

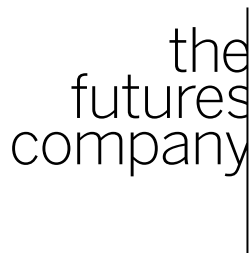
THE
POLAR



ISATION

OF ASIAN TRAVELLERS

Sabre



About Sabre

Sabre Corporation is the leading technology provider to the global travel industry. Sabre's software, data, mobile and distribution solutions are used by hundreds of airlines and thousands of hotel properties to manage critical operations, including passenger and guest reservations, revenue management, flight, network and crew management. Sabre also operates a leading global travel marketplace, which processes more than US\$120 billion of global travel spend annually by connecting travel buyers and suppliers. Headquartered in Southlake, Texas, USA, Sabre serves customers in more than 160 countries around the world.

About The Futures Company

The Futures Company is the leading global strategy and foresight consultancy that helps client "Profit from Change". We understand and anticipate change to help companies shape and lead the future. Leveraging The Futures Company's proprietary resources, our team of consultants bring a unique combination of forward-looking thinking, outward-focused inspiration and people-centric understanding to provide fresh perspectives and actionable recommendations to business challenges.

The Futures Company is a Kantar company within WPP, with teams located in Europe, North America, Latin America and Asia.

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Foreword

Asia Pacific is on the move. The region is now the world's largest travel market and in two decades will account for 42% of global air traffic¹. From the rapidly expanding emerging market middle classes sparking this aviation boom to the business travel recovery we've seen post-recession, travel here is thriving and will continue to grow.

Sabre is a global technology company with a large footprint in Asia Pacific, so it's imperative that we understand how to best tap into the future opportunities this dynamic region presents for our clients, and their customers.

And it is about more than just expanding numbers. We have recognised that there is a need to approach understanding this potential in a more intelligent manner. In order to do this, we partnered with The Futures Company, leaders in driving profit from change, to carry out research on the attitudes and aspirations of Asian travellers, current and anticipated.

We are pleased to share our findings in this report, which introduces a new way of thinking about travellers – going beyond standard segmentations to explore polarisations in behaviour and motivation.

Executive Summary

Asia Pacific now leads as the world's largest travel market and the number of those travelling has boomed. More significantly, attitudes towards travel have changed: four out of five Asian travellers feel travel is no longer a luxury but a necessity.

However, the fast-changing nature of the Asian traveller defies simplistic analysis. There is great diversity in who travels and how they travel. Fragmentation is one way to describe this, but it undermines the importance of recognising that people move across different occasions and that the 'definition' of their preferences needs flexibility.

In addition, the customer journey – the travel experience itself - is being reconfigured and expanded. Thanks to technology which allows us to do anything, anywhere, journeys are now more fluid, with many different phases more likely to emerge and merge. We can share as we experience; we can dream about what to do tomorrow whilst at the destination.

These dynamics are set within the broader context of a transforming travel landscape. Shifts in the macro, consumer and market environment are driving up potential for travel, resulting in new travel needs. Asian travellers are struggling with the complexity they now face: 52% feel there are too many options and there is too much information available today. Trip optimisation has become an increased priority as people's appetites for travel have grown and their expectations increased. Travel has become the new social currency and Asian travellers want to make sure they get the best trip experience.

These emerging travel needs require a fresh perspective on travellers in Asia Pacific which goes beyond demographics and income. We have found polarisation exists across two key dimensions: the level of control people want to command over their trip; and their motivation behind travelling. On one end of the spectrum, a traveller might be internally focussed, seeking an experience driven entirely by their own personal fulfilment, to improve themselves,

while at the other end, a traveller can be entirely motivated by external recognition and the idea of sharing with others.

Mapping out these polarisations gives rise to four distinct traveller types, with the largest proportion (38%) of Asian travellers falling into the Explorer type. Each type includes an even mix of business and leisure travellers, as well as a good spread across ages and gender.

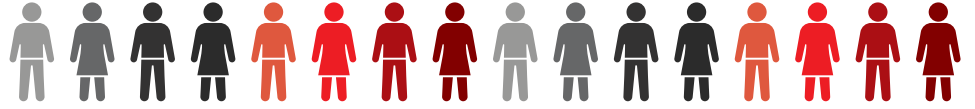
<p>EXPLORER</p> <p>Place a high value on self-actualisation and discovery. They are the most likely to plan on the go and share on blogs and travel community networks, reflecting their interest in the more niche.</p>	<p>FOLLOWER</p> <p>Travel is about enjoying the moment with loved ones. To make this happen, Followers are the most likely of all types to allow travel partners to play a key role across their travel experience.</p>
<p>CONNECTOR</p> <p>Travel is about establishing status. Enthusiastic planners, they do this themselves and in advance of their trips. Keen and committed, their experiences also inspire others.</p>	<p>OPPORTUNIST</p> <p>Like to travel to pamper themselves but also tempted by promotions. Preferring to be taken care of, they use agencies and are open to getting support from new technologies.</p>

Establishing the defining characteristics of these traveller types reveals their needs and aspirations. This knowledge presents opportunities to be more relevant, but the marketplace has to respond appropriately. For example, creating a standout travel experience has traditionally been all about service, and the default assumption of the travel provider is often to do more so that the customer does less. But 58% of Asian travellers do not want to be taken care of – they want to take control. As the businesses behind travel, we need to keep re-adjusting our outlook to evolve with today's travellers.

With increasing expectations and new sources of influence, travel agencies, airlines and hospitality providers all have to consider what resources, existing and emerging, will best support these shifts in service and operations. An extra layer of expertise amongst staff might represent untapped potential, as might supporting travellers to inspire each other. There are new opportunities emerging in the business of travel. Everyone must stretch their horizons.

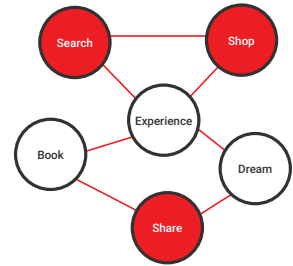
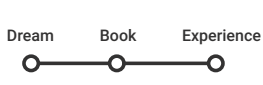
Infographics Summary

The diversity of Asia Pacific is giving rise to a wealth of different travellers



Business Travellers, Solo Travellers, Domestic Travellers, Female Travellers, Senior Travellers

The travel landscape is also in a cycle of reinvention driven by macro, industry and consumer shifts. These changes impact the traveller journey



With new travel needs emerging, a fresh perspective on travellers in Asia Pacific is required

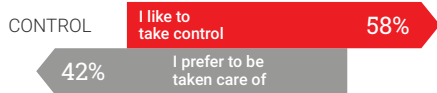
"TRAVEL IS THE NEW SOCIAL CURRENCY, HOW CAN WE MAKE THE BEST OUT OF OUR TRIP?"



"WITH THE OVERWHELMING NUMBER OF OPTIONS, HOW CAN WE MAKE THE RIGHT CHOICE?"

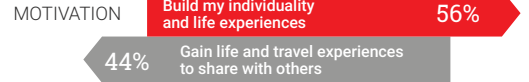


When I travel...

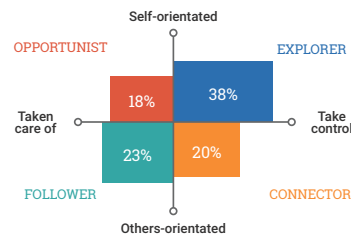


These shifts are driving polarisations in travel behaviour and motivations...

I travel to...



...giving rise to 4 traveller types in Asia Pacific, with The Explorer as the most dominant type



Note: Percentages do not sum to 100% due to rounding

Let's meet the 4 traveller types



EXPLORER
Self-orientated x Likes to Take Control

"Travel is a way to break out of the day-to-day grind, to let loose and embrace the extraordinary. Not only do I get to discover the world, I get to discover more about myself."



FOLLOWER
Others-orientated x Likes to be Taken Care Of

"Travel is my chance to spend quality time with the people closest to me. Planning can be tedious and I value any support I can get to ensure that our trip goes smoothly."



CONNECTOR
Others-orientated x Likes to Take Control

"Travel is an avenue by which I express myself. I share my adventures with my loved ones and I'm constantly inspiring others through my experiences."



OPPORTUNIST
Self-orientated x Likes to be Taken Care Of

"I just want to travel—I jump at any opportunity to explore the world. The chance to immerse in a new culture is exciting but I'd like to avoid the hassles of travel wherever I can."

Setting the Context

The travel market is booming: Asia Pacific now has the largest tourism industry globally by GDP contribution and employment².

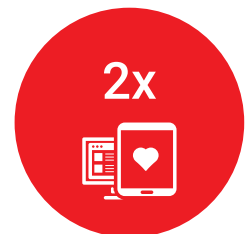


If we put the spotlight on China, the scale of rapid expansion becomes only too clear. At the start of the millennium, Chinese travellers made only 10 million international trips; within 15 years, this figure has increased more than ten-fold to 128 million trips³!

Moreover, in recent years of global economic uncertainty, the region has stood out for its robust growth. Outbound trips made by travellers from Asia Pacific grew by 6.5% in 2014 and by about 5% in 2015 - this is faster than worldwide growth in outbound trips at 4.5% in 2015⁴.

The growth to come will be even greater: 71% of our respondents stated they wanted to travel more, reflecting the view expressed in the many forecasts available about the glowing potential of travel in Asia Pacific. The Chinese National Tourism Administration has set a target of 200 million international trips by 2020⁵. Looking online, the growth is more spectacular:

The region's online travel market is expected to double from its size in 2013 to USD 161.6B by 2017⁶.



