



WHITE
BRIDGE



Forecasting Future Trends in the Global Luxury Hospitality Market

13 November 2013, Fairmont Le Montreux Palace, Montreux, Switzerland, www.hospitalitysummit.com



Philip Camble
Director
Whitebridge Hospitality Ltd



A Journey through Trends in

1. Supply
2. Demand
3. Consumers
4. Design



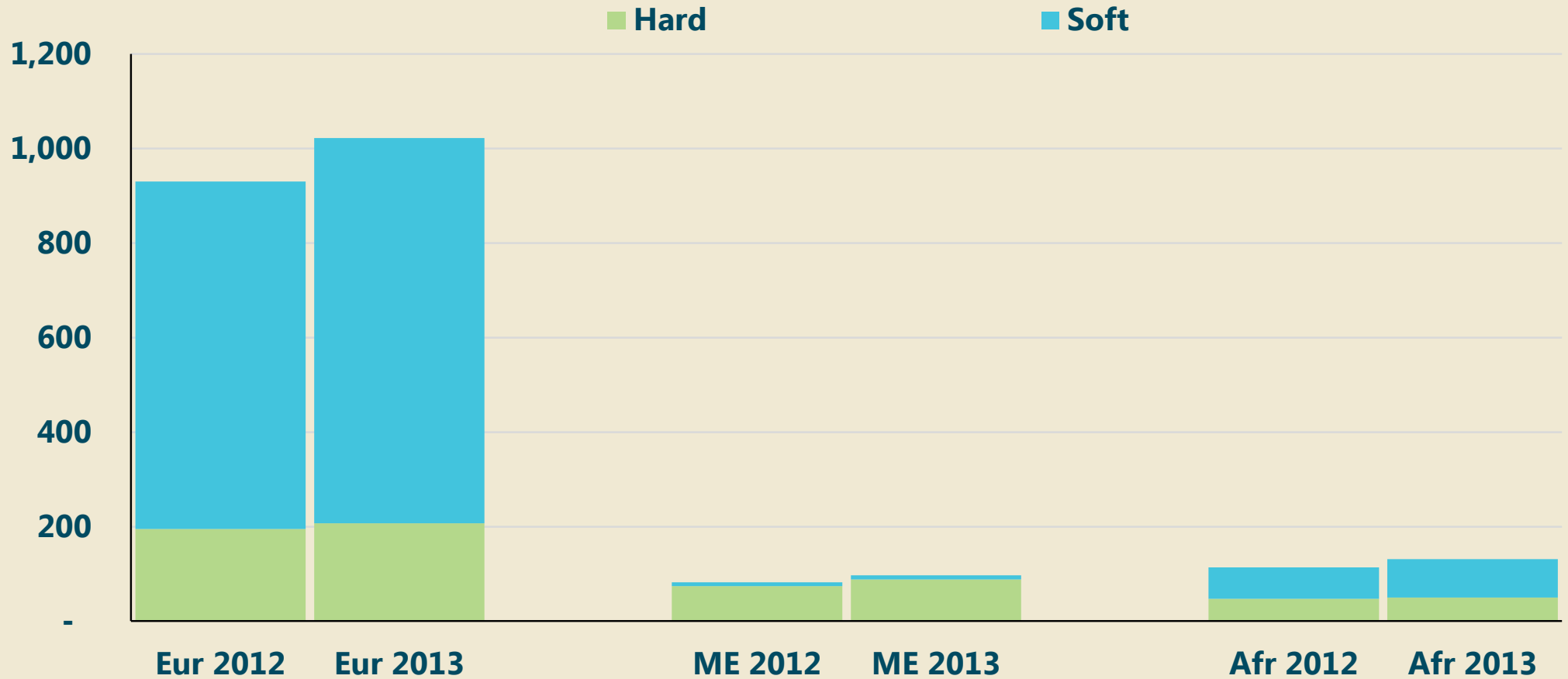


Trends in Supply



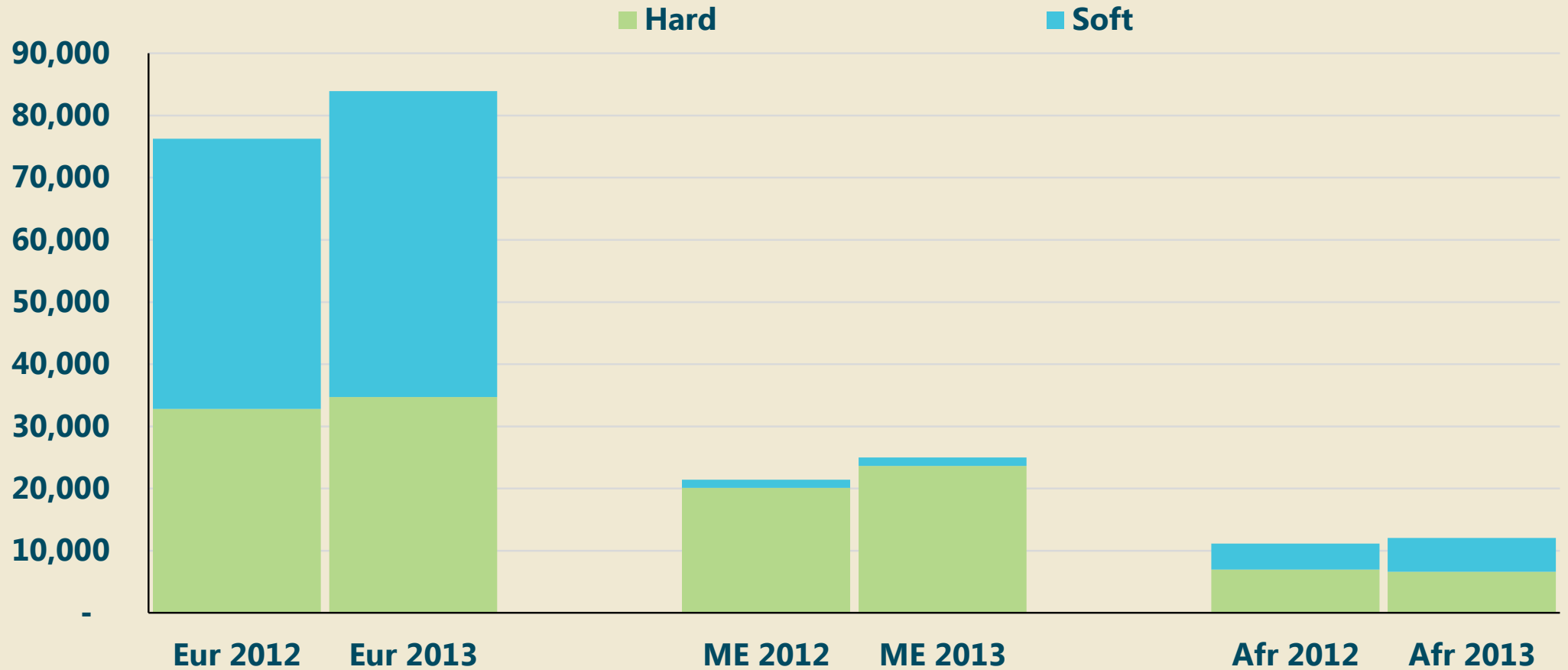


Growth in Number of Luxury Branded Hotels – EMEA



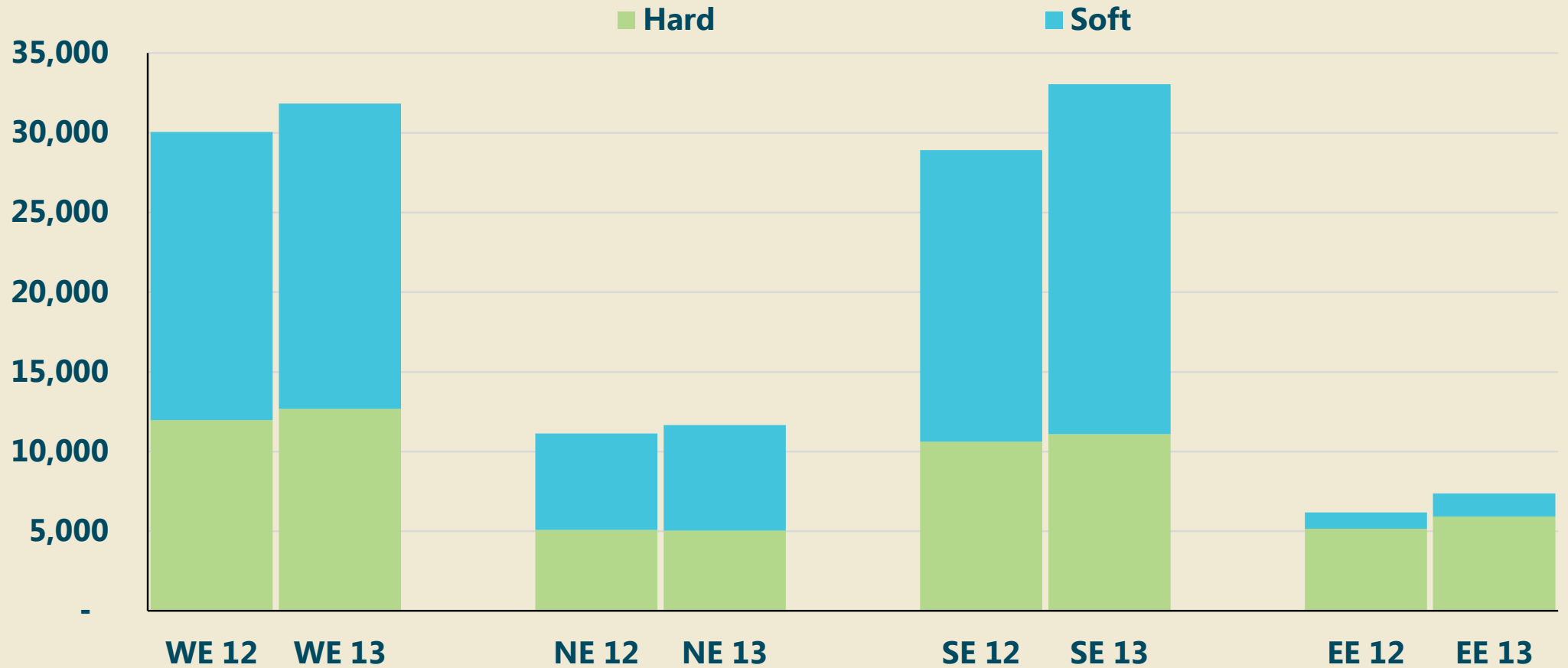


Growth in Number of Luxury Branded Hotel Rooms – EMEA



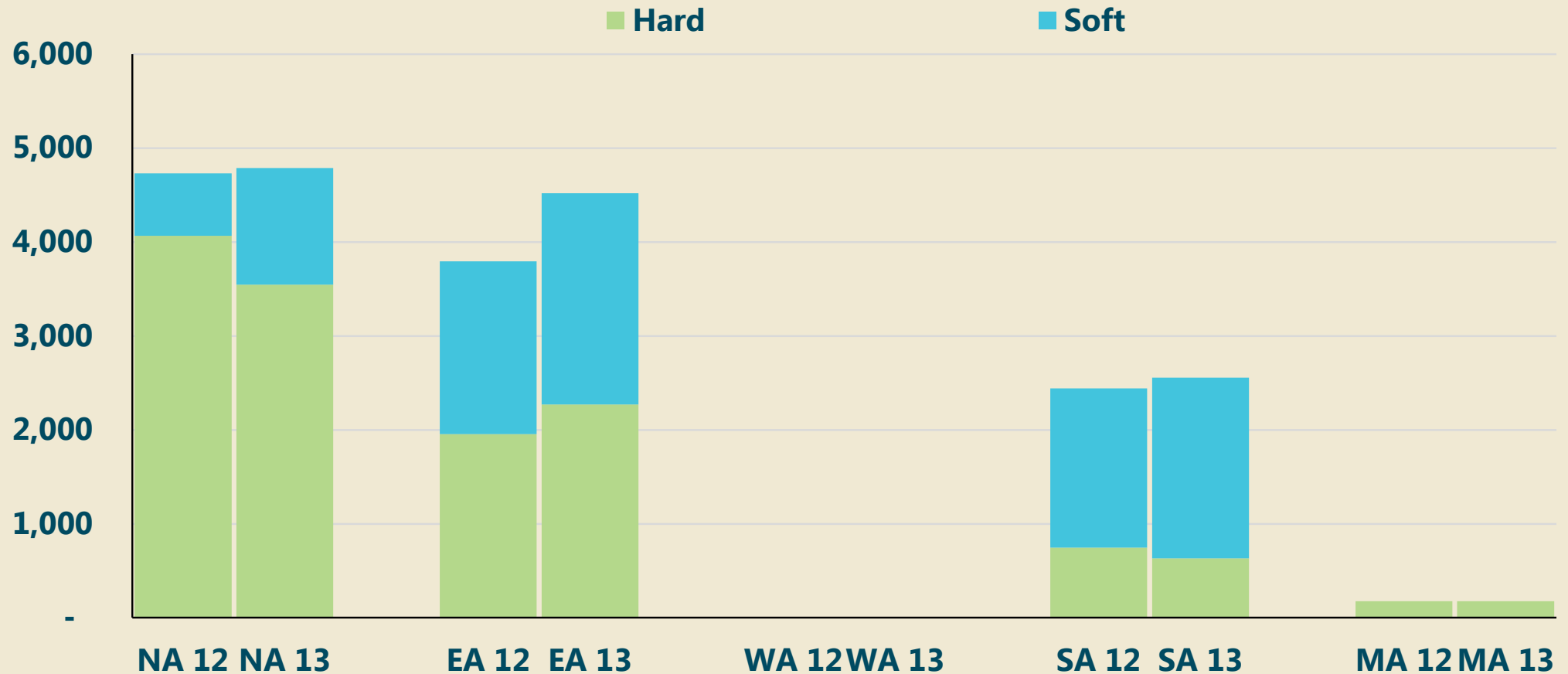


Growth in Number of Luxury Branded Hotel Rooms – Europe



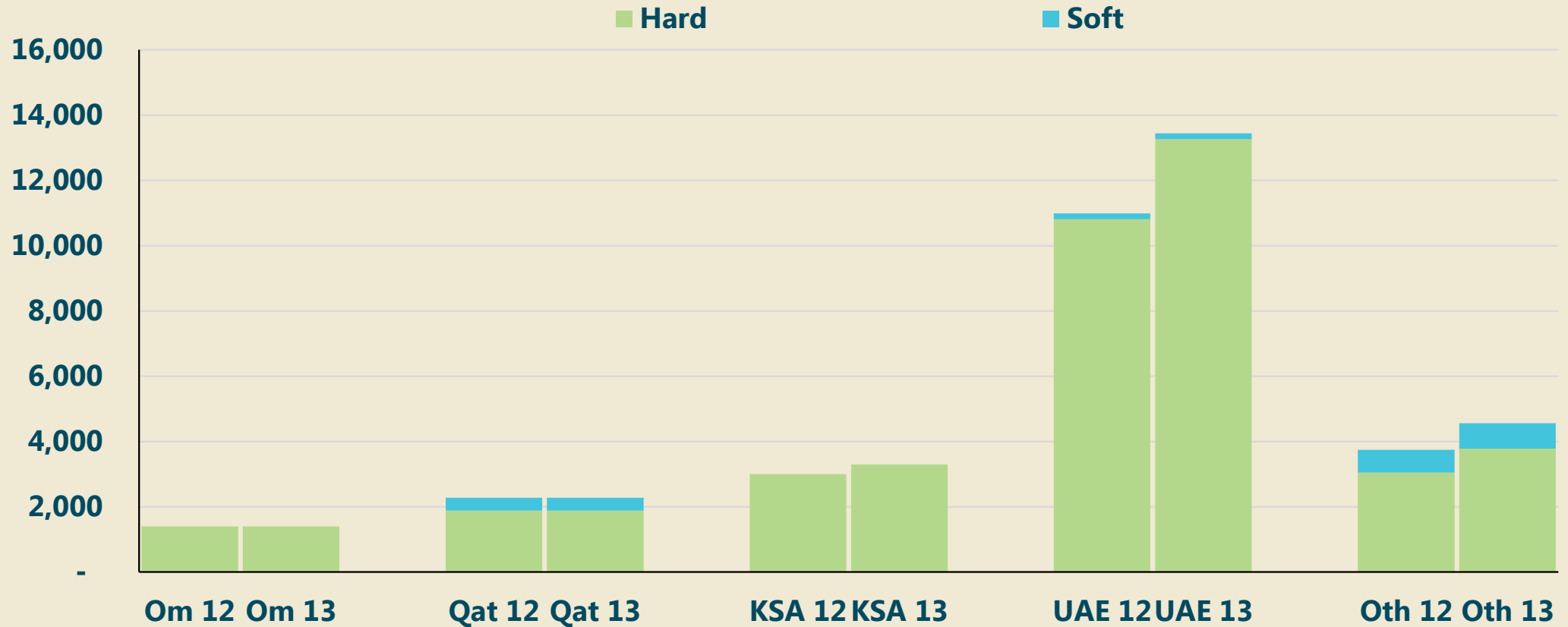


Growth in Number of Luxury Branded Hotel Rooms – Africa



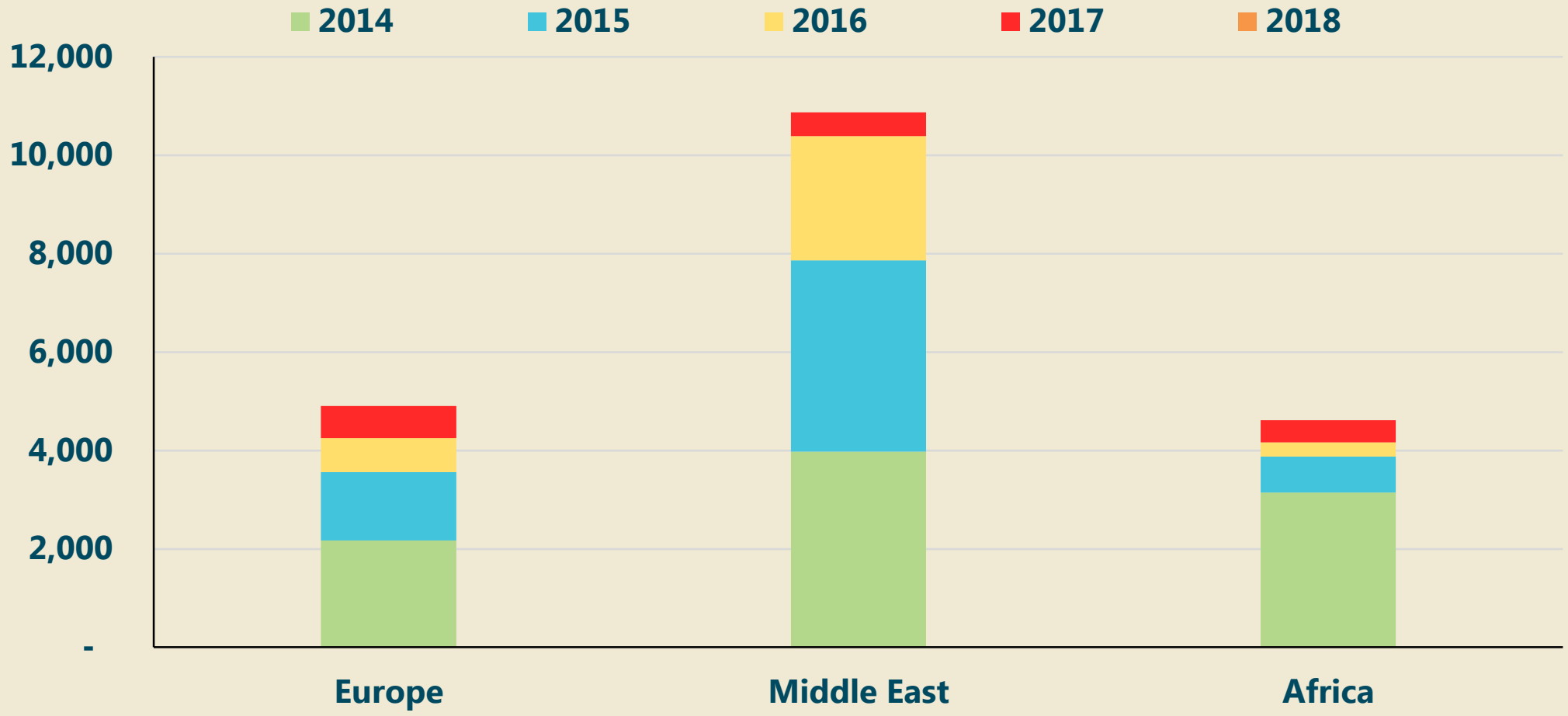


Growth in Number of Luxury Branded Hotel Rooms – Mid East



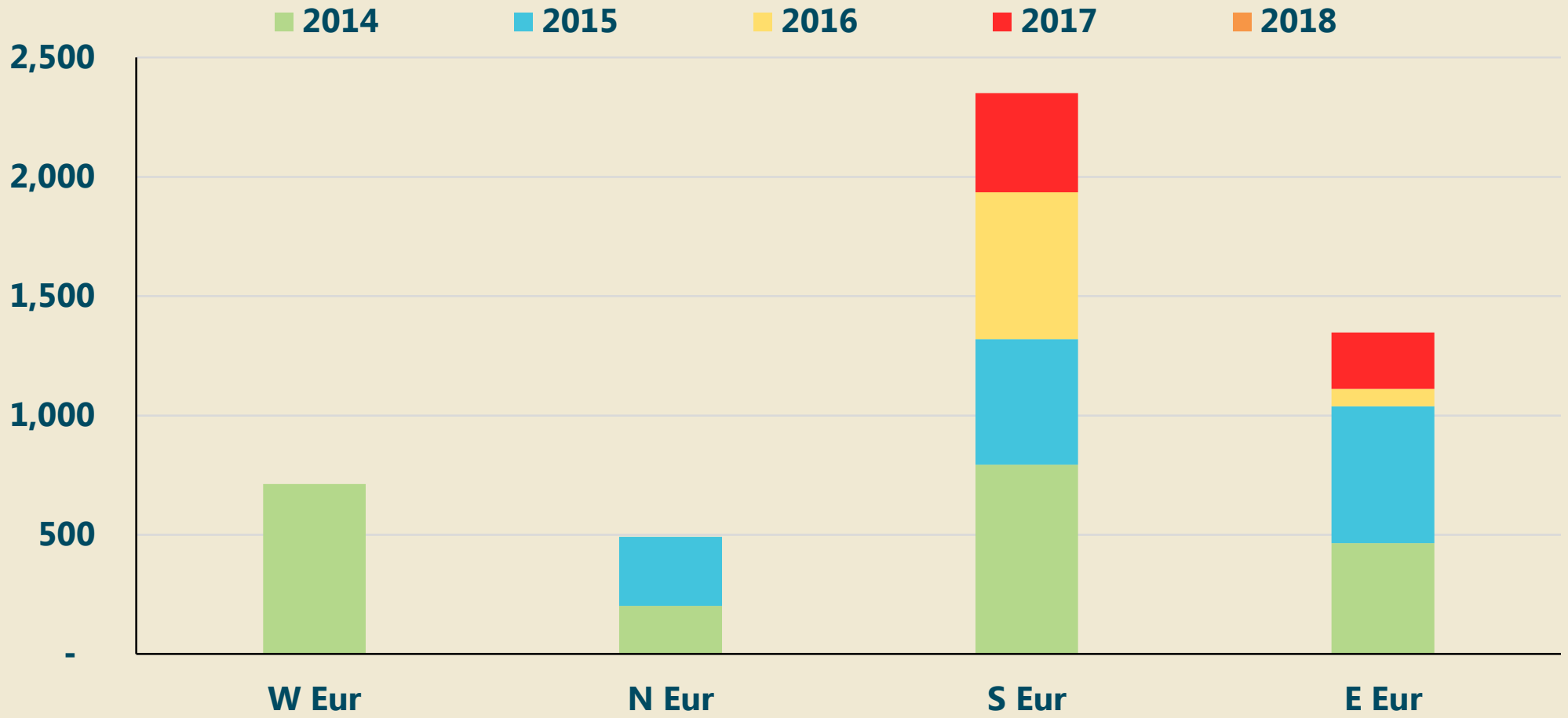


Pipeline – EMEA



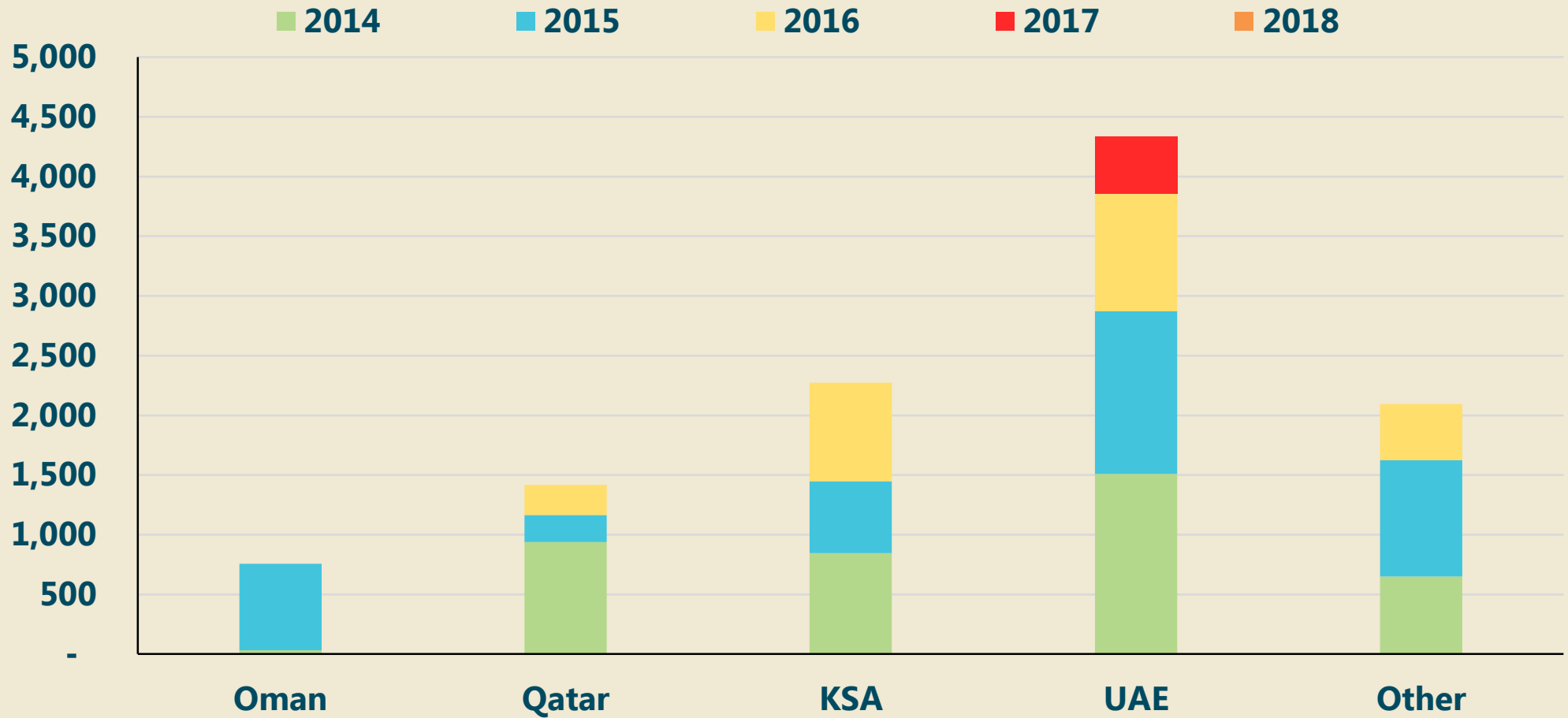


Pipeline – Europe



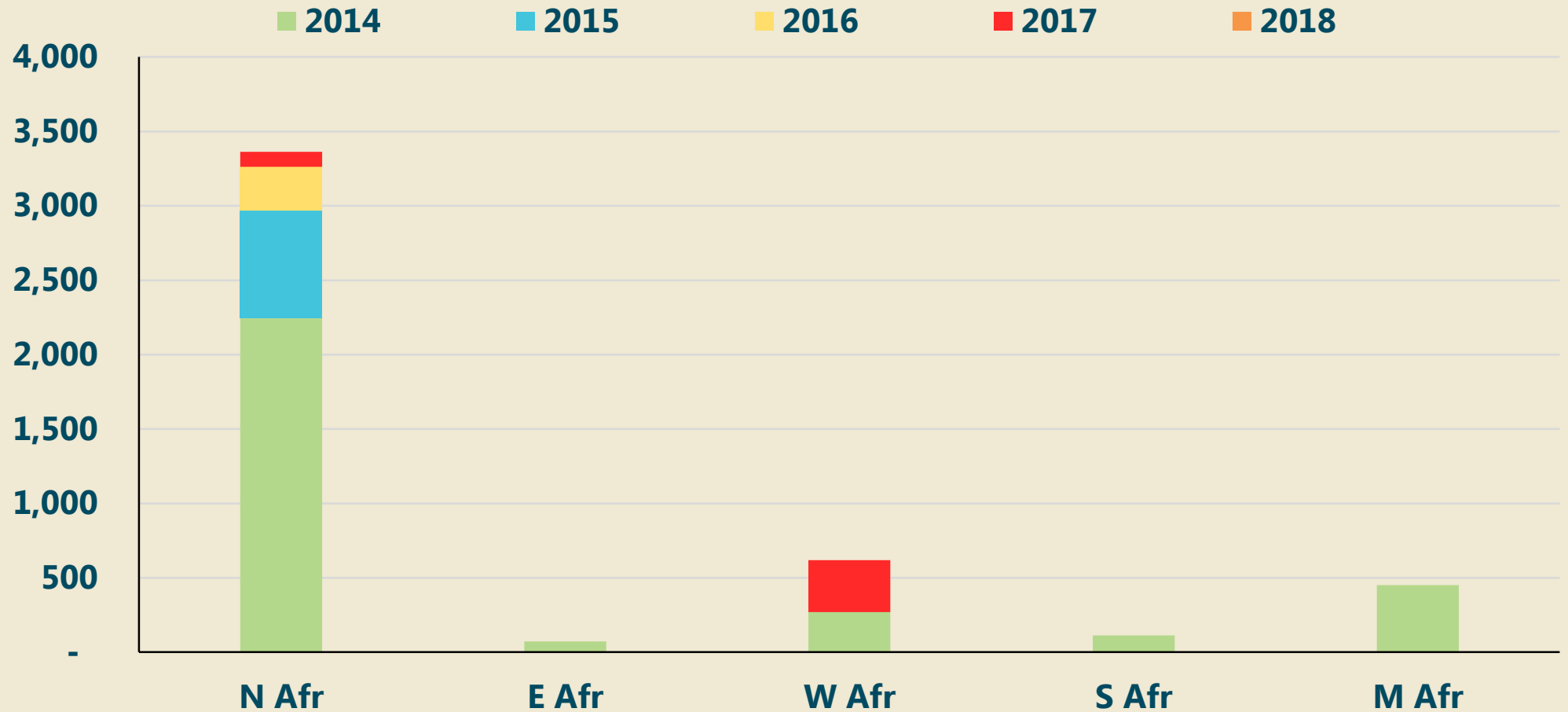


Pipeline – Middle East

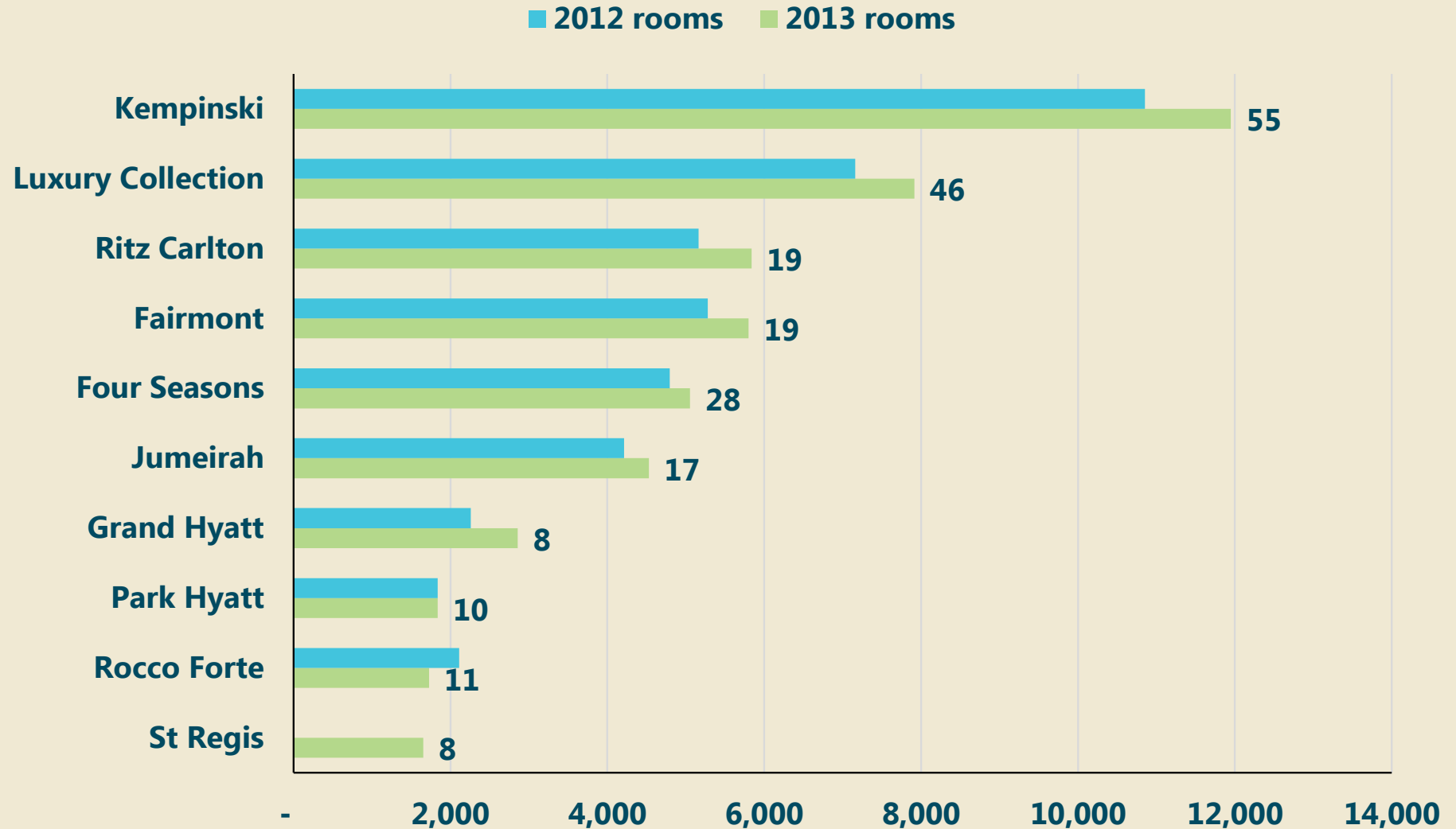




Pipeline – Africa

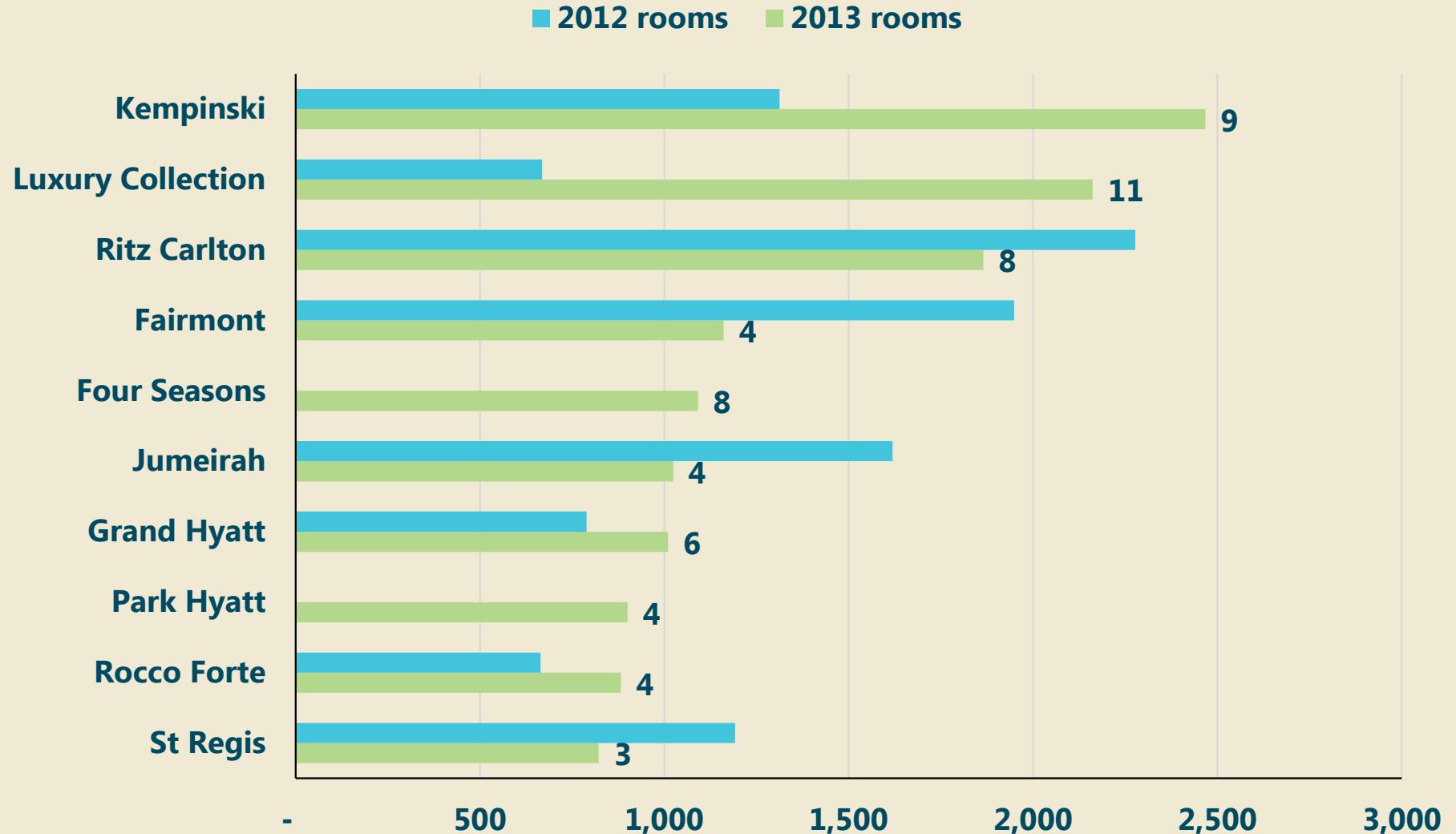


Top 10 Brands – Existing Portfolio





Top 10 Brands – Size of Pipeline



Most Expensive Hotels in the World

	Hotel	Location	Branding	Rooms	Rate (US\$)
