

## Webjet Hotel Industry Briefing held at UBS.

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**3 November 2023**

Webjet Limited is pleased to provide the attached Hotel Industry Briefing presentation which was approved by Managing Director, Mr John Guscic, and delivered by Euromonitor International at UBS today.

Authorised for release by the Chair.

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# A Global Outlook on Travel and Deep-dive into the Hotel Wholesale Industry

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November 2023

Compiled by Euromonitor International



## About the Speakers

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### **Jonathan York**

General Manager & Senior Consulting Manager

Jonathan is the General & Senior Consulting Manager based in Hong Kong, responsible for supervising and direct research of custom projects across various industries. Aside from custom research, Jonathan has presented and moderated events at Travel and Hospitality conferences, ASEAN E E-Tailing Summit, B2B Webinar Forums and other conferences.



### **Shruti Balachandar**

Senior Consultant

Shruti is a Senior Consultant in the Consulting Research team responsible for customized research projects across various industries. Shruti has managed numerous consulting projects covering multiple markets across APAC in a wide array of industries including Travel, Retailing, Consumer Finance and Foodservice.

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The data included in this report is accurate according to Euromonitor International's market research database, at time of publication: November 2023

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Who is Euromonitor International?

## **Session 1: Global Travel Outlook**

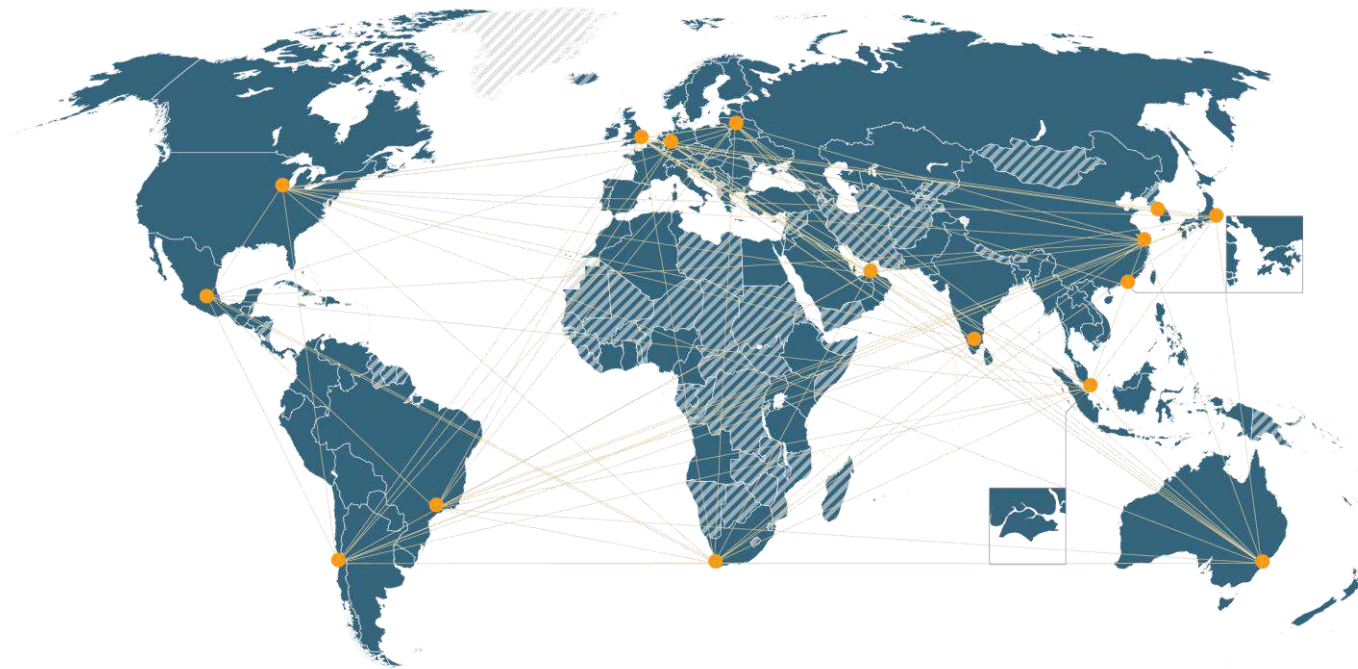
- Global Outlook on Travel
- Europe: New Challenges to Overcome
- Americas: Onwards and Upwards
- Asia Pacific: Slow and Steady Recovery
- Key Takeaways