Setting the Context

Making sense of the opportunity

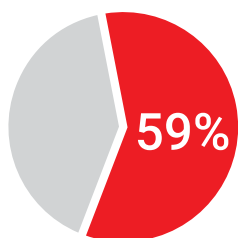
The diversity of Asian travellers undermines reliance on standard splits:

Not only does travel in Asia Pacific consist of huge volumes of people, but also great richness in the variety of who and how travel takes place. As those who work in the industry have observed, classifying according to trip type has limited value in this dynamic market.

“We cannot group people by solo or group travel; they are changing every time. A person who first travels solo might come back to a group travel and vice versa.”

- Veena Patil, Managing Director, Veena World

Nowhere is this truer than when thinking about business travellers, a key target audience. China has overtaken the US to become the world's largest business travel market⁷. It is also an evolving market thanks to the convergence of business and leisure needs. The majority of “bleisure” travellers come from Asia and are young working professionals. More than two-thirds of Chinese travellers are accompanied by their spouse or a family member for business trips.



of Chinese travellers extend business trips to include leisure time⁸.

Assumptions about national socio-economic or demographic traits reveal little about travellers:

For example, when it comes to age, the region is notable for the presence of both ageing and young populations. In Japan, the median age is 46.5 years old, one of the highest globally. Conversely, the median age is barely above 27 years old in young nations such as India and Malaysia⁹. The demographics of travellers, however, tell a different story.

In ageing Japan, a third of travellers are relatively young (under 35), whilst in youthful India, the majority of travellers are well over the median age: 61% are over 35 years old¹⁰.

Likewise, assumptions about the stage of development a market is in do not reveal its true traveller potential. Travel growth in the region is being fuelled by developed markets, such as Japan, Australia and Singapore, as well as emerging markets such as China, India and Indonesia.

New approaches are needed to segment the market:

All these different dynamics challenge us to approach understanding travelling amongst Asian consumers differently.

“It’s hard to segment consumers across the markets, but you may be able to identify some common cultural themes based on the values of travellers and psychographics. No one has approached it this way yet.”

- Andrew Herdman, Director General, Association of Asia Pacific Airlines

Further investigation into factors changing the travel landscape in the region is useful as a starting point to rethinking traveller segmentation.

Shifts in the macro, consumer and marketplace are driving up potential for travel and creating new travellers needs.

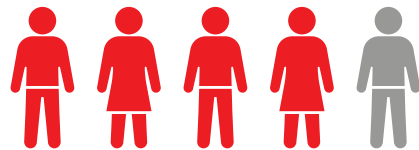
Rise in the number of those who 'can': Strong macro economic performance has resulted in the spectacular growth of the middle class in some Asian markets, which is translating into more trips taken: Indonesia will be the fastest growing travel market in the region with its gross bookings increasing by over 50% from a small base in 2014 to \$17.5 billion by 2017¹¹.

Similarly, the Indian travel market will grow 37% during the same period, and reach \$29.7 billion by 2017¹¹.

Greater ability to travel has also been driven by more affordable options. People can get financing support as airline providers and travel agencies offer payment by installments in collaboration with the local banks. The creation of Value Alliance in summer 2016 resulted in the largest alliance of budget carriers, offering flights to more than 160 destinations across eight low-cost carriers.

Travel is no longer seen as a luxury:

Four out of five Asian travellers agree that travel is no longer a luxury but a necessity.



Aspirations are changing. Earlier generations had different priorities as this quote from a cultural commentator in Indonesia makes clear:

“Travel used to be expensive and only part of a luxurious lifestyle. People were more focused on working hard and earning money to spend on other things. The only time people would travel was once a year after Ramadan when they travelled back to their hometown to reunite with their families.”

- **Streetscaper, Indonesia**

People are now more likely to prioritise time off work and holidays are planned for and experienced with greater frequency and pleasure.

Growing desire for experiential escapes: With increasing urbanisation has come the adoption of busy modern lifestyles. In both developed markets, such as Japan, and rapidly growing markets, such as India, consumers are feeling the pressure. 47% of Japanese consumers and 55% of Indian consumers find it hard to switch off from everyday pressures and stresses¹².

Consumers now seek relaxing experiences and are keen to seize the moment to squeeze in travel, the new life essential.

The Changing Travel Landscape

Open window to new cultures: Improved connectivity has made it easy to share ideas and aspirations quickly and widely. Visits to New Zealand were boosted after the popular Chinese actress Yao Chen married in Queenstown, with the wedding reported more than 2.4 million times on various Chinese news sites and portals¹³.

In big cities and beyond, people now have greater exposure to new ways of living. Almost two thirds of Chinese consumers feel that some of their lifestyle choices have been influenced by interactions with people of other cultural backgrounds/origins¹⁴.

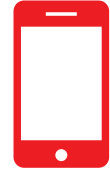
This has sparked a desire to experience new cultures further and more fully. New ways to meet people are also appearing as the following quote from a Senior Marketing Executive for AirBnb describes,

“In Japan, we know of an old man who likes to host so he can ‘travel’ by meeting people from all over the world. He is even coaching his son how to host, encouraging him to talk to guests in English. To host is to provide a home away from home and is essentially ‘travelling from home’ by exposing his family to different parts of the world.”

- Senior Marketing Executive, AirBnb

Technological leapfrog: Markets in the region are making rapid advances in their adoption of technology. In China, online shopping accounted for only 3% of total private consumption in 2010, but now makes up 15%¹⁵, whilst Indonesia has some of the highest levels of penetration and usage of social media amongst internet users globally. These trends are feeding through into the travel market.

China has become the world’s first mobile majority online travel market¹⁶.



Consumers increasingly in control: The industry is seeing a shift from B2C (Business to Consumer) to C2C (Consumer to Consumer). Consumers are able to bypass big business brands and tap into the resources of individuals in situ – think Airbnb and equivalents, as well as other forms of the sharing economy. Vietnam-based Triip.me helps locals to create tours through which they share their knowledge and can act as tour guides on demand.

Rather than using only official or expert sources, consumers are learning from each other.

“Choice and transparency are key. There is a greater reliance on peer-to-peer communication. People are more likely to make decisions based on their peers’ recommendations than from an airline directly. The number of platforms facilitating peer-to-peer recommendations is increasing rapidly and the airline industry will be as affected as other sectors.”

- Toby Smith, General Manager Sales & Distribution, Cathay Pacific Airlines

The Changing Travel Landscape

Increased government support: The easing of visa restrictions, for example in the US, the UK, Morocco, Indonesia, Philippines, and Korea, has broadened the spectrum of travel options available to Asian travellers. Places that were not even on the wish list a few years ago have become hotspots.

Governments are also taking other steps to facilitate travel, taking note of the economic potential of boosting tourism. Throughout the year, Indonesia's government issues public, or joint holidays, called *cuti bersama*, to stimulate tourism within the country. If a public holiday falls on a Thursday, businesses are encouraged to let employees take Friday off too.

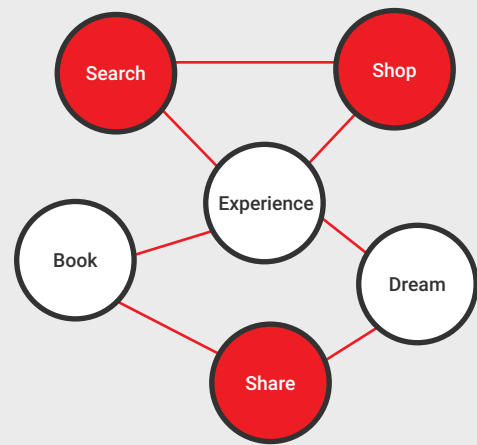
The customer journey is also being reconfigured



With the advent of technology and access to a wide range of information and applications, new elements are appearing in the journey. Search and Shop now sit between Dream and Book as consumers are likely to invest time and effort in hunting around for the best option, not just in terms of price, but also in terms of options that meet personal aspirations. And the journey does not end with the experience itself, sharing the experience through social media has become an integral and important part of travel activity.

These steps are becoming less linear and sequential, requiring us to rethink how we engage with the consumer. The different phases of the journey are now more fluid, likely to merge one with another, no longer mutually exclusive. Technology has an important role to play here as it allows us to do anything anywhere.

A fluid journey that is non-linear and non-sequential



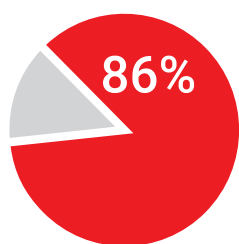
40% of respondents in our survey say that they share their trip on the go during their travels. The idea that tourists will proudly compile a real photo album to show friends and family on their return is now redundant. Sharing with intimates can happen instantly on social networks such as Weibo and Facebook, whilst more elaborate and inspirational records might be displayed on Instagram, Pinterest, Steller and the like.

Emerging Travel Needs

The changing travel landscape creates new needs

For many consumers in Asia Pacific, travel used to be limited and a challenge due to practical considerations and narrow aspirations. The changing travel landscape and morphing customer journey means these challenges no longer hold consumers back and limit their experience. New needs have come in their place.