1	North Island	Seychelles	-	11	5,843
2	Laucala Resort	Fiji	LHW	25	5,040
3	Khwai River Lodge	Botswana	Orient-Express	15	4,060
4	Savute Elephant Camp	Botswana	Orient-Express	8	4,020
5	Eagle Island Camp & Spa	Botswana	Orient-Express	15	3,970
6	Singita Grumeti Reserves	Tanzania	Relais & Chateaux	5	3,570
7	King Pacific Lodge	Canada	-	17	3,249
8	Mnemba Island Lodge	Tanzania	-	22	3,100
9	Hotel Cala di Volpe	Italy	Starwood	124	2,939
10	Queen Charlotte Lodge	Canada	-	45	2,800
11	Le Dune, Forte Village Resort	Italy	LHW	63	2,778
12	Singita Lebombo Lodge	South Africa	Relais & Chateaux	15	2,634
13	Four Seasons Tented Camp	Thailand	Four Seasons	15	2,470
14	The Wakaya Club & Spa	Fiji Islands	-	11	2,240
15	Maia Luxury Resort & Spa	Seychelles	LHW	30	2,238

Source: www.luxury-hotels.com

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Source: www.luxury-hotels.com



2012 Best of the Best Award Winners

Hotel	Location	Branding	Rooms
Best Achievement in Design	Park Hyatt Sydney (Australia)	Hyatt	155
Best Culinary Experience	Mandarin Oriental Paris (France) <i>Sur Mesure</i>	Mandarin Oriental	138
Best Bar	Montage Beverly Hills (USA) <i>£10</i>	Montage	203
Best Family Program	Four Seasons Resort Punta Mita (Mexico)	Four Seasons	140
Best Spa	Le Royal Monceau – Raffles (France) <i>Spa My Blend by Clarins</i>	Fairmont-Raffles	149