## **Session 2: Hotel Wholesale Industry Overview**

- Project Introduction
- Value Chain Introduction
- Global Hotel Wholesale Industry Overview
- Regional Hotel Wholesale Industry Overview
- Outlook of the Hotel Wholesale Market
- Q&A



# Euromonitor International's global network and coverage



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London	Tokyo
Chicago	Sydney
Singapore	Bangalore
Shanghai	São Paulo
Vilnius	Hong Kong
Santiago	Seoul
Dubai	Düsseldorf
Cape Town	Mexico City

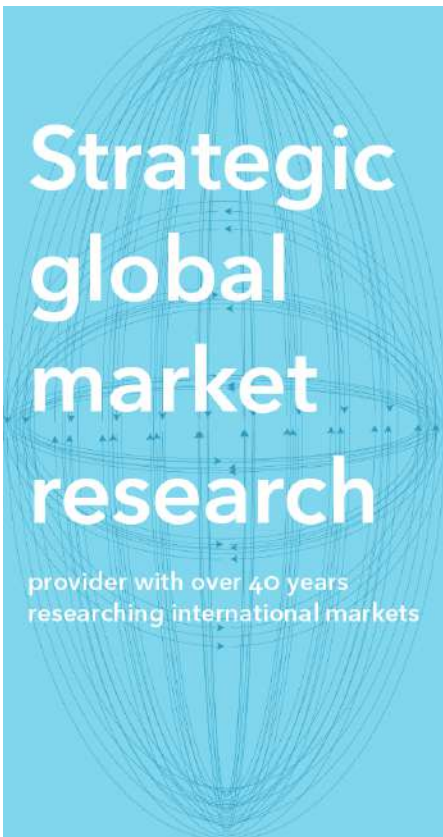
## ■ 100 COUNTRIES

in-depth analysis on  
consumer goods and  
service industries

## ■ + 210 COUNTRIES AND TERRITORIES

▨ demographic, macro- and  
socio-economic data on  
consumers and economies

# World's leading independent strategic insights company with large experience in the tourism sector



**Strategic  
global  
market  
research**

provider with over 40 years  
researching international markets

## OUR SERVICES

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- Consulting

## EXPANSIVE NETWORK

- 1,000+ on-the-ground researchers in 100 countries
- Cross-comparable data across every market

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- Over 30 industry insights
- Full macroeconomic insights
- Consumer behaviour and lifestyles
- Channel distribution strategies
- Product innovation insights

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Flexible solutions to be customized according to the clients' business and geographical needs

### Euromonitor International Solutions:



## SYNDICATED RESEARCH

- Market sizes and forecasts for FMCG, durables and services
- Travel: flows, inbound and outbound travel, travel modes, lodging, in destination spend, booking (online/offline), business travel, sales via direct suppliers and intermediaries



## WEB SCRAPED DATA

- Passport: Global SKU database
- Retailer assortment, pricing, promotion, ratings and review counts
- Attributes, claims, labels, ingredients and packaging
- 41 countries updated daily, 39 more updated monthly



## CUSTOMIZED INTELLIGENCE

- Customized solutions
- Global consultants with expertise across industries
- Tailored studies to answer nuanced questions
- Present in 125+ countries

## ADVISORY SERVICES

- Euromonitor also offers less structured engagements where we work hand in hand with our clients to transfer knowledge and develop plans



