local, natural products, for example, InterContinental Bangkok uses lemongrass.



**The Power of Smell**

<b>Brand</b>	<b>Scent name</b>	<b>Ingredients</b>	<b>Effect</b>
Shangri-La	Essence of Shangri-La	Vanilla, sandalwood, bergamot, ginger	Serenity, calm
Holiday Inn	Holiday Inn branded scent	Citrus, green, floral, woods bouquet	Freshness, cleanliness
Naumi Hotel Singapore	n/a	Lime, ginger	Relaxation, refresh
Marriott Renaissance Kuala Lumpur	Zanzibar Mist	Citrus floral, vanilla	Relaxation
Singapore Airlines	Stefan Florida Waters	Steamed rice, bamboo shoots, lotus	Smooth, comfortable
MSC Splendida cruise	MED	Green fig, floral	Happiness

Source: Company websites, trade sources, Scent Marketing Institute, Euromonitor International



## **Opportunities – Extra SCENTsory perception**

- The film, *Eat, Pray, Love*, is likely to inspire scents associated with Asian destinations.
- The latest scent marketing tool, the scented billboard, can offer national tourism boards a unique opportunity to attract key feeder markets.
- Airlines can customise the scent used on the outbound and return journey.
- Loyalty programme cards may also serve as part of a sensory branding campaign.

## **Future outlook – Making perfect scents**

- Mobile devices that emit targeted fragrances when travel applications are launched are fast becoming a reality.
- In April 2010, Japan-based NTT conducted a pilot test of its Mobile Fragrance Communication service, combining audio-visual with fragrances emitted by a device.
- Composed of diverse countries with indigenous scents, Asia is well-placed to go beyond the standard signature scent to offer unique sensory experiences.
- Finding the right balance between natural aromas and manufactured scents will be a key challenge for hotels and other travel players in the future.





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For more information, please contact:

Caroline Bremner

Head of Global Travel and Tourism Research

Euromonitor International

[caroline.bremner@euromonitor.com](mailto:caroline.bremner@euromonitor.com)

[www.euromonitor.com](http://www.euromonitor.com)