Most Innovative Guest Experience	Las Ventanas al Paraiso (Mexico) <i>Challenge the Chef</i>	Rosewood	71
Most Socially Responsible	Lefay Resort & Spa (Italy)	LHW/SLH	90
One to Watch	Amanruya (Turkey)	Aman Resorts	36
Hotelier of the Year	Villa d'Este (Italy) Snr Danilo Zucchetti	LHW	152
Hotel of the Year	The Beverly Hills Hotel (USA)	Dorchester Collection	208



2012 Best of the Best Award Winners – Park Hyatt Sydney





2012 Best of the Best Award Winners – Park Hyatt Sydney



2012 Best of the Best Award Winners – Le Royal Monceau

Spa My Blend by Clarins

- 1,500 sqm
- 23m pool
- Fitness room
- Multiple relaxation areas
- Access from all floors
- Personally tailored products



2012 Best of the Best Award Winners – Lefay Resort & Spa

Architecture

- Morphological integration
- Heat Insulation

Energy Saving

- Biomass plant
- Micro-turbines cogen. plant
- Absorption cooling system

Water Saving

- Rainwater collection
- Laundry management

Waste Management





2012 Best of the Best Award Winners – Lefay Resort & Spa

Social Responsibility

- Human resources
 - Training
 - Career paths
 - Quality accommodation
 - Accountability
- Local Community Support
 - PR activities
 - Coop. with local associations
- Supply Chain Management
 - Int'l certification standards
 - 70% are "KM 0"