# Session 1

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# Global Outlook on Travel

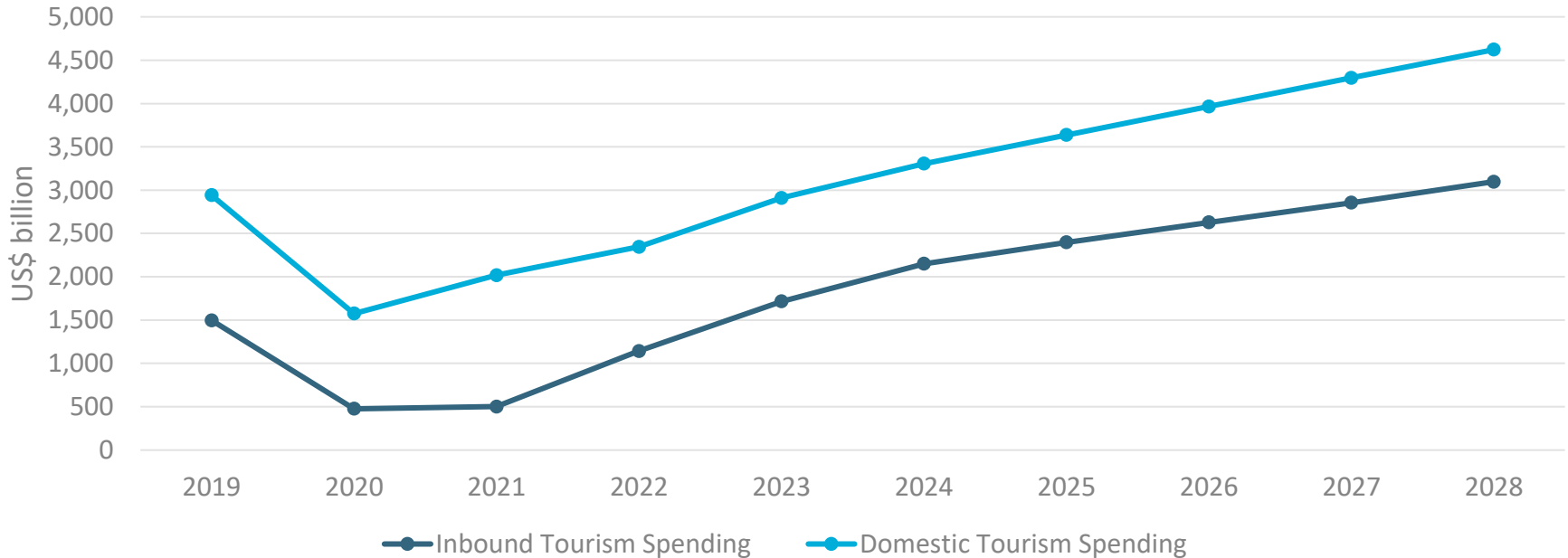
# Travel is set for accelerated growth

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International travel is powering forward, with global inbound arrivals expected to increase 26% by 2028 since the pandemic

# Domestic travel powers recovery and growth

## Inbound and Domestic Tourism Spending Forecast to 2028



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# Europe: New Challenges to Overcome