Trip optimisation: With the increased intensity of interest in making trips, expectations have also increased. Travel has become the new social currency. When asked, respondents in our survey resoundingly agreed:



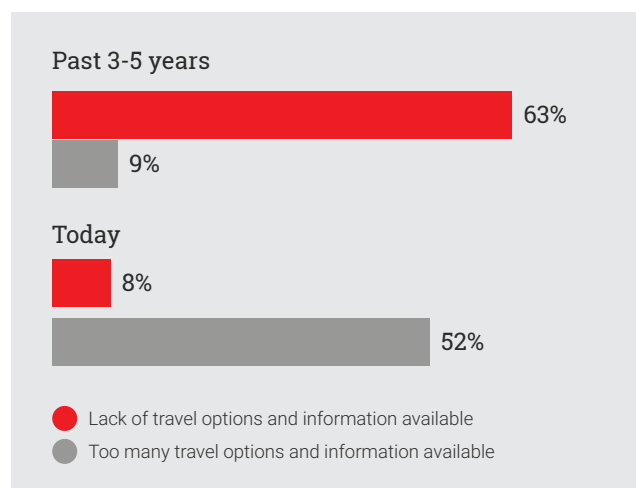
felt that travel is a form of social currency today that forges connections and shared experiences amongst family and friends

Our cultural commentator in India added, "FOMO (Fear Of Missing Out) is a big factor in India. People don't want to miss out on anything and throughout the duration of their trip, they're scouting out for the best experiences."

And to prove that they have indeed done something amazing, consumers don't delay in making it known. Over half (55%) of Chinese social media users said they have shared photos and posts whilst travelling, whilst 60% have viewed photos/read about the travel of others, the two most popular uses for social media in travel¹⁷.

Negotiating complexity: The big challenge for travellers today is not a deficit of information, but how to navigate through the extraordinary breadth of options now available, whether established brands, new types of travel solution providers, peer review sites or individual bloggers.

What are the top 3 risks and barriers of travelling in the past (3-5 years ago) versus today?



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Our cultural commentator in Indonesia described how perplexing and contradictory consumer reviews can be:

"Travel reviews from one person to another are sometimes different. Experiences might be fantastic or very bad – they depend on the person themselves. This is often very confusing for other travellers trying to make decisions and choices."

- Streetscaper, Indonesia

These new needs have implications for the industry too: in part responsible, it must respond.

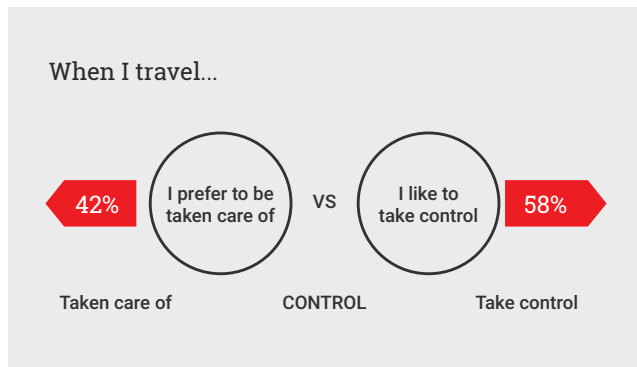
Polarisation of the Asian Traveller

The challenge is to work out what will deliver best against this shifting landscape. Our approach to understanding changing traveller aspirations operates at a high level.

Through our research we have found polarisation that exists across two key dimensions.

Behaviour

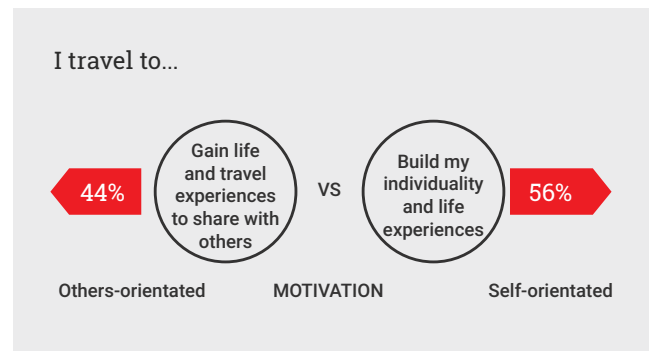
This explores how travellers are organising their travel, building in recognition of the need people now have to negotiate complexity, the potential for pressure on personal resources, such as time and money, as well as the transformative impact of technology. As shown in the graphic below, slightly more respondents expressed a preference for taking control rather than handing over control, reflecting a growing sense of empowerment and willingness to invest effort in travel.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Motivation

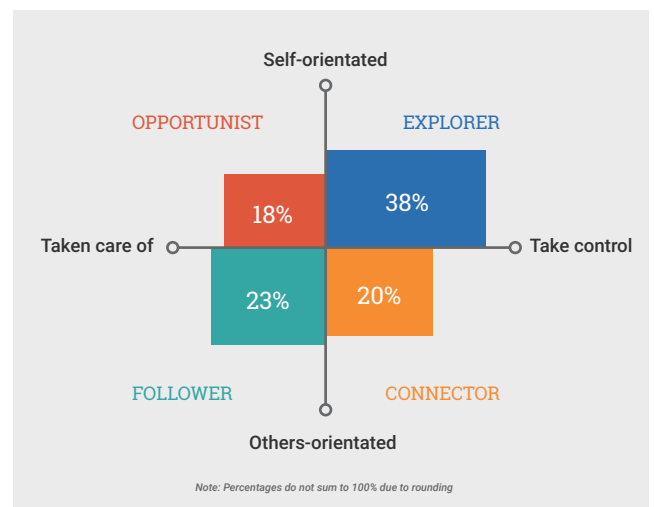
This second polarisation acknowledges consumer appreciation for the rich learning gained through increased cultural exposure and the role of travel as social currency. Our survey showed that a small majority are driven to travel by internal motivation and the desire to improve themselves for themselves, whilst 44% are motivated more by the idea of sharing with others.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Overview of the traveller types

Mapping out these polarisations gives rise to four distinct traveller types. Though there is a good spread across the types, it is interesting to note that the largest proportion of Asian travellers fall into the Explorer type.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

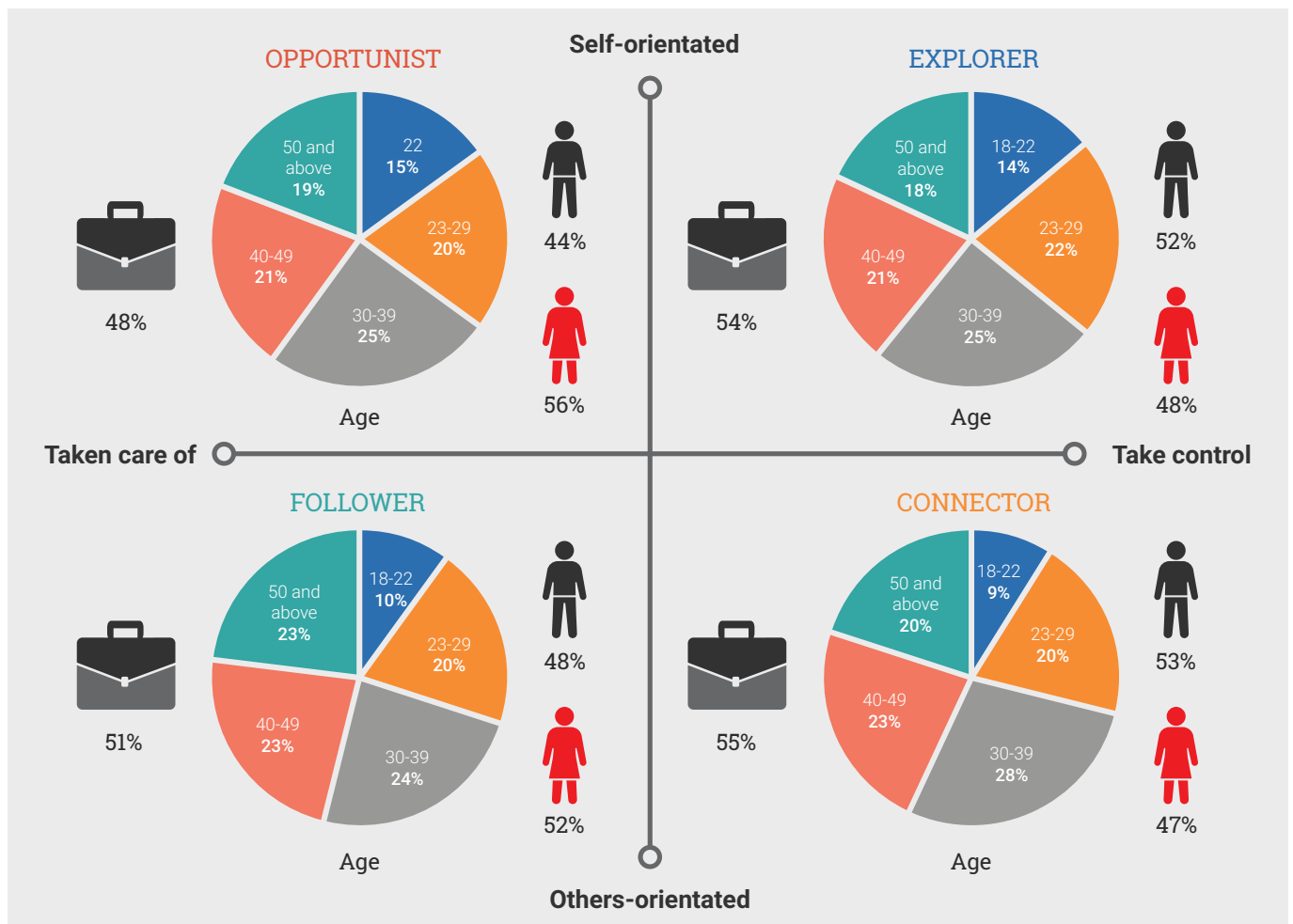
Polarisation of the Asian Traveller

Similarities and differences: In the next section, we will go on to review how the types differ from one another. There are, however, some important similarities for us to note. Each type includes an even mix of business and leisure travellers, as well as a good spread across age groups and gender. This reinforces the value of our polarisation – it provides a fresh approach to thinking about the Asian traveller which goes beyond the limited standard demographic or trip-based segmentation.