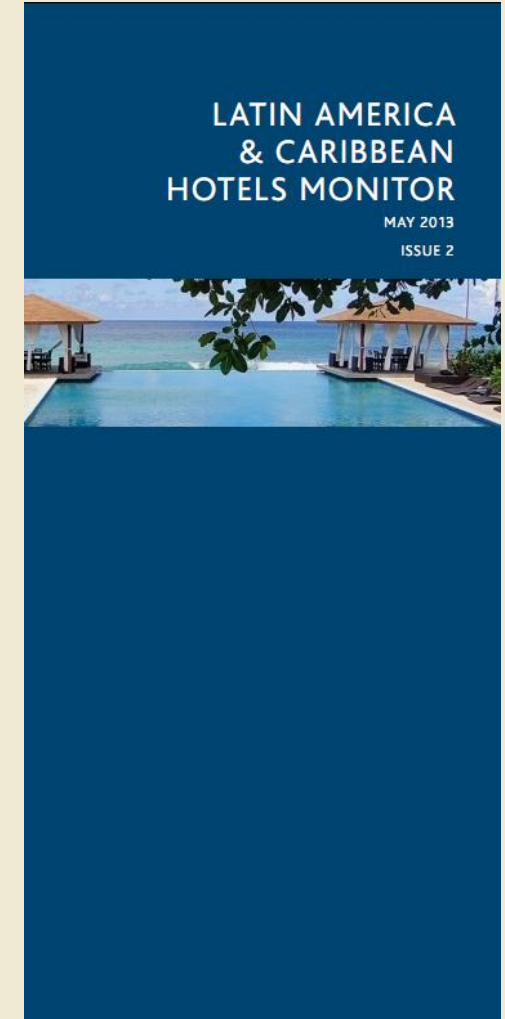
Trends in Demand



Trends in Demand

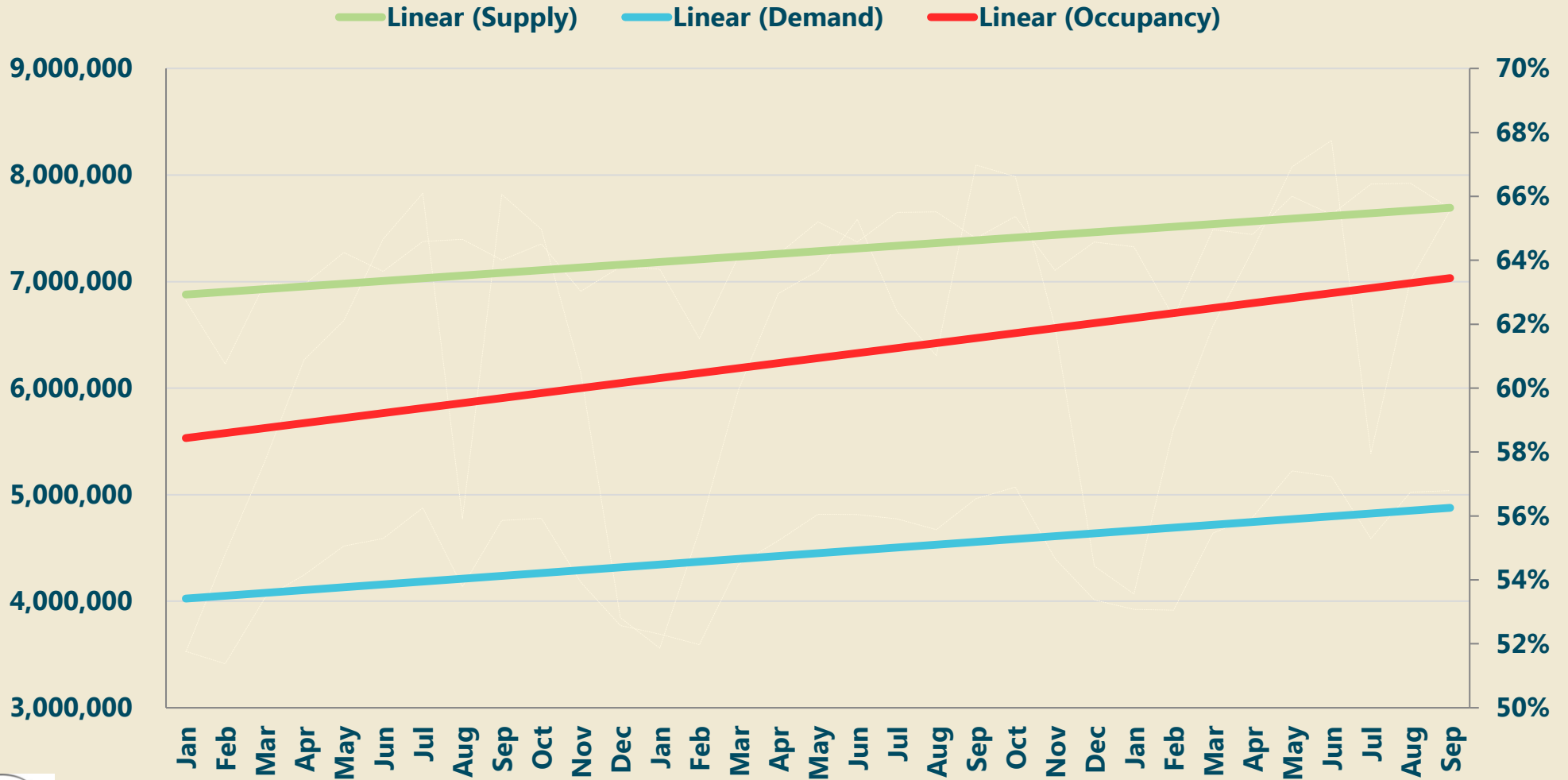
STR Global

- Hotel Performance Database
 - 46,000 hotels globally
 - ADR + occupancy reports
 - P&L reports
 - Pipeline reports
 - Forecasting
- Hotel Monitor
 - EMEA
 - LAC
 - AP



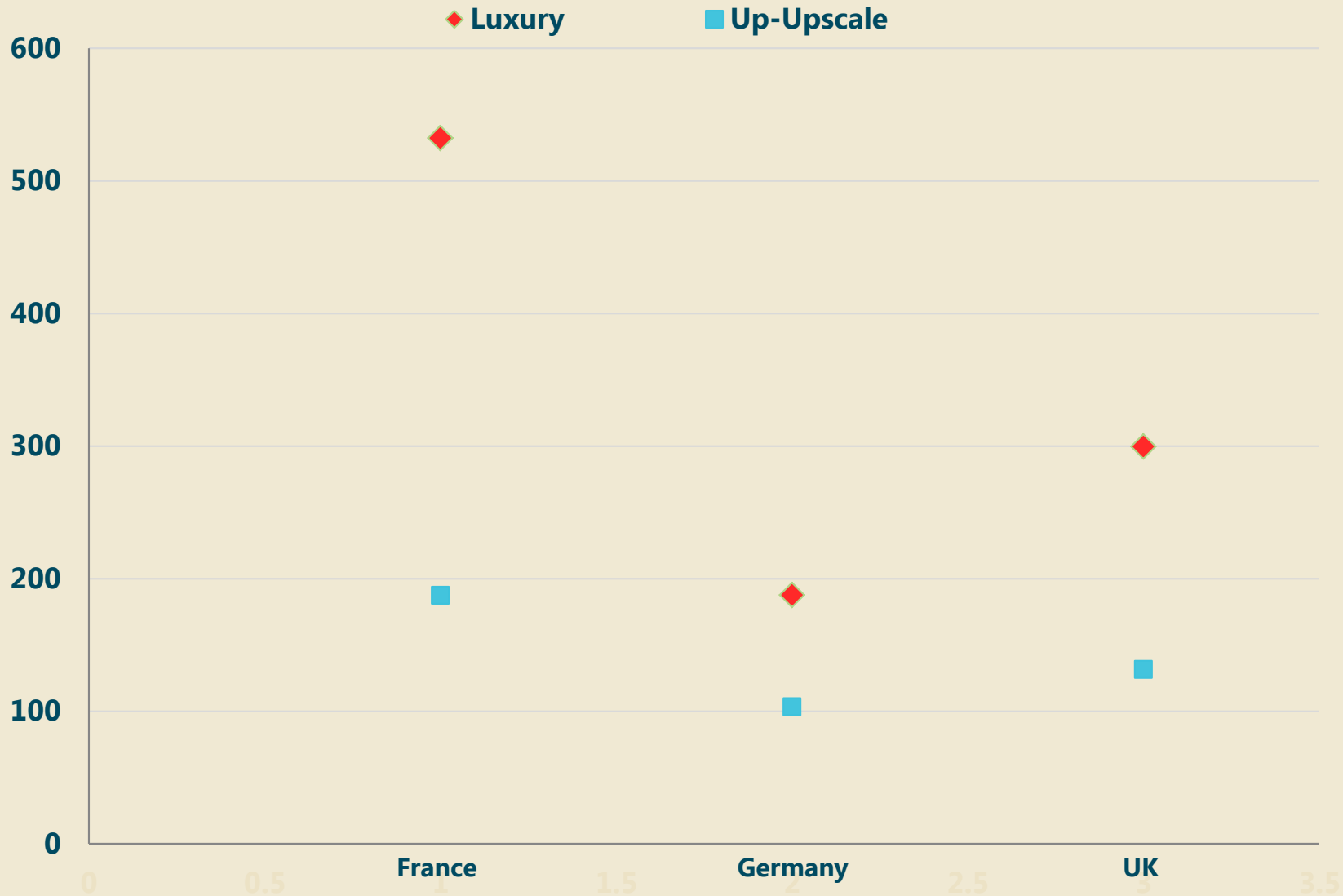


Demand v Supply Across EMEA (2011-YTD 9.13)





RevPAR Premium (US\$, YTD 9.13)



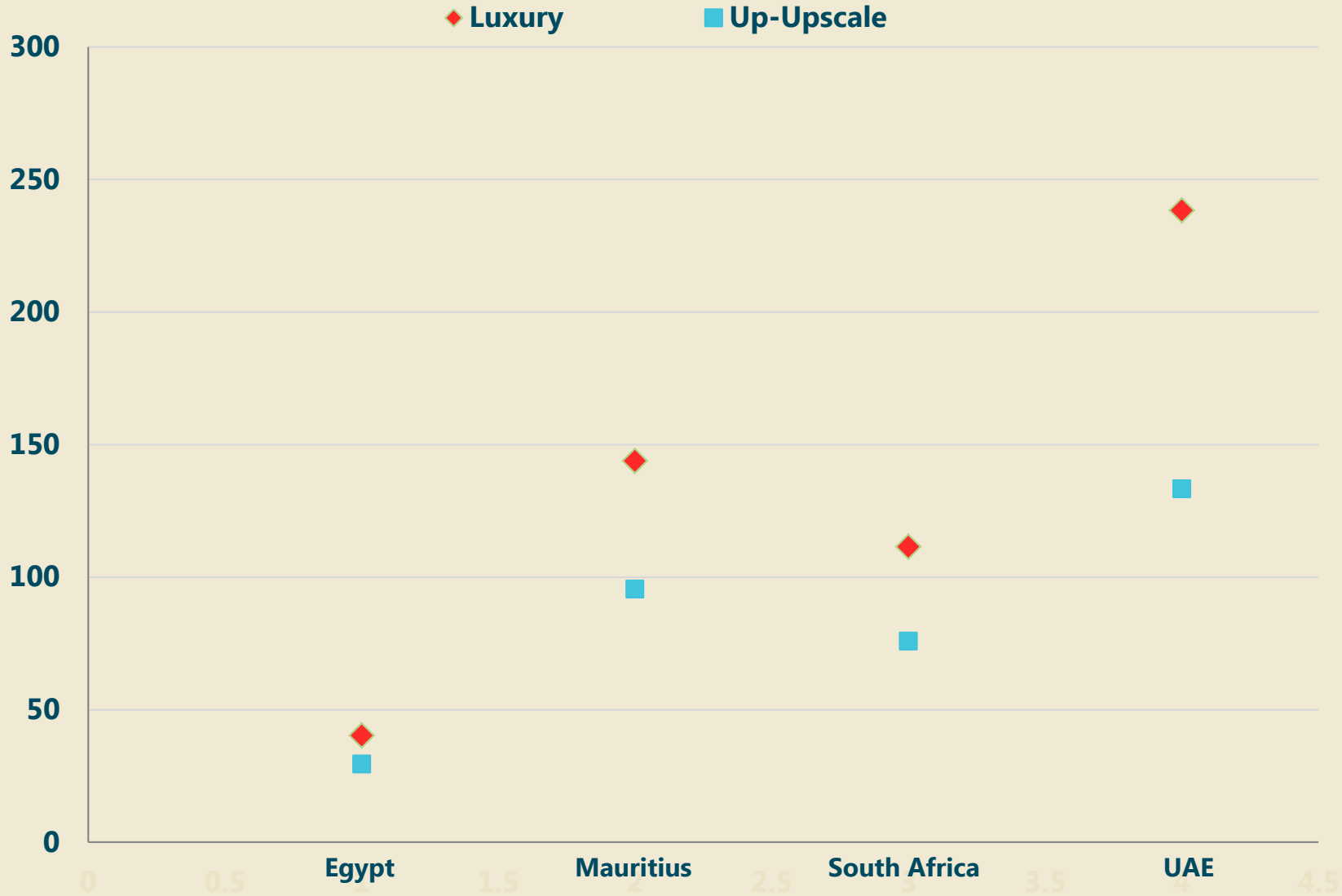


Domestic Germany



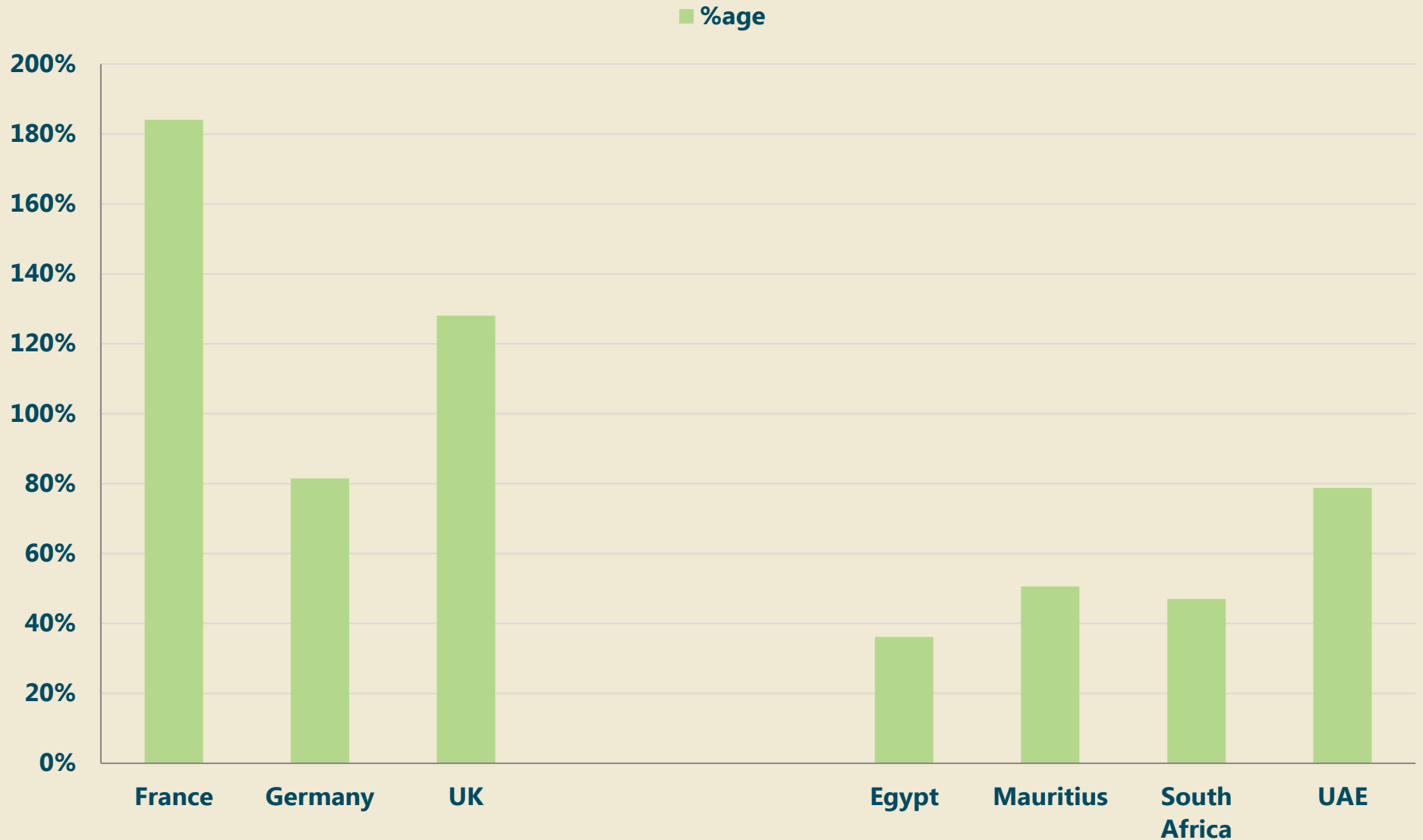


RevPAR Premium (US\$, YTD 9.13)