## Guided Tours

6.8%



## Festivals & Leisure Events

7.9%



## Duty-free Shopping

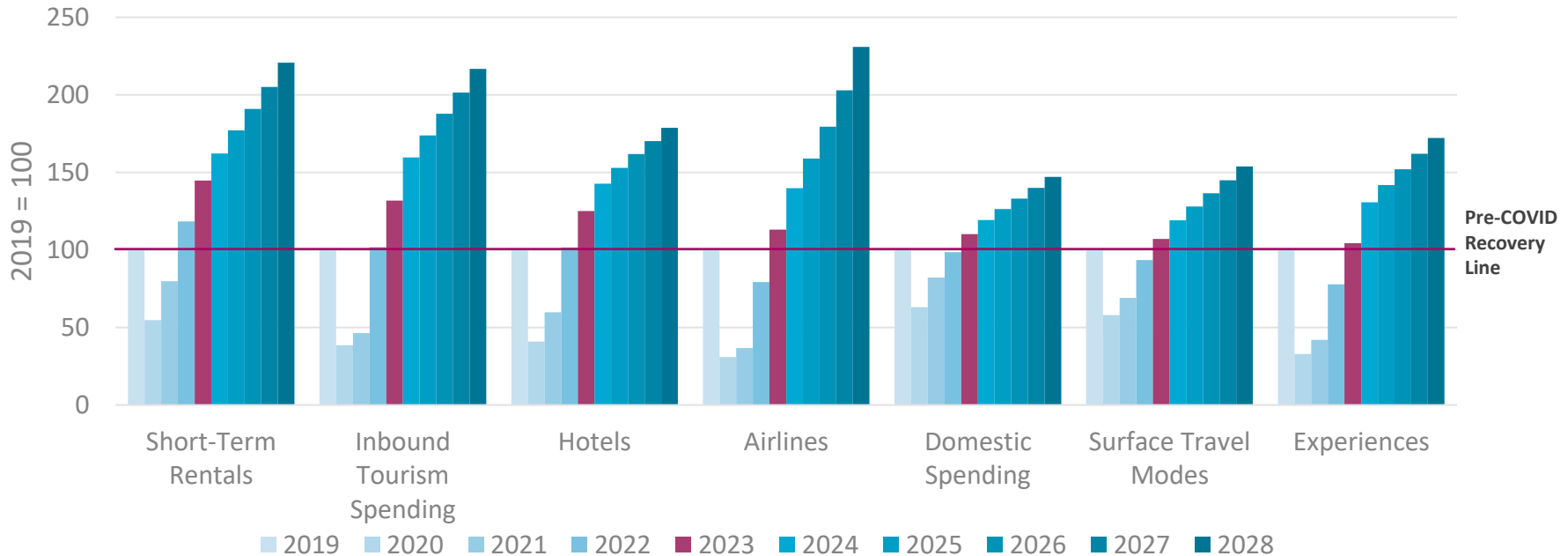
11%



*Fastest growth categories in Europe  
2023-2028 % CAGR  
Fixed exchange rates, current prices*

# War and cost of living crisis cause further pain

Europe Travel and Tourism Forecast Sales Index 2019-2028



Source: Euromonitor International – Passport Travel, 2024 edition (fixed 2023 exchange rates, current prices), published in August 2023

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# Americas: Onwards and Upwards

## Duty-free Shopping

9%



## Other Experiences

7%



## Medical Tourism

7%

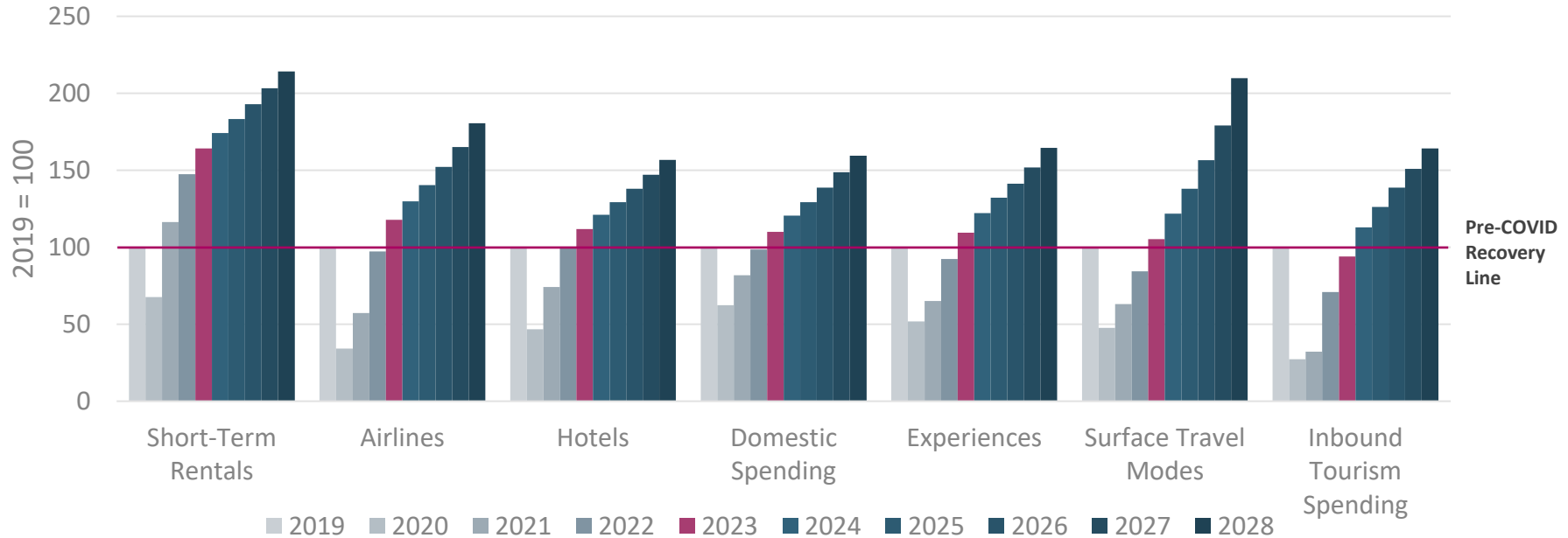


*Fastest growth categories in North America  
2023-2028 % CAGR  
Fixed exchange rates, constant prices*



# Domestic tourism is a major strength

## Americas Travel and Tourism Forecast Sales Index 2019-2028



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# Asia Pacific: Slow and Steady Recovery