Another demonstration of the strength of looking at Asian travellers through these polarisations is the fact that they manage to challenge our assumptions and reveal the reality of traveller aspirations and activity.

It would be easy to assume that seasoned travellers are discovery-focused Explorers and first time travellers are Followers interested in status enhancement and being taken care of. But this is not what we found. New travellers (those who first travelled within the last 12 months) are more likely to be Explorers over the other traveller types. Conversely, more than half of Followers first travelled over ten years ago. This hints at an enduring polarisation of travel behaviours and long-held values.

The four traveller types exist equally across age groups, gender and business travellers



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Meet the 4 Traveller Types

Bringing to life the four traveller types by highlighting their key characteristics and behaviours across the customer journey.

EXPLORER

Self-orientated x
Likes to Take Control



FOLLOWER

Others-orientated x
Likes to be Taken Care Of



CONNECTOR

Others-orientated x
Likes to Take Control



OPPORTUNIST

Self-orientated x
Likes to be Taken Care Of



Meet the 4 Traveller Types: Explorer

Explorer Self-orientated x Likes to take control:

“Travel is a way to break out of the day-to-day grind, to let loose and embrace the extraordinary. Not only do I get to discover the world, I get to discover more about myself.”

With the largest share of Asian travellers (almost four in ten) already falling into this type and more likely to come given that new travellers often identify as Explorers, it is worth understanding what makes them tick. The following statement from a 25-year-old Indonesian marketing executive interviewed for this report gives us an idea.

“I don’t want to waste my life seeing the same things every day. I want to explore my mind and to see things from other perspectives. Travel allows me to see the world like I’ve never seen it before. I hope to see different sides of the world, the people, the nature, the environment, the cultures, etc.”



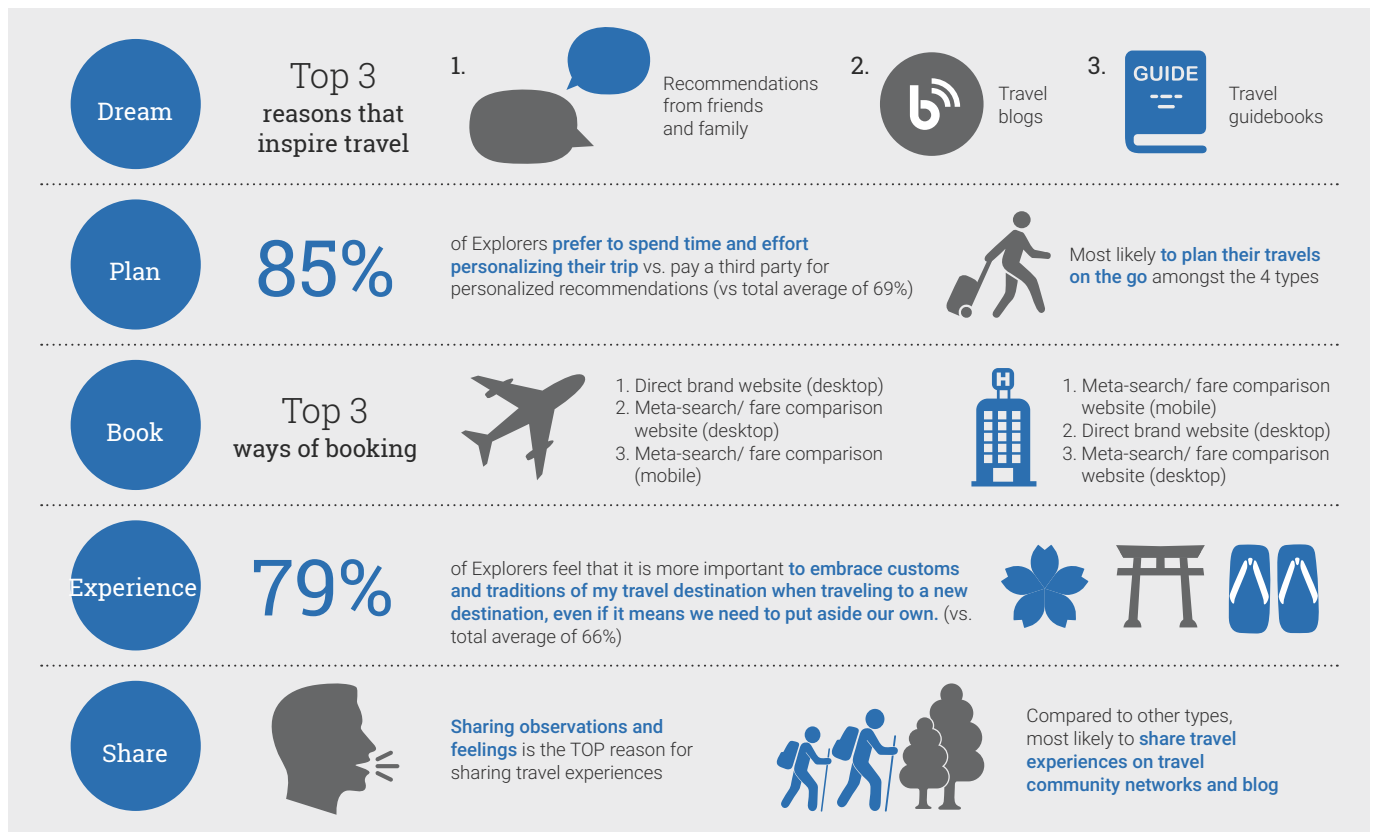
Meet the 4 Traveller Types: Explorer

Explorers place high value on discovery and self-actualisation. Travel is about helping them grow as individuals. Given that many Asian societies have experienced rapid change over the past few decades, often challenging established norms, it is not surprising to find this thirst for ways to develop one's sense of self. A quarter of Explorers travel to connect with themselves, the highest score across all traveller types. They are also more likely to travel solo.

Looking across at how Explorers navigate the customer journey, their desire to be masters of their own destiny is evident. This presents clear learnings for the industry: though personalisation of options is becoming increasingly feasible with the growing ease in capturing data about preferences, the large majority (85%) of Explorers would rather invest their own time in getting to their perfect option.

However, it should not be assumed that Explorers will have worked out every detail of their itinerary before departure. Amongst the four traveller types, they are most likely to plan on the go, perhaps driven by a desire to avoid being bound by plans which stop them from jumping at opportunities only discovered at the location. This suggests that travel providers are best placed to tap into their needs by finding ways to support Explorers in planning with on-demand services and platforms, aligned to their on-the-go approach to travel.

Explorers are open to immerse in what their destination has to offer. 80% are ready to embrace local customs and put aside their own, compared to an Asian traveller average of 66%. Explorers will share their experiences on social media but are more likely than the other traveller types to do so on blogs and travel community networks, reflecting their desire for more niche and self-interest driven experiences.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Meet the 4 Traveller Types: Connector

Connector Others-orientated x Likes to take control:

“Travel is an avenue by which I express myself. I share my adventures with my loved ones and I’m constantly inspiring others through my experiences.”

Though less prevalent than the Explorer, one in five Asian travellers are Connectors – both sharing a defining trait: a preference for taking control. However, Connectors’ motivations differ: for them, travelling is about sharing experiences with others, reflecting the fact this type tends to travel with friends and family. And they are in charge: almost 75% of Connectors do the planning for trips themselves instead of relying on travel agencies or friends and family, compared to an average of 63% amongst all traveller types.



Meet the 4 Traveller Types: Connector

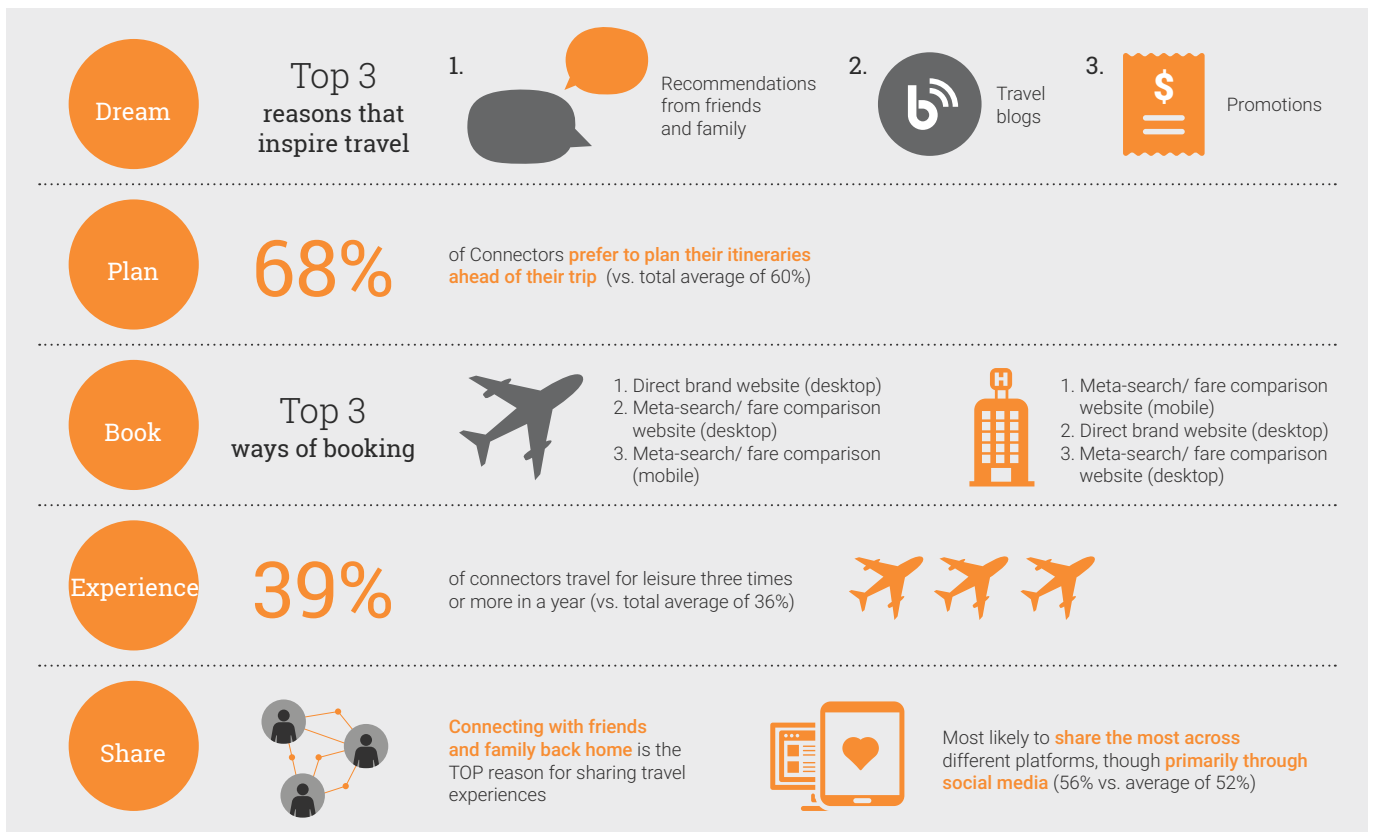
For Connectors, travelling is not about self-discovery, but establishing status and sharing experiences. Interestingly, it is in Indonesia that Connectors are the dominant type, which fits well with this country's high engagement with social media; travel is a way to define themselves to the world.