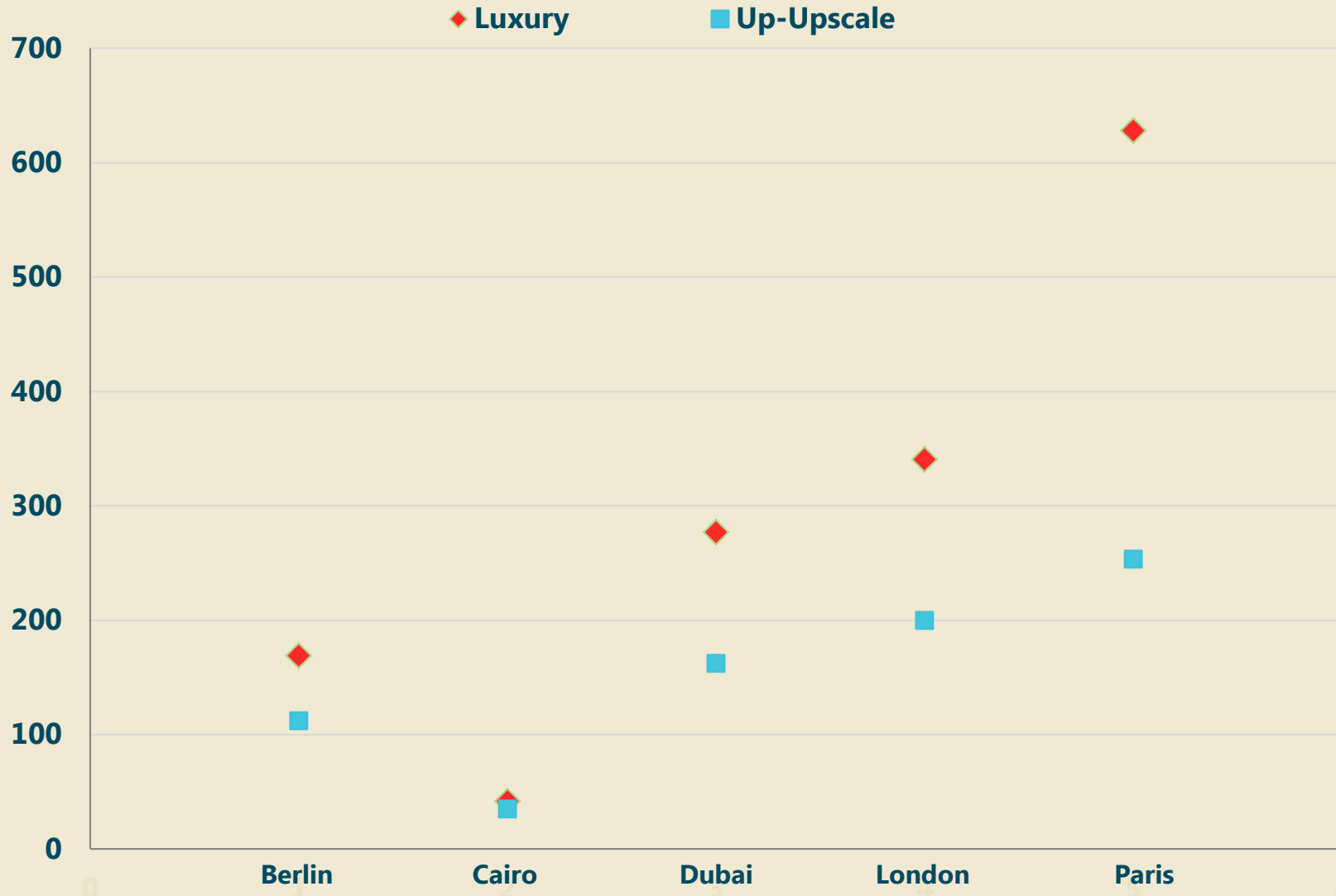


RevPAR Premium (YTD 9.13)



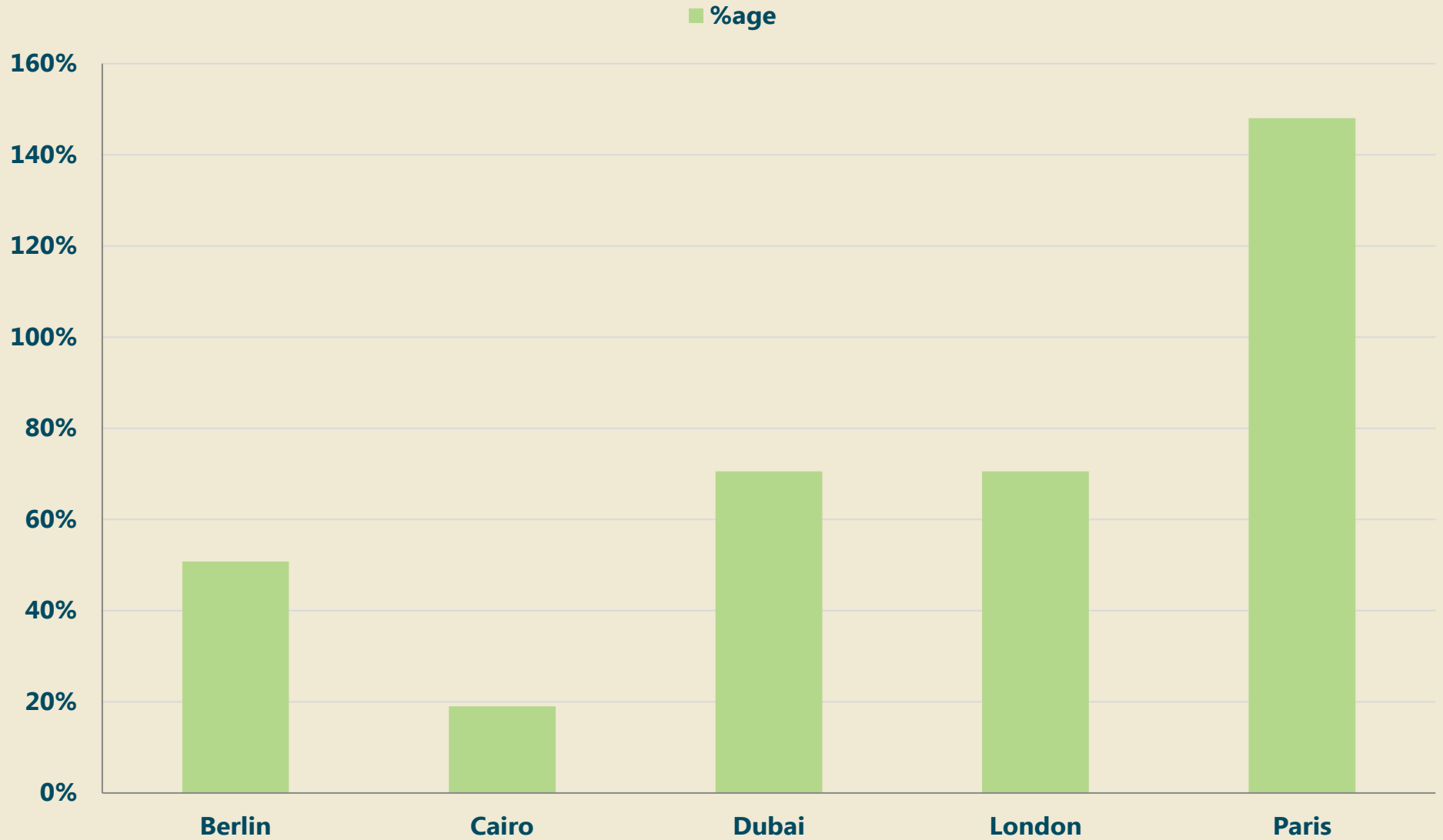


RevPAR Premium (US\$, YTD 9.13)





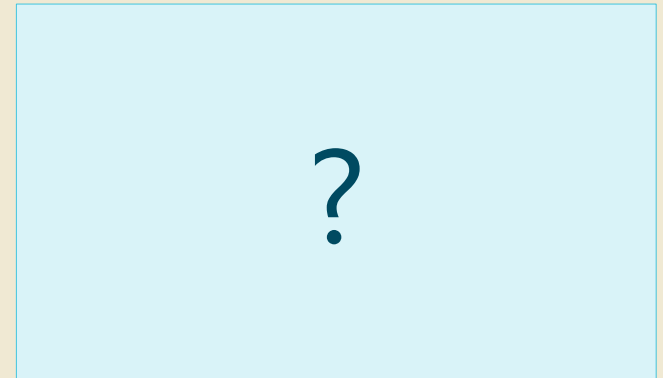
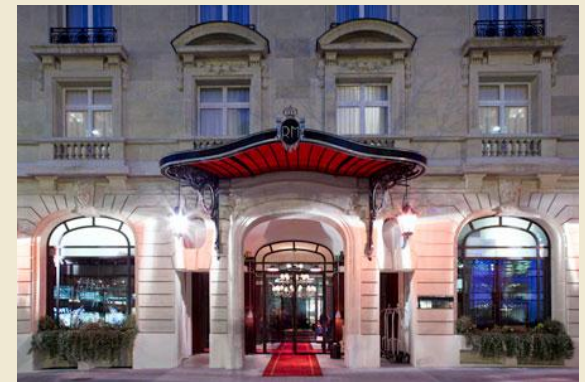
RevPAR Premium (YTD 9.13)