## Wellness

15%



## Theme Parks

14%



## Food & Dining

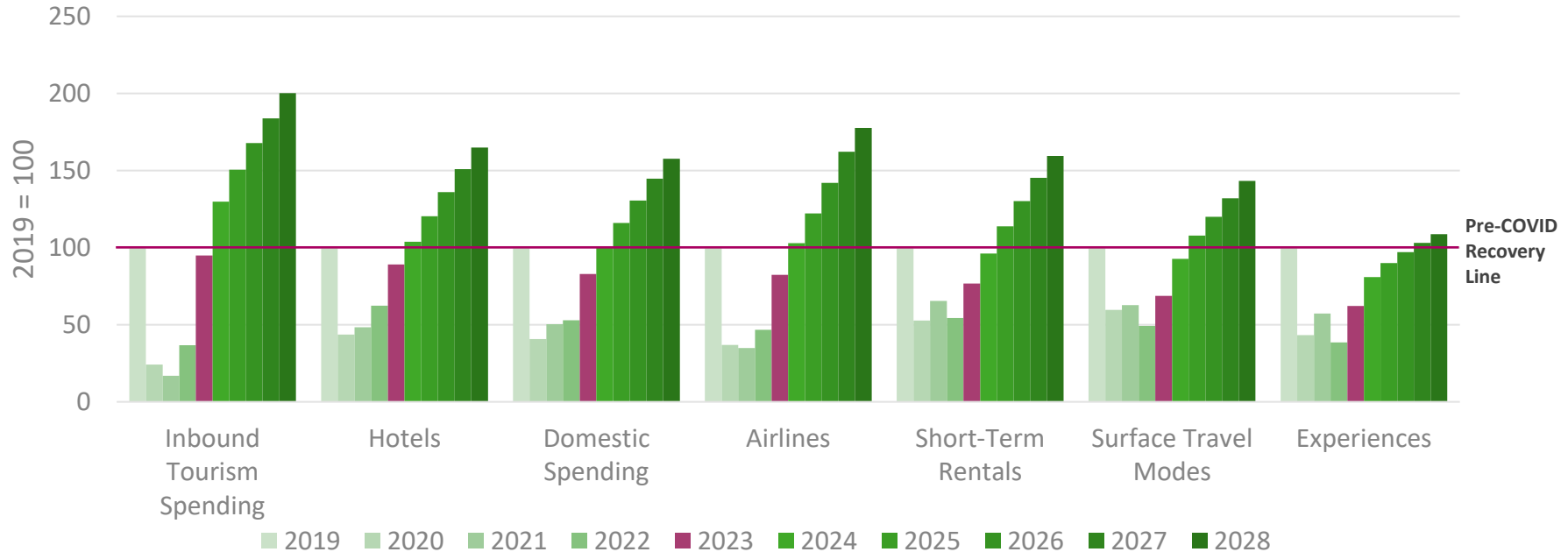
13%



*Fastest growth categories in Asia Pacific  
2023-2028 % CAGR  
Fixed exchange rate, constant terms*

# Cautious approach to reopening delays recovery

## Asia Pacific Travel and Tourism Forecast Sales Index 2019-2028



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# Key Takeaways



Cautiously optimistic



Threats ahead

# Session 2

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## Hotel Wholesale Industry Overview

# Contents

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## Session 2: Hotel Wholesale Industry Overview

- Project Introduction
- Value Chain Introduction
- Global Hotel Wholesale Industry Overview
- Regional Hotel Wholesale Industry Overview
- Outlook of the Hotel Wholesale Market
- Q&A





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# Project Introduction

# Research scope

## Research Objectives

- ✓ Assess the **market dynamics** for the hotel retail and wholesale industry
- ✓ Review the global **hotel value chain**
- ✓ Validate market trends, **drivers and constraints**
- ✓ Establish the **market size** for hotel room retail and wholesale industry

## Project Scope

### Systematic review of the hotel wholesale market

- Assess the market dynamics for the hotel retail and wholesale industry
- Provide **investor education** on the **general market construct** and dynamics of the hotel **wholesale value chain**.

### Market size analysis of hotel wholesale and retail markets

- Establish the **market size for B2B** hotel room retail via hotel direct and hotel via intermediaries and wholesale market.
- Highlight **market trends, drivers and constraints** of the industry.