Travel is not a novelty to Connectors. Over half have travelled more than 20 times and a similar proportion began assuming the key role in trip-planning in their late teens and early twenties. This helps them build up a rich bank of travel experience which they tap into when organising their future trips.

Connectors' defining characteristics come through when looking at their customer journey. They are keen travel planners: almost seven in ten prefer to plan their itinerary ahead of their trip. Doing so is not simply about good organisation; it's a way of ensuring a great experience, being able to explore different options and working out an itinerary that is unique.

Sharing is a critical component to their travel experience. This type shares the most and across multiple platforms. Sharing is motivated by a desire to get closer to those back at home and help them get a sense of what the trip is like.

Connectors are also inspiring and influential: 61% of Connectors agree that their sharing has inspired someone to take a trip, the highest across all the travel types.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Meet the 4 Traveller Types: Follower

Follower Others-orientated x Likes to be taken care of:

“Travel is my chance to spend quality time with the people closest to me. Planning can be tedious and I value any support I can get to ensure that our trip goes smoothly.”

Though Followers are the type most different to Explorers, holding polar opposite travel behaviours and aspirations, they are actually the second largest group and represent almost one in four Asian travellers.

For Followers, travel is all about spending time with loved ones. 75% of them agree they travel to bond with their family and friends compared to an average of 54% across all Asian travellers. Moreover, in comparison with the other traveller types, Followers are relatively ‘self-less’ and a majority (66%) prioritise their travelling companions’ interests ahead of their own.

When on a trip, Followers want to enjoy the moment with others and will do what it takes to make that happen. 58% tend to use available itineraries rather than plan on their own. This is in stark contrast to Explorers, only 16% of whom agree with this approach to travel. Reviewing travel priorities thus presents clearly differentiated needs and servicing opportunities.



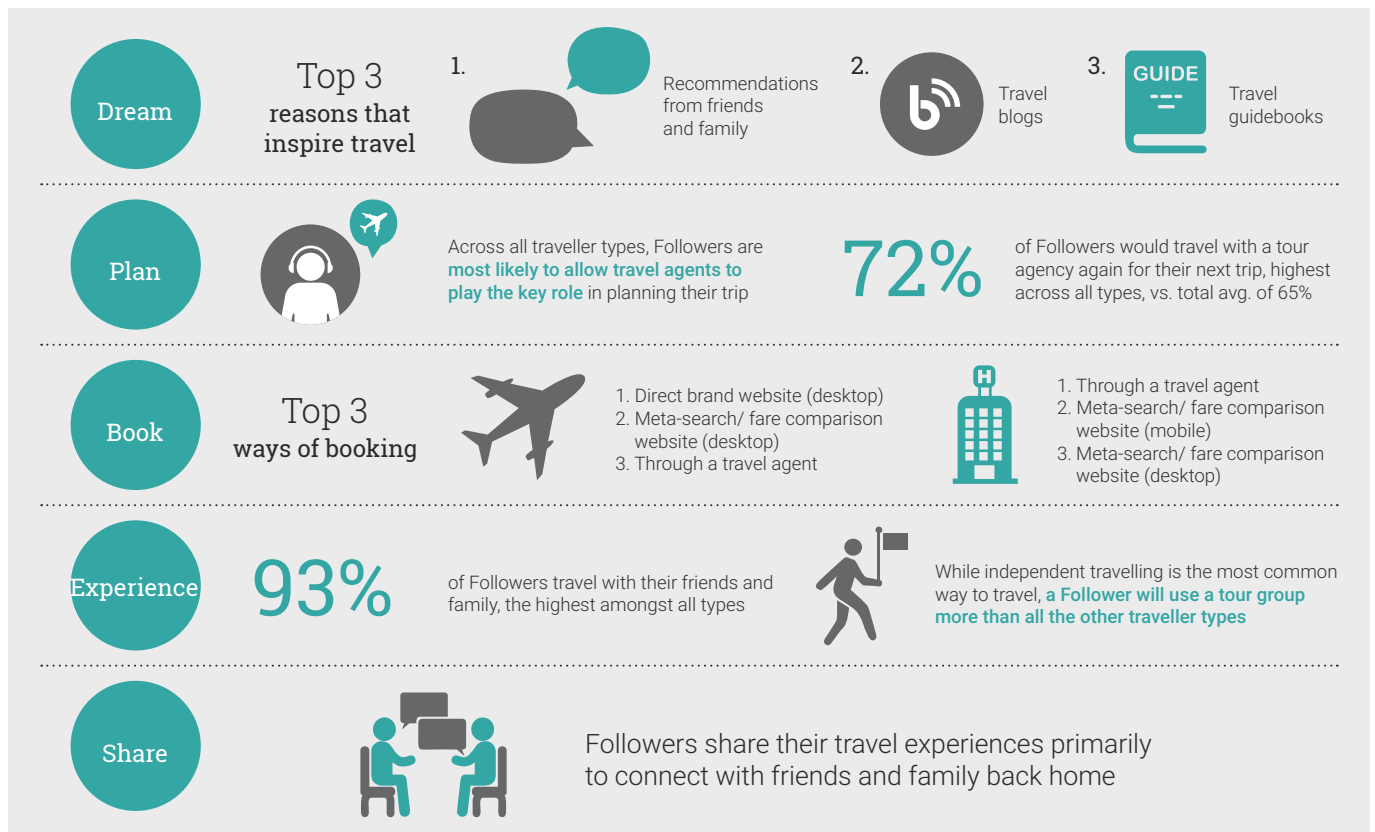
Meet the 4 Traveller Types: Follower

Looking at the customer journey of Followers, this preference for getting others to help comes through strongly in the planning phase. Across all traveller types, Followers are the most likely to allow travel agents to play a key role in planning trips and this is clearly an established pattern of behaviour with 72% expecting to travel with an agency for their next trip. Moreover, while the majority of Followers are likely to travel independently, four in ten typically travel with a tour group, reflecting the preferences of the older travellers found in higher numbers in this type.

Followers are focused on family and friends, both during travel and in terms of representing the driving motivation behind sharing travel experiences – barely one in ten would claim to share for self-fulfilment.

Spotlight on Japan:

Japan is notable for the dominance of Followers, who make up 36% of the traveller population in the country. Like true Followers, 89% said that they travel to bond with family and friends. However, Japanese Followers are unique in that 45% said they prefer a travel experience that is spontaneous and flexible, higher than the 36% for Followers across Asia. In fact, this holds true for all traveller types in Japan. They prefer building their own itinerary and are more open to embracing the culture of their travel destination, reflecting a more sophisticated approach to travelling.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Meet the 4 Traveller Types: Opportunist

Opportunist Self-orientated x Likes to be taken care of:

**“I just want to travel
—I jump at any
opportunity to explore
the world. The chance
to immerse myself
in a new culture is
exciting, but I’d like to
avoid the hassles of
travel whenever I can.”**

With 18% of Asian travellers falling into Opportunist territory, they represent the smallest group. However, they are perhaps the typology with the most potential for high spending, given their enthusiasm for self-indulgence. 62% of Opportunists travel to pamper themselves compared to an average of 55% across all Asian travellers.

Opportunists are more likely to be found in China and Taiwan and in the lowest proportion in Australia, New Zealand and Indonesia, suggesting that the presence of these preferences exists across both developed and emerging markets.

This type likes to be spontaneous in their travel. 65% of Opportunists spend a week or less planning for their trip, the highest proportion across all the traveller types. This stems from their desire to be taken care of. A third of Opportunists typically travel with a tour group and using travel agencies seems to be an ingrained habit as over two-thirds would use an agency on their next trip.