Amazing Paris

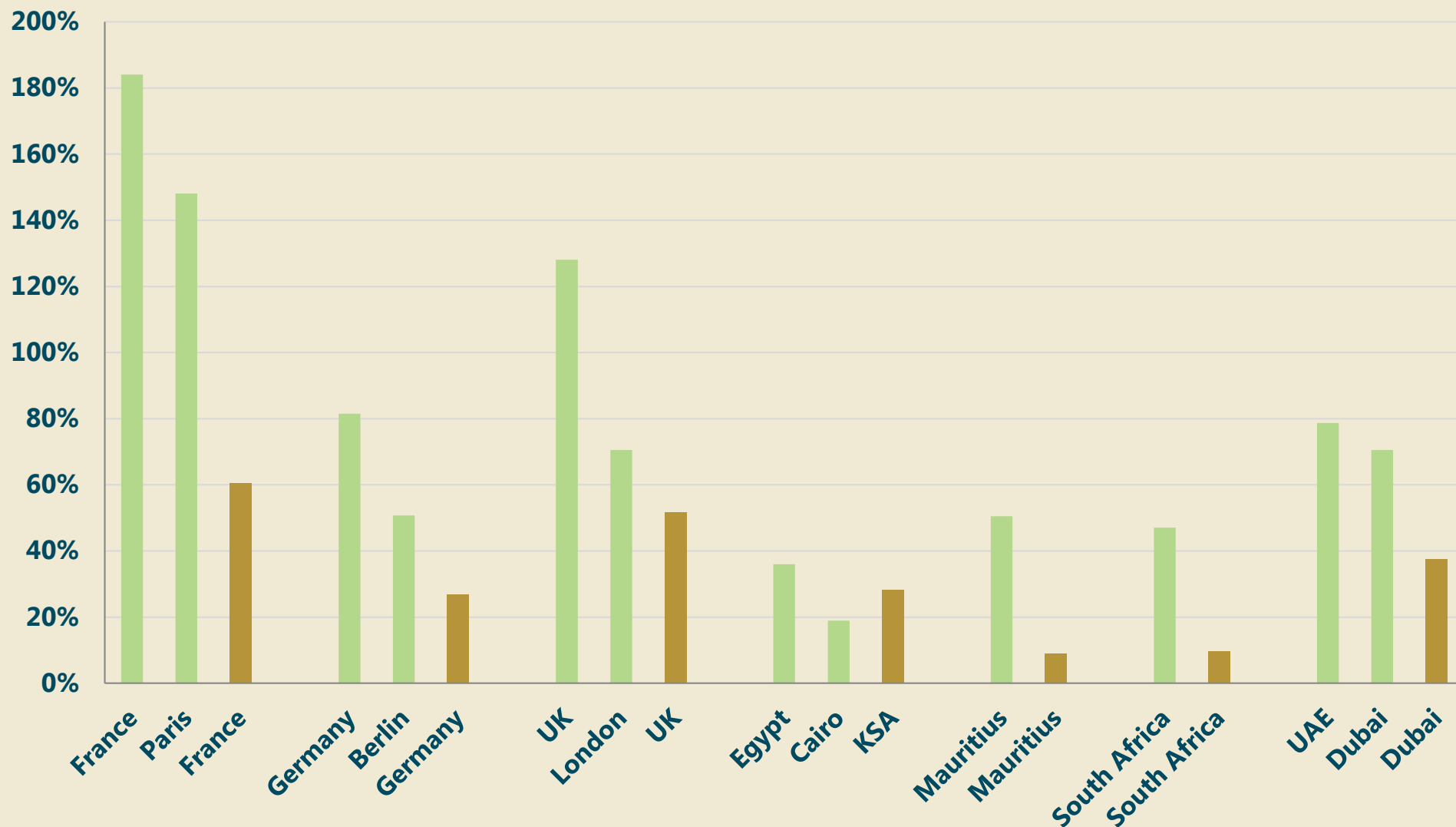


Amazing Paris

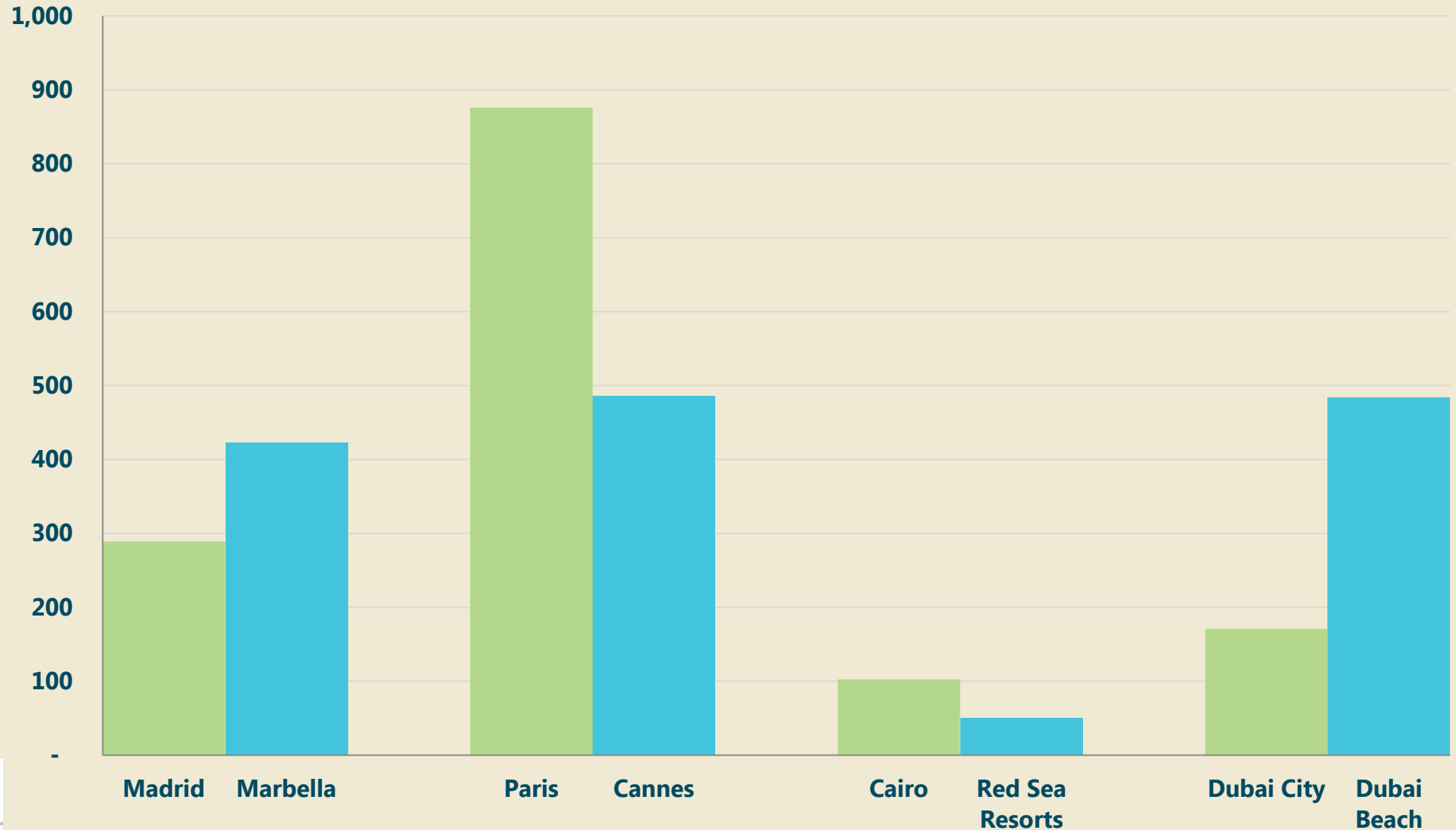




Is Luxury Worth It?



ADR Premium – City v Resort (US\$, YTD 9.13)



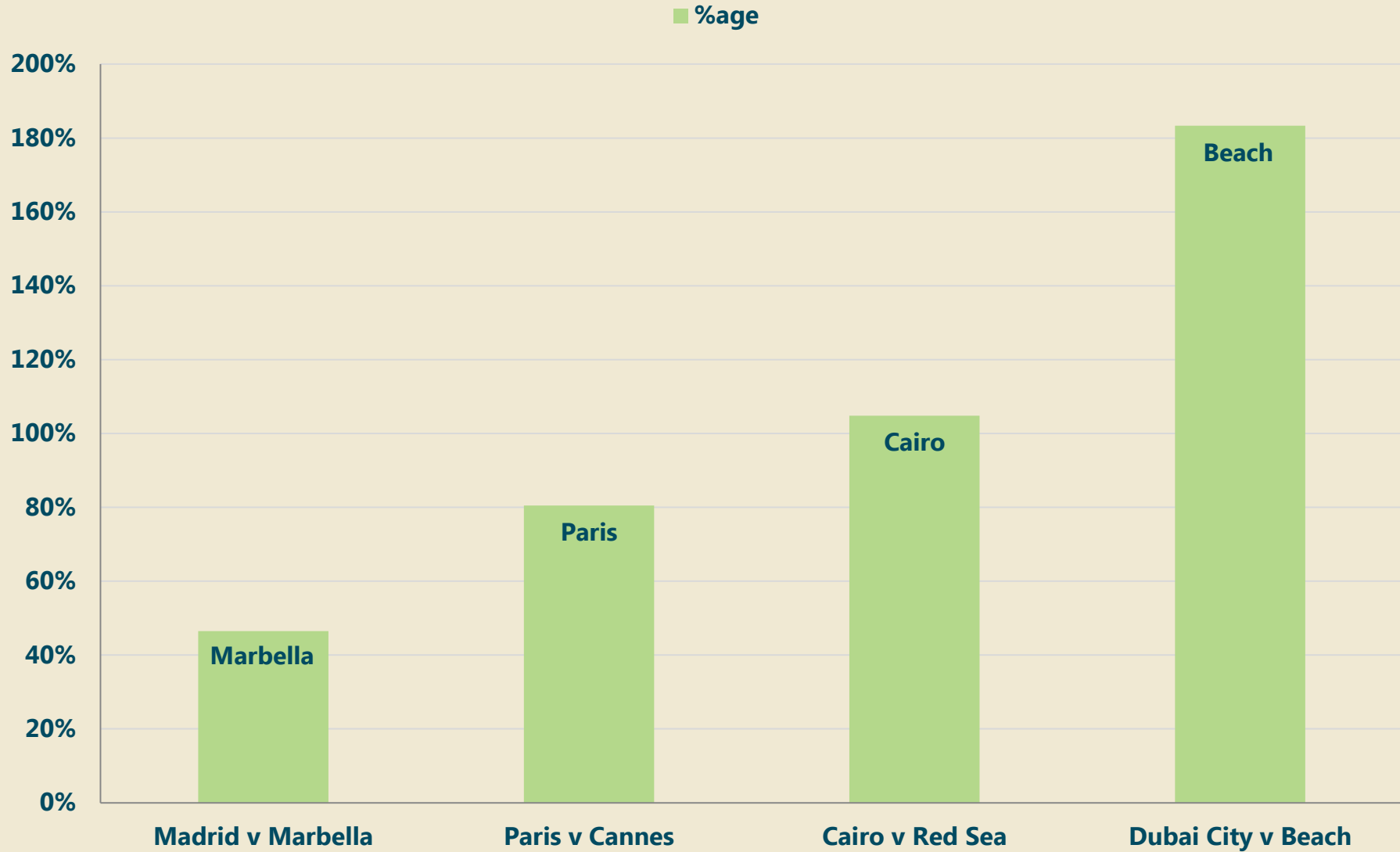


Few Luxury Red Sea Resorts





ADR Premium (YTD 9.13)





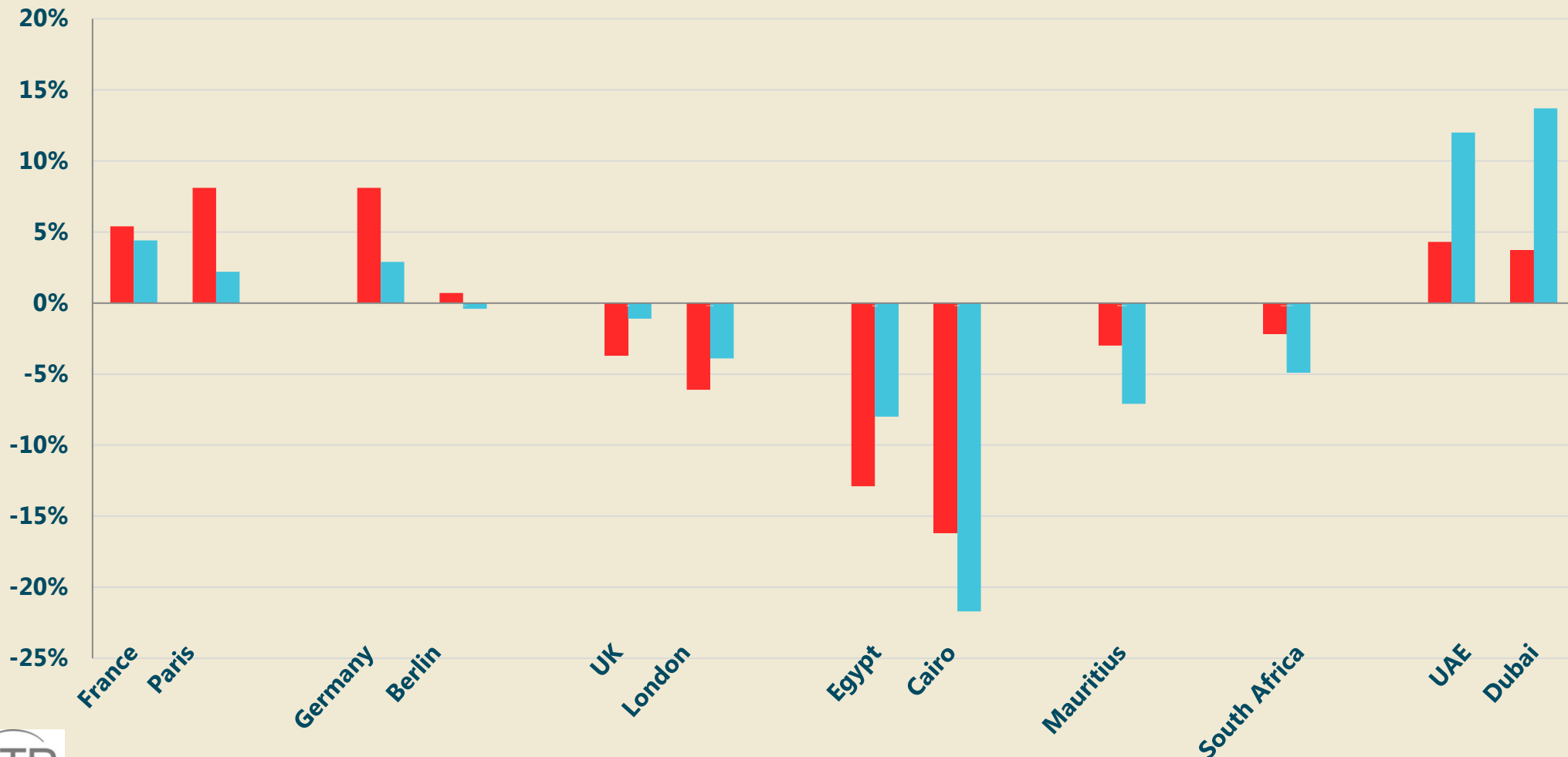
Dubai Beach Dominates





RevPAR Growth (YTD 9.12 v YTD 9.13)

■ Luxury ■ Up-Upscale



Trends in Consumer Behaviour

High Level Trends

- Are you a HENRY?





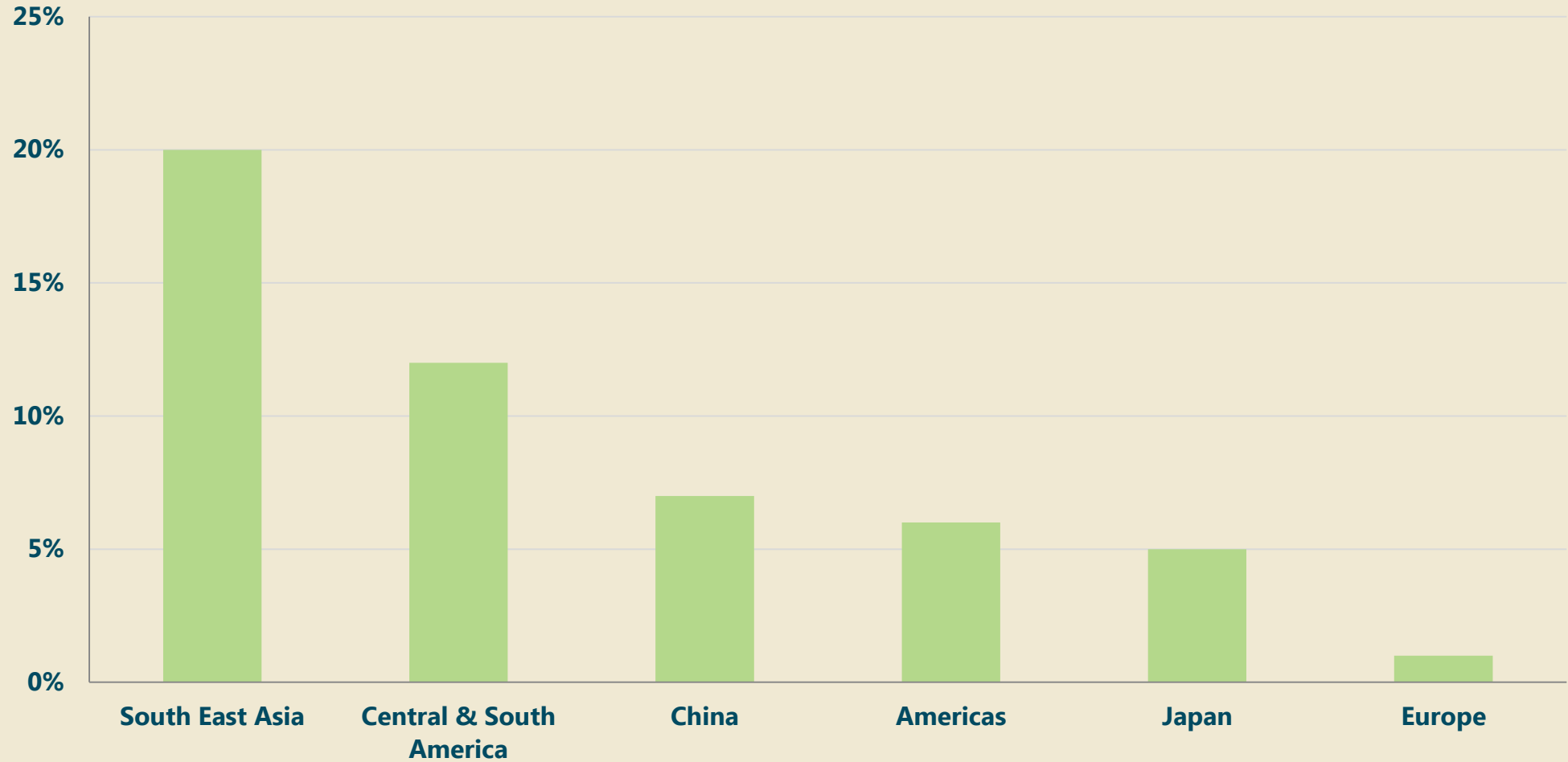
Trends in Consumer Behaviour

High Level Trends

- HENRY – High Earner, Not Rich Yet
 - Financially vulnerable
 - Falling home prices
 - Income gains below inflation
 - Unemployment
 - Recession and cash preservation
 - In 2006-2007 spent perceived wealth, not spending their real income
- Potential impact of the HENRYs
 - 10x more HENRYs than ultra-affluent individuals
 - 18% of US population
 - 40% of total spend