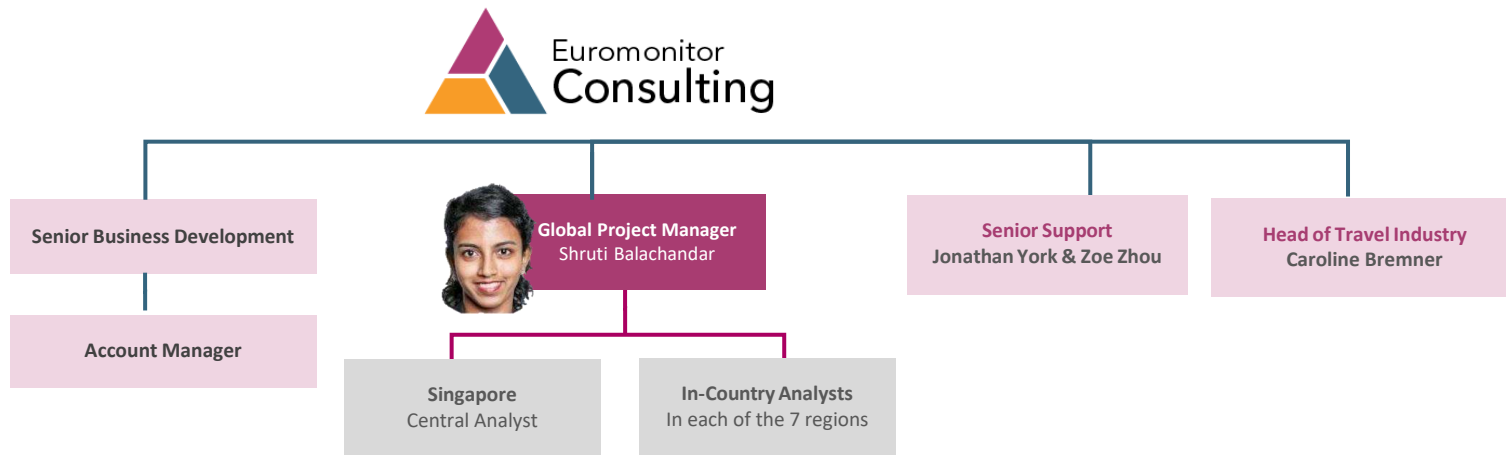
### Key players profiling

- Profile of 5 **prominent global hotel wholesalers** within the hotel wholesale market including general background, company financials, portfolio and key service offering and observable marketing and branding activities.

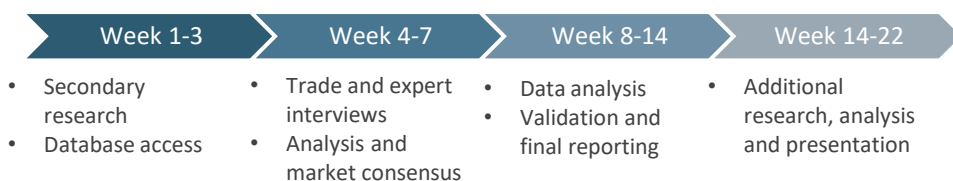
# Research methodology



## Dedicated project team



## Timeline



**446** Project Hours

**50** Industry Experts

**560+** Data Points  
**100+** Slides



**Summary of the Regional Hotel and Hotel Wholesale Market**

Region	Market Size (USD Bn)	CAGR (%)
Asia	1,234	5.2
Europe	987	4.8
North America	876	4.5
Latin America	543	6.1
Middle East & Africa	321	7.3
Oceania	210	3.9



## Definitions

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**Hotel Wholesalers :** Hotel wholesalers generally sit between **travel agents and travel suppliers** (i.e. hotels) to act as a middleman, **sourcing and acquiring products** (rooms, rates, packages) in bulk before selling them on to **various clients** (e.g. travel agents, OTAs, tour operators, airlines etc.) through which, the end-consumer (i.e., **hotel guests**) can access them.

**Hotel Wholesalers Value Sales:** refers to the selling price of hotel rooms from hotel wholesalers to intermediaries.



**Hotel Guest Bookings Via Direct Channels:** Covers spending by **inbound and domestic travelers**, providing a **destination point of view** (also known as point of supply). Hotel direct refers to both (1) **online bookings** (regardless if the payment is made at the time of making the reservation or at the hotel upon check out) made through a hotel **company's own website**; and (2) **offline bookings**, i.e. transactions that are **not booked or paid for over the Internet**. The main offline channels include sales made **face to face** as well as booking and payment of rooms over the phone or **call center**.