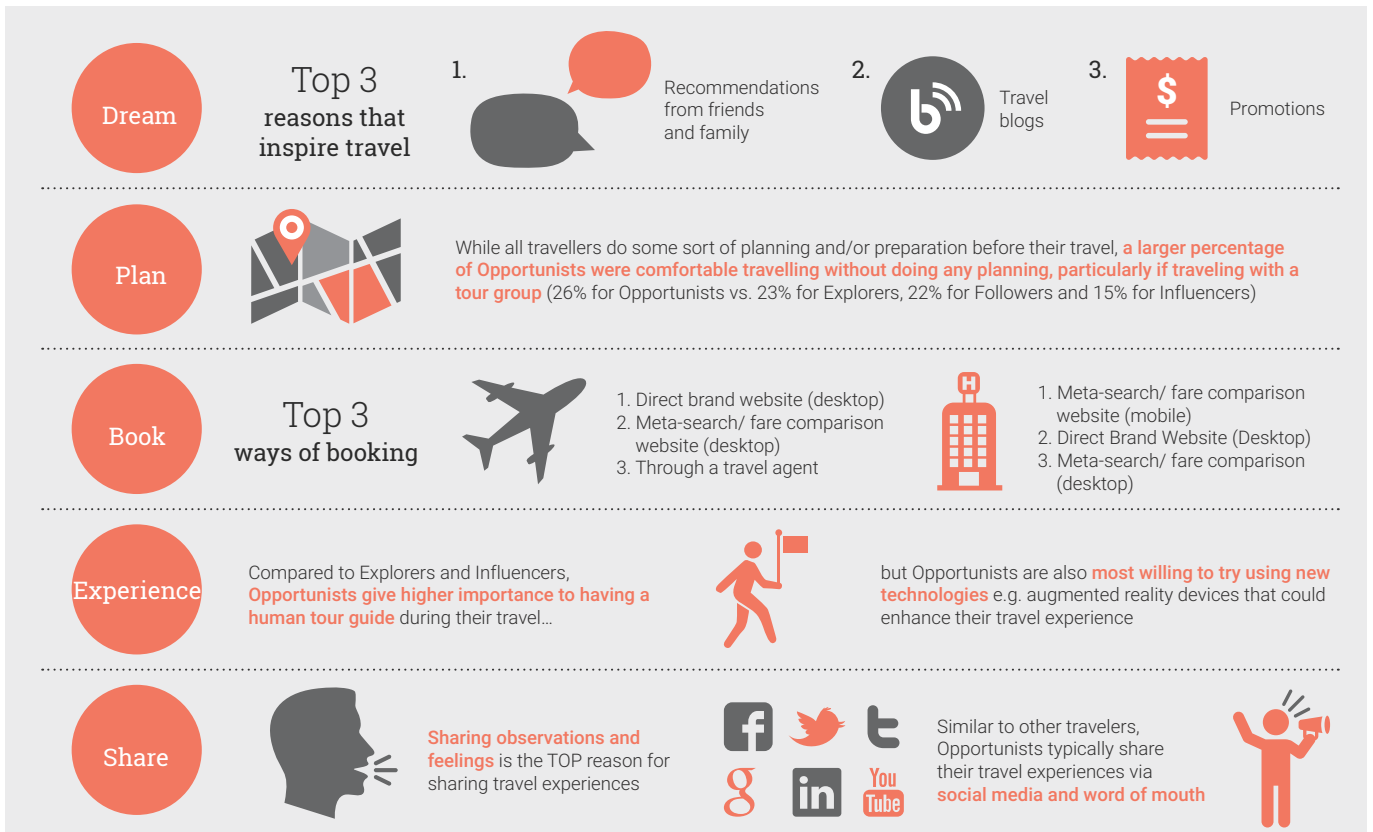
Meet the 4 Traveller Types: Opportunist

But we should not assume that Opportunists are an unsophisticated set of travellers. Though relaxing and unwinding is chosen by 81% as a reason for why they travel, Opportunists do so in the expectation of getting something important from the experience for themselves. Two thirds agree they travel to discover and improve themselves, not to make a point to others.

As we look at the customer journey of Opportunists, it is clear they would be ready to take off at a moment's notice. This type is most likely out of all the traveller types to be influenced by a good deal: a third put this as one of the top factors that inspire them to travel. Moreover, while all travellers do some sort of preparation before their travel, a larger proportion of Opportunists compared to the other traveller types were comfortable travelling without doing any planning, particularly if travelling with a tour group.

Opportunists focus on getting to their destination and making the most of the experience without being bogged down by the practicalities. Opportunists are also open to different forms of support and help; they give place higher importance on having a human tour guide compared to Explorers and Connectors, but they are also the type that is most willing to try using new technologies to support them on trips, such as augmented reality.

Though Opportunists do share their travel experiences, unlike other traveller types, they are motivated primarily by the idea of contributing their perspective, feelings and observations. It is less about connecting with loved ones and in effect more about recording their progress on the path of self-discovery.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Spotlight on China

China is notable for the dominance of Explorers – they represent almost half of all travellers in the country.

Their confident and demanding attitude to travel is likely to be built on the strength of optimism about personal finances. According to a separate study carried out by Sabre in collaboration with Donghua University, two thirds of Chinese consumers feel willing and able to travel more today due to their higher disposable income.

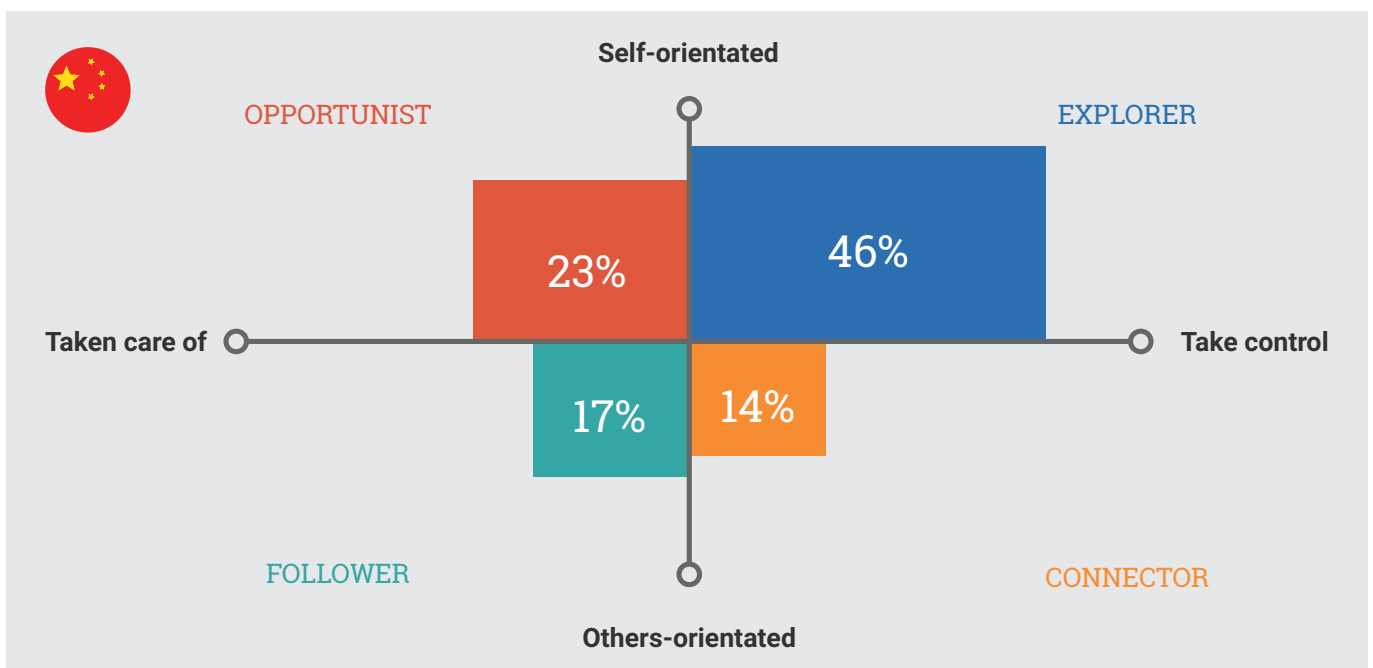
Technology also has played a fundamental role, delivering access to travel information and tools that have helped many travellers become independent and self-sufficient. Chinese travellers are keen for more

technology. 65% wish there were more apps that would search for the best deals for pre-selected places and 53% are interested in tools that show modular activities for building personal itineraries. However, they want to do the work themselves: 75% prefer to spend time and effort to personalise rather than pay a premium for personalised recommendations. They are also open to subtler support: 62% would welcome technology services that provide mood-based recommendations.

Our Chinese cultural commentator explained the national outlook further:

“In China, travel goals are getting more sophisticated. People are increasingly aware of the limitations of their own perspectives and don’t want to be bogged down by daily routines. They hope to develop a fresher, more objective, deeper understanding of the world through travelling.”