Trends in Consumer Behaviour

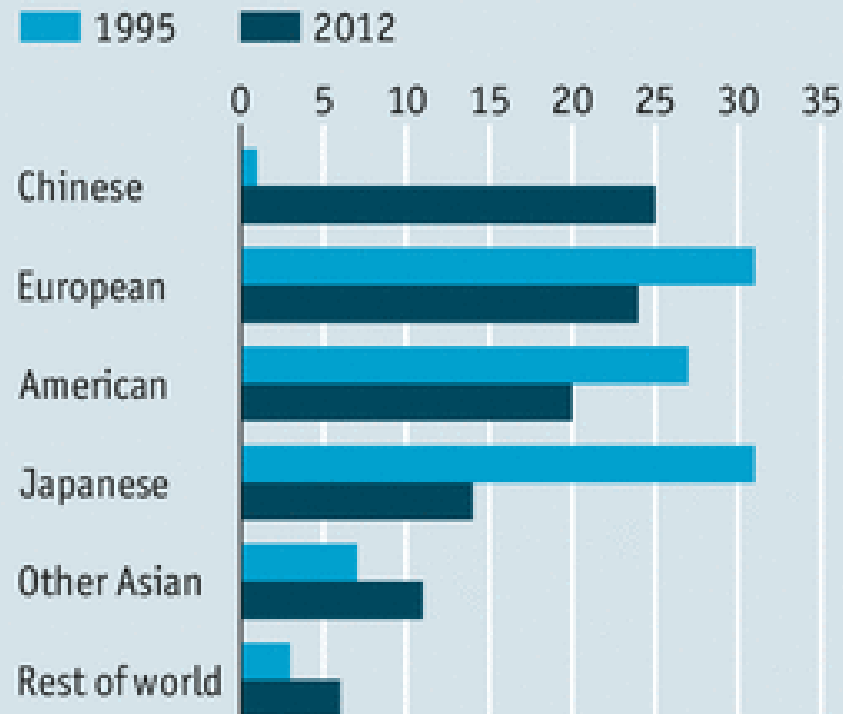


Source: Bains & Co

The Chinese are Here

Buying handbags by the dozen

Luxury-goods market by consumer nationality, %



Source: Bain & Company



The Luxury Chinese Top Threes

Preferred Leisure Pursuits

1. Travel
2. Reading
3. Tea tasting

Preferred Sports

1. Swimming
2. Golf
3. Mountaineering

Preferred Source of Information

1. Internet
2. Word of mouth
3. Magazines

Hotel Selection Criteria

1. Location
2. Brand awareness
3. Service

Main Distribution Channels

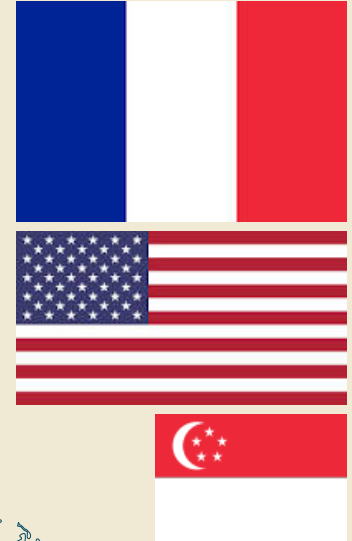
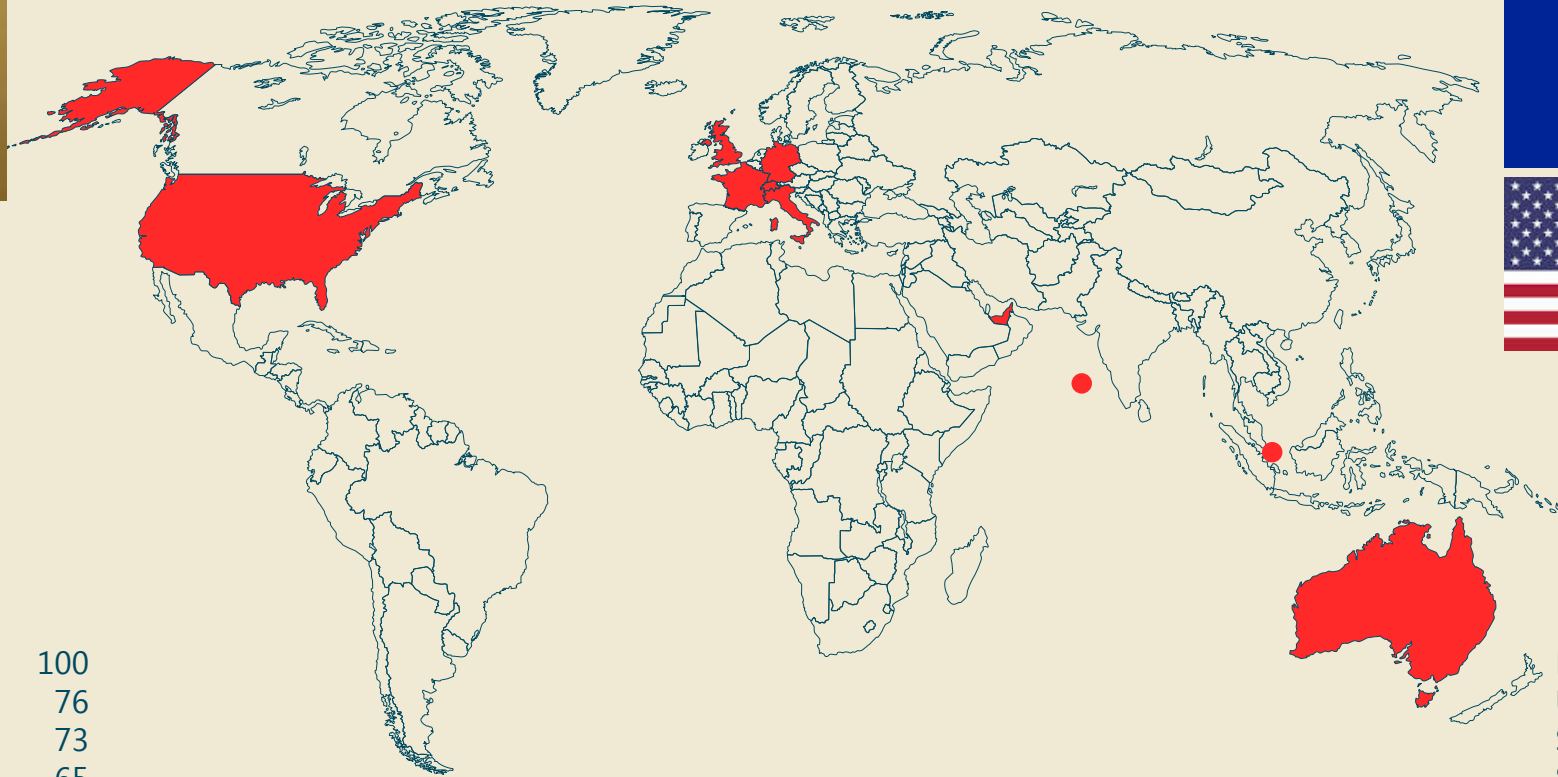
1. Domestic travel agent
2. Local business partner
3. Direct consumer booking

Reasons for Booking

1. Shopping
2. Culture
3. Local cuisine



The Luxury Chinese Preferences



Shangri-La	100
Hilton	76
Peninsula	73
Sheraton	65
Grand Hyatt	61
Ritz Carlton	58
Park Hyatt	57
Mandarin Oriental	56
Four Seasons	50
Marriott	47

France	100
USA	99
Singapore	78
Switzerland	68
UK	65
Italy	61
Australia	57
Dubai	50
Germany	48
Maldives	41



Trends in Consumer Behaviour

Plan for Future Success

- Global luxury market will be 5x larger in 2025 compared to 2005
- Get ready for “Luxury 2.0”
 - Superior Customer Experience (word of mouth promoters, maintain constant drum-beat of the new)
 - Flawless Retail Management (more compelling engagement to wow the luxury traveller, inviting and personalised services)
 - People Excellence (invest in staff training and development)



The Generation Game

Generation	Year of Birth	Other Names
GI	1925 - 1945	Traditional Conservatives Silent
Baby Boomers	1946 - 1964	Boomer Me Generation
Generation X	1965 - 1980	Xers 13 th Generation
Generation Y	1981 – 2000s	Millennials Generation Next

The Generation Game – GI

Birth Year

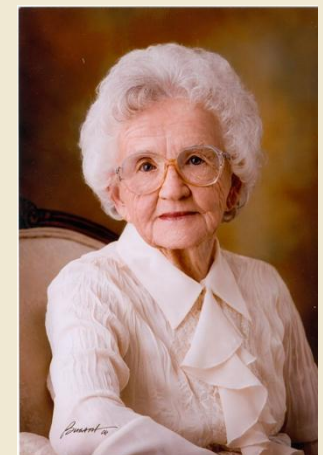
1925-1945

Values

- Conformism
- Thrift
- Maturity

Work-Related Values

- Obedience
- Loyalty
- Obligation
- Security



The Generation Game – Baby Boomers

Birth Year

1946-1964

Values

- Idealism
- Creativity
- Tolerance
- Freedom

Work-Related Values

- Workaholism
- Criticism
- Innovation



The Generation Game – Generation X

Birth Year

1965-1980

Values

- Individualism
- Scepticism
- Flexibility



Work-Related Values

- Learning
- Entrepreneurial
- Spirit
- Materialism



The Generation Game – Generation Y

Birth Year

1981-2000s

Values

- Moralism
- Confidence
- Positivity
- Environmental Consciousness

Work-Related Values

- Passion
- Balance
- Security
- Leisure



Design Trends





Focus of Generation Y

Characteristics

- Carry 3-4 mobile devices
- Face-to-face communication less important
- Loud voice that carries quickly over social media
- Less emphasis on individual more on teams
- Will work any time, any where, thus merging work and play

Focus of Generation Y

Characteristics

- Want to be engaged and have personal experience – soft branding?
- Instant gratification
- Brand loyalty less important
- More individual experiences
- Will spend more time in a hotel, must feel a connection
- Want to share something cool and unique
- The cooker-cutter hotel look is out
- Something they can share on Twitter – stimulation!



Trends in Design

Design Responses – Lobby

- Communal table in the lobby
- Lobby now a social networking and work area away from the office
- Self-check-in
- Interactive tech walls
- Want to be alone together, large public space with access to bar, music and food



Trends in Design

Design Responses – Rooms

- Rooms need to be multi-functional and flexible – GY likes to move stuff around
- Power outlets in key locations
- Is the desk dead? – people work on their beds
- Nightstands becoming smaller (wall-mounted lights, no alarm, no telephone)
- High speed WIFI everywhere and free



Trends in Design

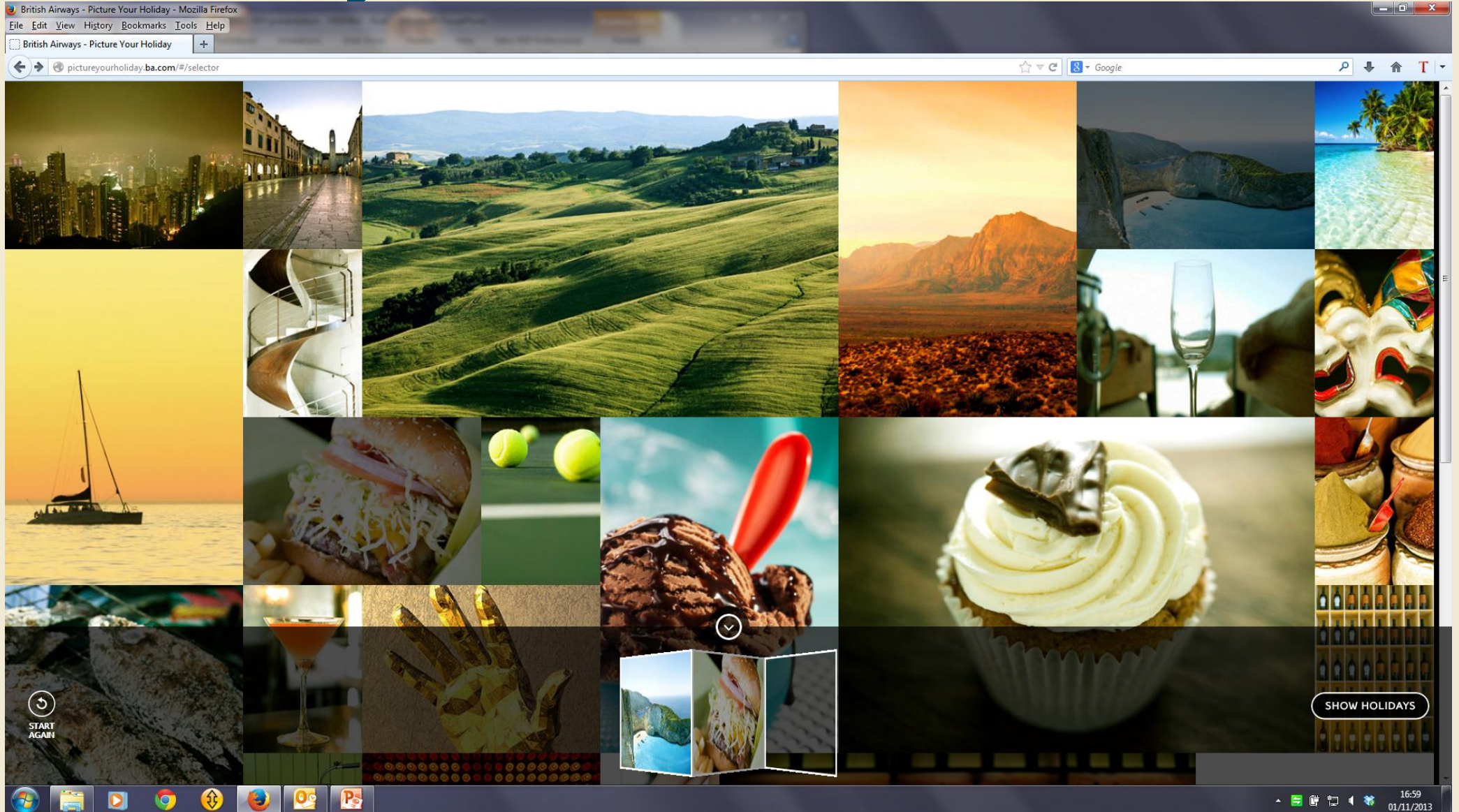
Design Responses – Other

- Designer beers and books by locals
- Green – gym equipment that can charge your devices
- Create the bridge between physical and digital (Burberry)
- Conversion of old buildings rather than new build provides stimulation and history for Twitter-sphere





Trends in Design





Trends in Design

The screenshot shows a web browser window displaying the British Airways 'Picture Your Holiday' page. The browser's address bar shows the URL: `pictureyourholiday.ba.com/#/result?dsts=Alicante,Barcelona,NewYork,SanFrancisco`. The website features a dark background with a carousel of four destination images: Alicante, Barcelona, New York, and San Francisco. Navigation controls include 'BACK' and 'START AGAIN' buttons at the top, and left/right arrows on the carousel images. The British Airways logo is in the top right corner. Below the carousel, the 'Barcelona' section is highlighted, with the text: '2 Barcelona SPAIN' and 'A trip to Barcelona will stimulate your senses, from the beautiful Gaudi architecture to the tantalising tapas. Mingle with the locals at the markets or feel the sand between your toes at the city's beautiful beaches.' At the bottom of this section are three buttons: 'START PLANNING', 'FIND OUT MORE', and 'SHARE'. The Windows taskbar at the bottom shows various application icons and the system clock displaying '17:00 01/11/2013'.



Trends in Design

Resort Fashions: Need It. Want It. Gotta Have It! - Mozilla Firefox

File Edit View History Bookmarks Tools Help

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 Four Seasons Hotels and Resorts Pinterest stream. Travel, food, and fashion you have to see to believe. Follow us for up-to-the-pin Four Seasons favourites.
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Repins from
 Four Seasons Hotel George ...
 Four Seasons Bridal
 Four Seasons Resort Costa ...

42 Boards 2,845 Pins 36 Likes Follow All 7,297 Followers 134 Following

Wish You Were Here...

90 pins

Follow

Around the World by Privat...

99 pins

Follow

Best of City

with FOUR SEASONS 56 pins

Follow

Pin-a-Pumpkin

50 pins

Follow

Fall Fashion Lookbook

104 pins

Follow

Four Seasons Taste Truck

22 pins

Follow

Think Pink

123 pins

Follow

TASTE: Savory Treats

83 pins

Follow

TASTE: Sweet Treats

115 pins

Follow

TASTE Happy Hour

87 pins

Follow

TASTE: One Ingredient, Thre...

54 pins

Follow

100 Mile Happy Hour

92 pins

Follow

TASTE: Burgers N' Shakes

31 pins

Follow

The Art of the Grill

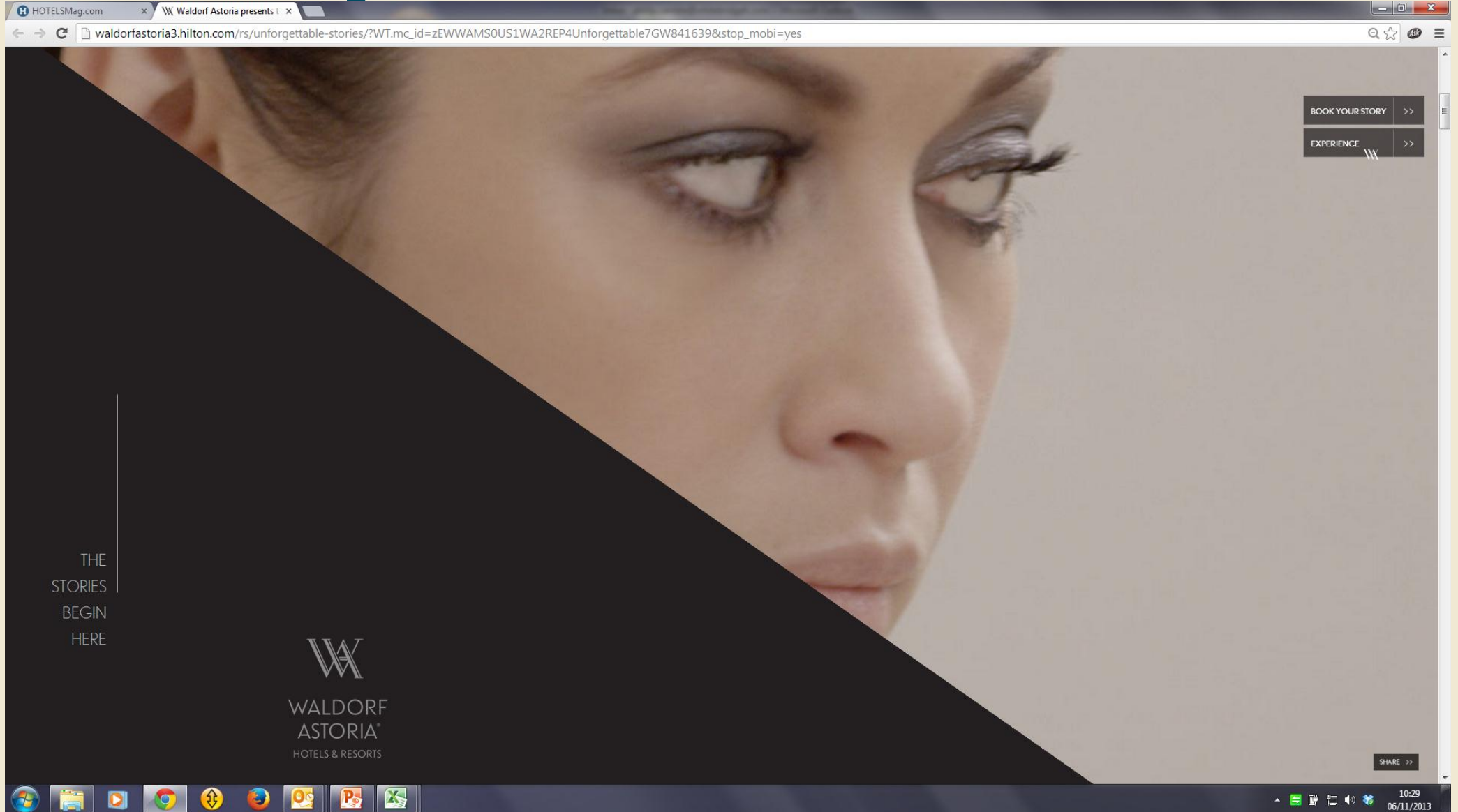
29 pins

Follow

Windows taskbar: 17:03 01/11/2013



Trends in Design



The Thief, Oslo

Design Ideas

- Project pop star faces onto pillows
- Suites designed by pop groups
- 118 rooms
- Design Hotels



The Hostel Box

Design Ideas

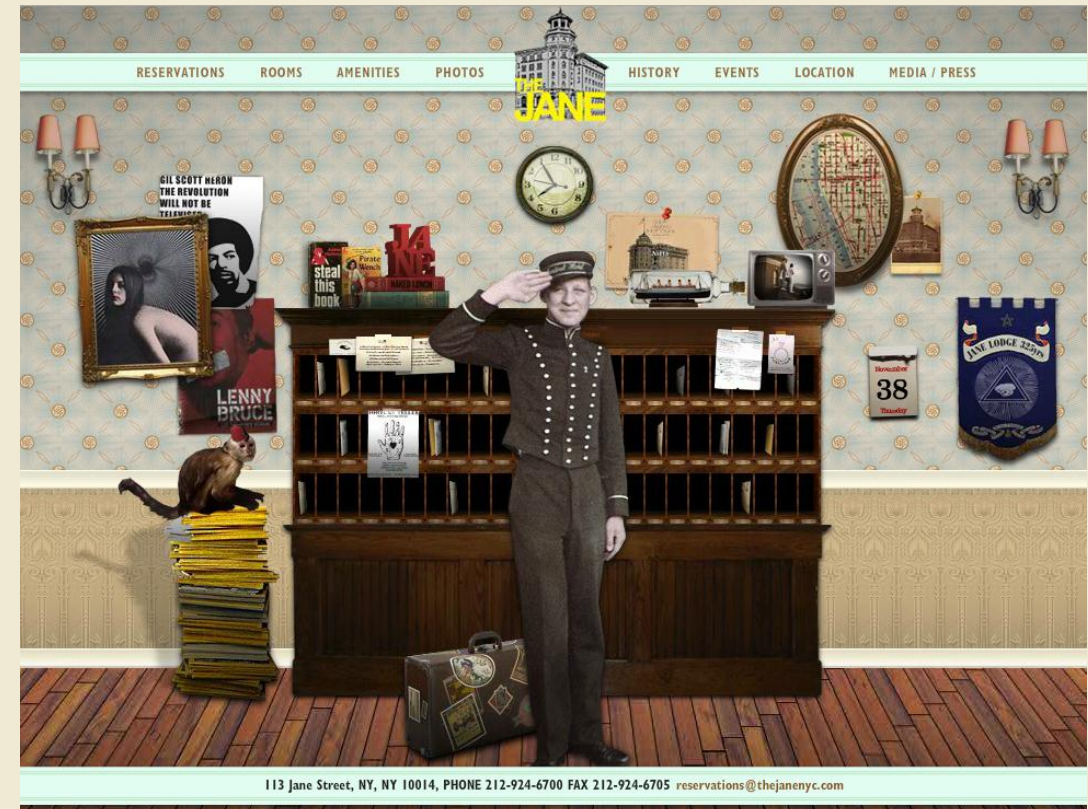
- Hostel luxury
- Aimed at Millennials
- Enhanced privacy
- Bunk type box
- Higher quality
- Good common areas
- Wifi
- Charge points
- Energy efficiency
- Social networking sites



Who is Setting New Standards?

Brands with Go!

- CitizenM
- W Hotels
- Tryp by Wyndham – partnered with social media app Lobby friend
- Holiday Inn – Active Lobby Concept
- Element – seeking all LEED
- Sydney's 1888 Hotel – smartphone photographer's heaven
- Jane
- Midmarket hotels more responsive and innovative than luxury!
- Edition
- Facebook page and a website no longer enough



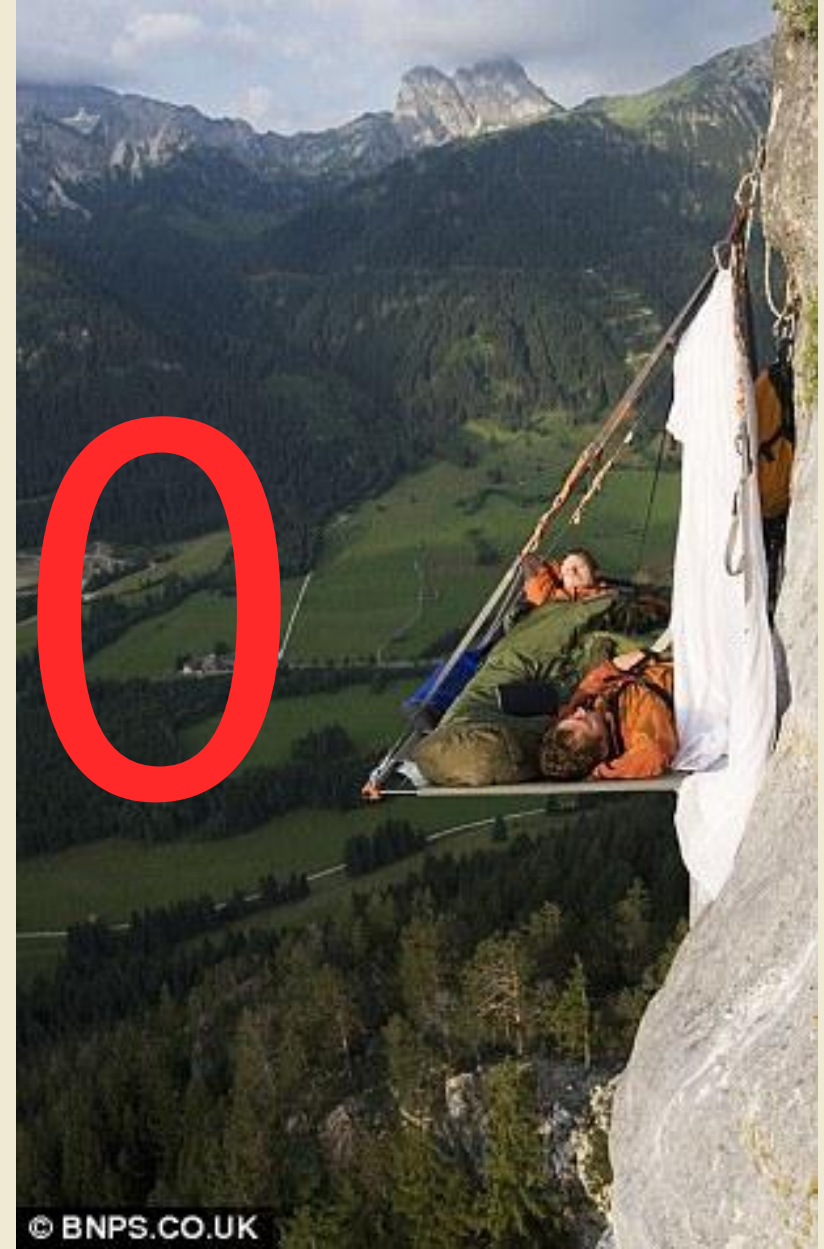
Trends in Design

Roof Top Gardens





£750





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