- Streetscaper, China



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

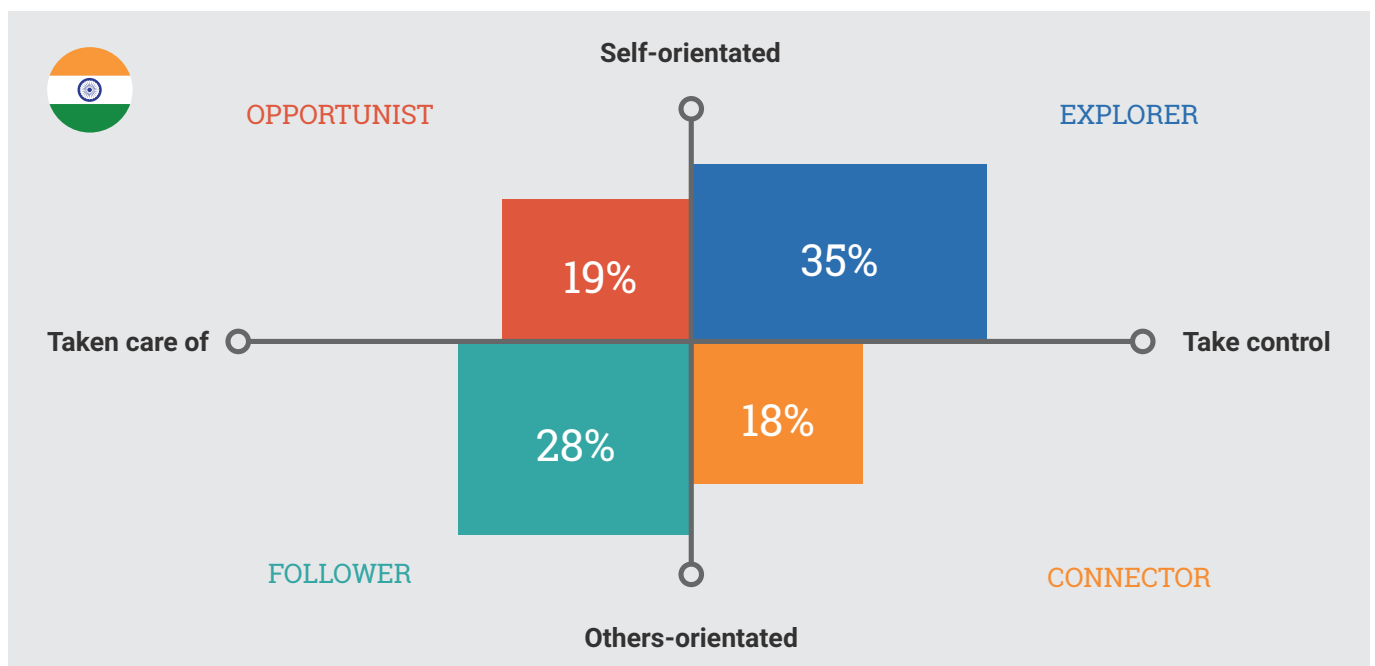
Spotlight on India

India has the strong presence of two opposing traveller types. Our survey results show that the dominant type in India is the Explorer (35%), followed closely by the Followers (28%).

Drawing upon an existing understanding of the market and digging down further into the data suggests a more nuanced picture. Psychologically, it seems that though many Indian travellers identify themselves as Explorers, they are still willing to be taken care of. This is perhaps not surprising in a society where personal service is still common in many aspects of daily life.

As such, 70% of Indian travellers have engaged the services of a travel agency in the past and 78% said they would use a travel agency for their next trip. Indian travellers also show a strong desire for a travel experience that is well-planned and structured and are likely to go for established suggestions. Only 57% said they prefer to build their own itinerary compared to two-thirds amongst Asian travellers in general.

As most Indian travellers typically travel with their families, it is not surprising to find that 54% of Indian travellers said they travel to pamper their loved ones, higher than travellers across Asia Pacific at 43%.



Source: Sabre/The Futures Company Research | Base: 3,233 online respondents, Asia Pacific 2016

Getting Future Ready

Introduction

Our review of the four traveller types has helped to establish their defining patterns of behaviour and aspirations regarding travel. In this section we outline ideas to provoke further thought on how to best engage these traveller types.

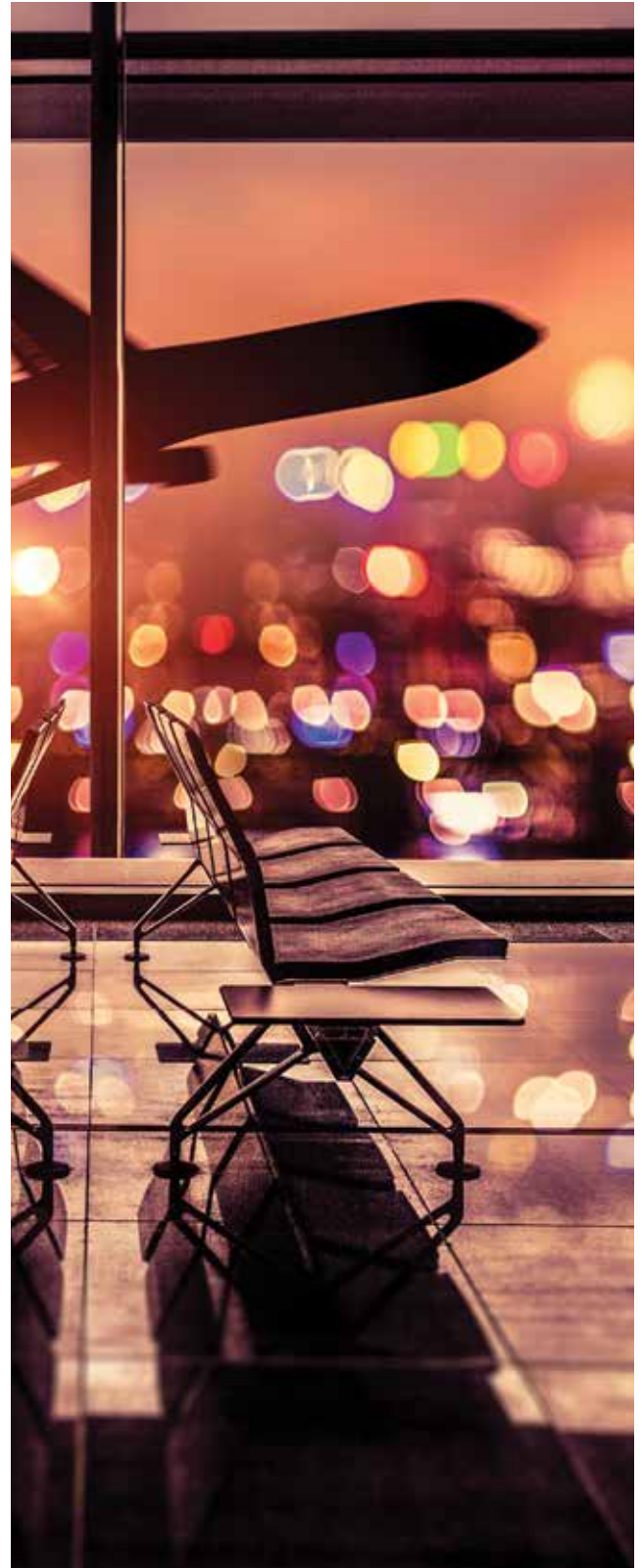
The largest proportion of Asian travellers are Explorers. It is not clear that the industry is currently set up to deliver against their needs. Travel involves great customer service and often the default assumption of the travel provider is to do more so that customer does less. But Explorers do not want to be taken care of – they want to take control. How can we empower travellers to do this without losing them?

Moreover, given that the Explorer thrives on discovery, and the Connector thrives on sharing their discovery – how can we excite both sets of travellers by offering them the alternative but authentic experiences that they seek?

The challenge and opportunity is different yet again with those traveller types that are less engaged in planning and more willing to take a step back. How can we entice these travellers with the spontaneous and flexible trips that they seek?

All these considerations need to be set in the context of a travel landscape in which fundamental shifts are taking place. There are implications for who will be able to travel and how choices are made. The traveller customer journey is radically altering, moving away from established stages to being more extensive, fluid, non-formulaic and non-sequential. Travel providers must no longer think in silos.

We will review key highlights and opportunities across each of the major elements of the industry.



Getting Future Ready

Getting Future Ready for travel agencies

Despite Asian travellers expressing a strong desire to take control, travel agencies still have an important role to play. In our survey, 64% of respondents expect to use a travel agency for their next trip.

Travel agencies are particularly valued at the initial stages of the customer journey. Three-quarters of Asian travellers would like more support from travel partners in the planning phase. Even once at the destination, a substantial number (40%) would welcome help.

However, it also appears that there is some ambivalence with travellers holding contradictory attitudes. People who would choose to travel with a travel agency on their next trip do so because they believe that travel agencies offer greater convenience and better prices. Ironically, those who choose not to use a travel agency for their next trip do so for the very same reasons; they believe convenience and value are best achieved through planning and booking trips independently.

Given travellers still want support from travel agencies, and are demanding more from them, travel agencies must consider how they can set expectations appropriately, position themselves with the right proposition and be ready to adjust the role they play according to the needs of the different traveller types across Asia Pacific.

Opportunities for travel agencies

Influence the Trend-Setters: As the sources of influence shift – travel blogs are a more popular source of inspiration than guide books and travel magazines – travel agencies can seize the opportunity to partner with travel bloggers and social media personalities to meet the desire for discovery and authenticity, as well as build trust and credibility. What might this look like?

- Sponsored trips that get documented, possibly even shared in real-time via live-streaming, to appeal to Explorers and Connectors
- Creating a network of travel bloggers and personalities as a resource for Opportunists and Followers

By Travellers Like You: As access to information empowers everyone to be an expert, travel agencies have the opportunity to co-create and source wisdom from the crowd. From our survey, 79% would use a platform to crowd-source their trip planning and itinerary. Further ideas include:

- Creating collaborative opportunities for Explorers and Connectors to build itineraries best suited for them
- Building a library of itineraries that is curated and updated with latest events and developments that all traveller types can access and refine

Real-Time Companion: As the traveller journey becomes more fluid and independent, travel agencies have the opportunity to extend their relevance beyond trip planning, and be a tour companion instead of just a tour guide. The time might be right to bring in a new generation of technology-based services now that Pokémon Go has educated the world about augmented reality and established appeal across all age groups. According to the survey results, 84% of Asian travellers are interested in the idea of their smartphone providing augmented reality tours and activities for their travel destination. Taking this further, this could include:

- Gamifying trips to be more spontaneous and experiential through augmented reality for Explorers and Opportunists
- Having 24/7 access to travel chat bots or guides via mobile to allow easy planning, booking, and sharing for Connectors and Followers

Stockholm Sounds is an app that challenges tourists to discover Stockholm through game missions, interactive experiences and visits to some 40 locations around the city. If successful in their missions, tourists gain access to unique experiences, events and rewards.

Getting Future Ready

Getting Future Ready for airlines

We have found that travellers in Asia Pacific are savvy consumers when it comes to making choices about air travel. They are adept at taking a pick-and-mix approach to value with over two-thirds using both budget and full-service airlines. It is only one in seven that opts solely for budget airlines and a similar proportion go for only full-service airlines.

The importance of convenience and value comes through once more in terms of the reasons why a particular airline is chosen: after the hygiene factor of safety record, the most important factors behind decision-making are ease of booking, getting a better fare and being offered one's preferred departure and/or arrival time.

When on-board, Asian passengers want to be both entertained and empowered. When asked what is of most interest whilst travelling on a plane, equal proportions chose in-flight entertainment and updates on flights and connections, closely followed by onboard internet connectivity.

Opportunities for airlines

Social Flying: Expectations around travel have increased. There is the opportunity to ensure that every element of the travel customer journey provides satisfaction and delight. Can flying time be redefined? For instance, using the time to create opportunities for encounters. 78% of Asian travellers are open to using a mobile app which helps connect solo travellers or groups travelling to the same place. Flying time can be transformed from unproductive empty time to trip preparation time. This could consist of:

- Providing itinerary sharing and building tools via the in-flight entertainment system for all traveller types to tap into the collective knowledge of passengers
- Creating an in-flight social platform to allow passengers to link up and trade itineraries, especially for Followers and Connectors

One-Stop Travel: Though demanding and savvy, Asian travellers are also getting overwhelmed by the amount of choice and information available to them. Airlines have the opportunity to help manage this complexity with a one-stop offer. In our survey, 42% of respondents welcomed the idea of one-stop more streamlined planning and booking from airlines. Working this through further, this could look like:

- Partnerships with local hotels, attractions and restaurants which are available for booking and even sampling via the in-flight entertainment platform for Opportunists and Followers
- Ancillary travel services, e.g. translation and WiFi devices rental, currency exchange services, to ease traveller stress pre-travel and during their trip

Lola is an app that provides users with 24/7 access to travel consultants who can take care of every step of the planning process. Utilising a combination of AI technology and expertise, Lola provides travellers with activity suggestions in real-time, providing easy and fast access to information on-the-go.

New From The Crew: Travellers are increasingly looking beyond the main attractions and deferring to new sources of expertise as they seek inspiration. Airlines have the opportunity to tap into the extensive travel experiences of their very own crew, transforming them from attendants to guides. 82% of Asian travellers are keen for more support from airlines whilst en route and on the flight. Ideas could include:

- Creating a platform that shares the crew's favourite venues, for example, lesser-known local restaurants with regular updates on activities for Explorers, Opportunists and Connectors
- Collecting insights from returning passengers about highlights from their trip, which the crew can use to recommend future destinations to them. The crew can further share this knowledge with other travellers who will travel to the same destination

Getting Future Ready

Getting Future Ready for hospitality players

Accommodation and lodging is one of the areas in the travel industry experiencing much change and upheaval. However, the most common choice of accommodation remains to be hotels: in our survey, 79% regularly stay in hotels on their trips.

Another important dynamic is the low level of loyalty. 43% of Asian travellers tend to stay at different accommodation brands when they travel. Only one in six will stick to one brand.

Though practical considerations come top in terms of influencing decisions – 96% choose accommodation based on cleanliness, 93% for a good location and 92% for a good price – subtler, more experiential considerations also score highly. Around three-quarters of Asian travellers felt it was important to offer a unique experience that reflects the local culture. This gives hospitality players scope to differentiate beyond shiny bathrooms and special offers.

Opportunities for hospitality players

Glocal integration: As travellers seek more authentic cultural experiences from accommodation providers, hotels can challenge the idea that they are a “safe haven” from the foreign and unfamiliar external environment. How about providing the opportunity for new ways to make discoveries by helping guests and locals mingle? 44% of our survey respondents welcome the idea of hotels offering cultural exchanges and exposure to locals and their way of life. Taking this further could include:

- Rethinking common spaces, e.g. lobbies to be welcoming for both locals and guests and facilitating their interaction
- Creating a C2C platform that is certified by the hotel on which locals can share their personal experiences and insights about the area

Surprise and Delight

Many Asian travellers crave new and novel experiences – they are looking for what is ‘share-worthy’. In this context, hotels need to rise to the challenge and go beyond cookie-cutter rooms and services to surprise and delight guests. Asian consumers do not hold back in whatever is the latest that technology has to offer. Three-quarters of respondents welcome the idea of a virtual experience of their travel destination prior to purchase. Other ideas include:

- Developing an “alarm app” that provides daily surprises for guests during their stay, e.g. 50% off the breakfast buffet, an invitation to a local band jam session and so forth
- Using AR or VR to help further with trip planning or perhaps simply to reminisce/relive a great experience from the day once back in the comfort of the hotel room

Marriott Hotels’ “VRoom Service” allows guests at its premium properties in New York and London to loan a Samsung Gear VR headset for 24 hours. The devices come pre-loaded with stories of different travellers on unique travel journeys and viewers get to immerse in the destination in 360 3D with them.

Guests’ Social Network

Guests’ Social Network: We know that Asian travellers’ concern today is not so much how to make travel happen, but optimising the experience itself. There is permission for hospitality providers to get involved: 72% welcome the idea of more support from hotels once at the destination. Exploiting the opportunities presented by geo-targeting technology is an avenue rich with possibilities. Taking this further could involve:

- Facilitating guest interactions through a guest social network that provides a variety of activities to cater to the different traveller types, e.g. business networking for Opportunists, local meal sharing for the Explorers, bar hopping for the Connectors, carpooling to attractions for Followers and so forth

Closing Thoughts

The travel landscape in Asia Pacific is evolving and experiencing change across many different dimensions; and this change is rich in opportunities.

Growing affluence amongst newly emergent middle classes brings new priorities and aspirations. Travel is no longer seen as a luxury, but as a necessity which people will plan for with high expectations about the experiences they will enjoy.

The travel industry must be ready to respond and update their understanding of customers. Existing and new travellers defy categorisation as they switch between different modes and occasions. The experience of the trip itself no longer has a clear beginning and an end – it is likely to be a seamless flow between dreaming about possibilities and making them happen instantly, sharing experiences before, during and after, and more. Rather than sticking to standard analysis, evaluating Asian travellers through the lens of polarised attitudes towards taking control of the trip and motivations to travel reveal four clearly differentiated traveller types.



Closing Thoughts

**Within this,
technology is critical.
Technology has
already changed what
is possible in travel
and how travel is
searched, shopped,
sold and managed.**

Though often in effect invisible to travellers, technology now has an important role to play across every aspect of travel from websites and mobile apps, to airline and hotel reservation networks, to travel agent terminals and airport and hospitality check-in kiosks, interacting and impacting travellers across a variety of experience touch points.

Technology is welcomed – Asian travellers are keen for the opportunity to try new solutions and new devices. As experts in technology we know only too well that great technology has the power to re-define what we do more than we can possibly conceive. However, we are also ready to acknowledge that it is the evolving expectations of Asian travellers that will really shape what those changes look like. We have to get under the skin of the discovery-hungry Explorer, the sociable and influential Connector, the family-focussed Follower and the flexibility-seeking Opportunist.

Important regional differences also need to be taken into account. India is notable for the strong presence of opposing traveller types, the Explorer and the Follower. Japan is unique for the dominance of Followers amongst its travellers, whilst most travellers in Indonesia are Connectors. And if we are looking out at China, this is where almost half of travellers are Explorers, suggesting a great demand for depth and discovery.

For all types, delivering the best experience possible, whatever the moment, occasion or context, has to be the fundamental priority. Travellers now have high expectations and they do not want to be disappointed. Many are keen to get involved and we can provide the tools to help. Depth as much as breadth of exploration is important and we can help to bring a place to life and shine a light on all there is to offer. The challenge and opportunity lies in being equally salient and inconspicuous, supporting the polarised needs that exist in the market, both taking care of travellers and letting them take control – as and when they wish.

In this environment travel providers should be ready to stretch the boundaries of their capabilities, accepting that the market is in flux. New possibilities are appearing every day, both within and outside their control. For us, the task is to meet the needs of the keen Asian traveller and bring all our expertise to their fingertips. To lead change in this industry, we need to continue building on our capabilities and seek ways to connect with travellers.

“Holidays are an emotional experience for a human, we have to ensure that we maintain that emotional trust even as we evolve.”

- Veena Patil, Managing Director, Veena World

Methodology

This report is based on proprietary research conducted by The Futures Company for Sabre Corporation between June and August 2016.

A broad range of inputs were consulted, which included interviews with industry experts, Sabre leadership and their clients. The Futures Company's streetscaper missions were also conducted in 3 markets – China, India and Indonesia to uncover local insights and cultural commentary from the ground.

A key input into the report was a quantitative survey of over 3,000 business and leisure travellers from 10 markets in Asia Pacific: Australia and New Zealand, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea and Taiwan, with a sample size of approximately 300 travellers in each country. In total, 3,233 online surveys were completed with a representative sample of travellers who have at least travelled in the past 12 months and have initiated or planned for a trip before.

A supplementary China-focused research was also commissioned by Sabre Corporation in collaboration with Donghua University. Conducted via online survey and street intercepts, 1013 respondents participated in the study.

Additional insight was provided by secondary research, which included the review of existing intelligence and published sources on the travel industry such as Forrester, ITB and PhoCusWright.

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