**Hotel Guest Bookings Via Online Intermediaries:** Covers spending by **inbound and domestic travelers**, providing a **destination point of view** (also known as point of supply). Hotel online via intermediaries includes all **third parties with online travel sales**, such as travel agents, tour operators and other travel companies selling hotels over the web.



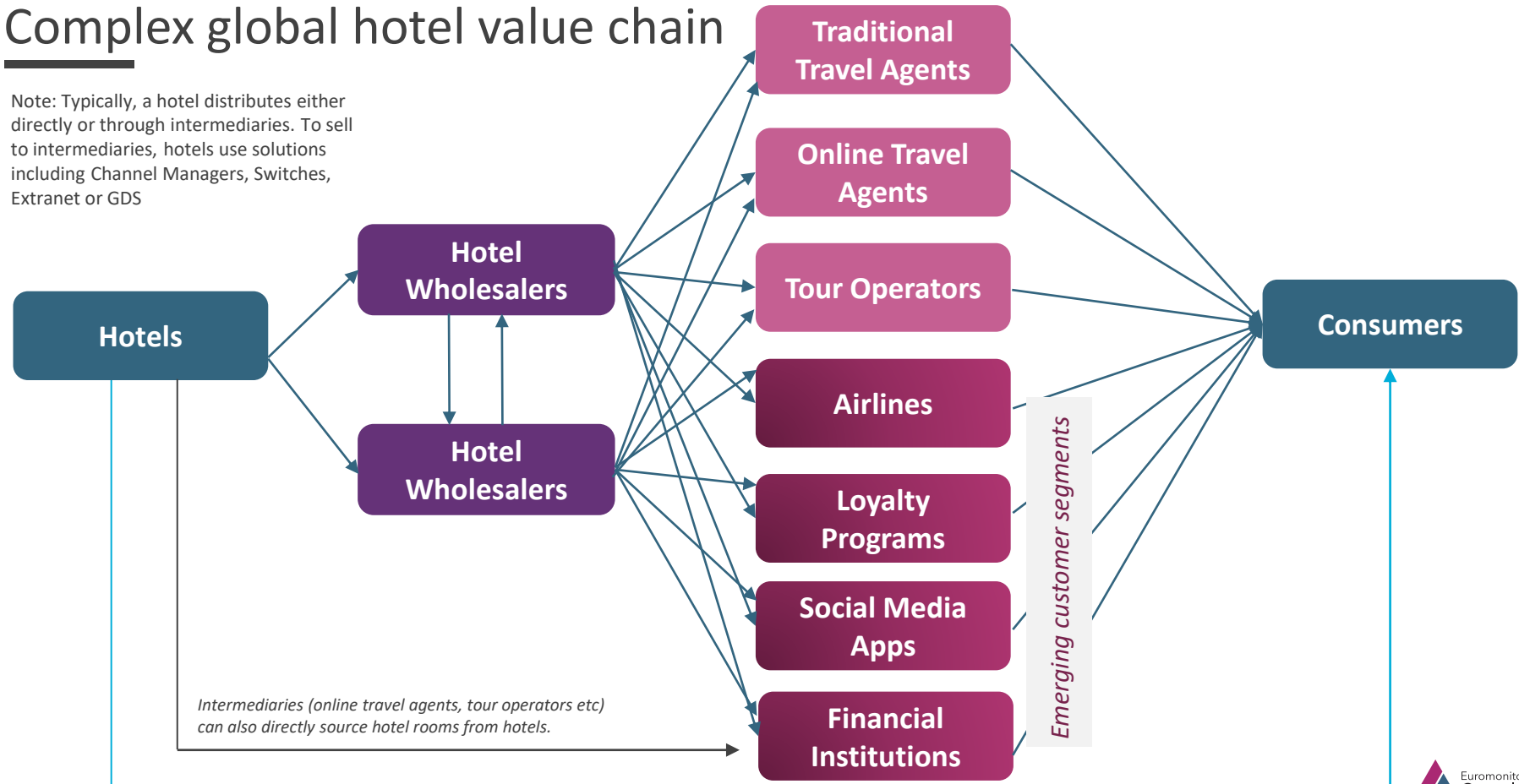
**Hotel Guest Bookings Via Offline Intermediaries:** Covers spending by inbound and domestic travelers, providing a destination point of view (also known as point of supply). Offline hotel sales via intermediaries cover all transactions that are **not booked or paid for over the Internet**. The main offline channels include sales made **face to face through third parties** as well as booking and payment of rooms over the phone or **call center via an intermediary**.

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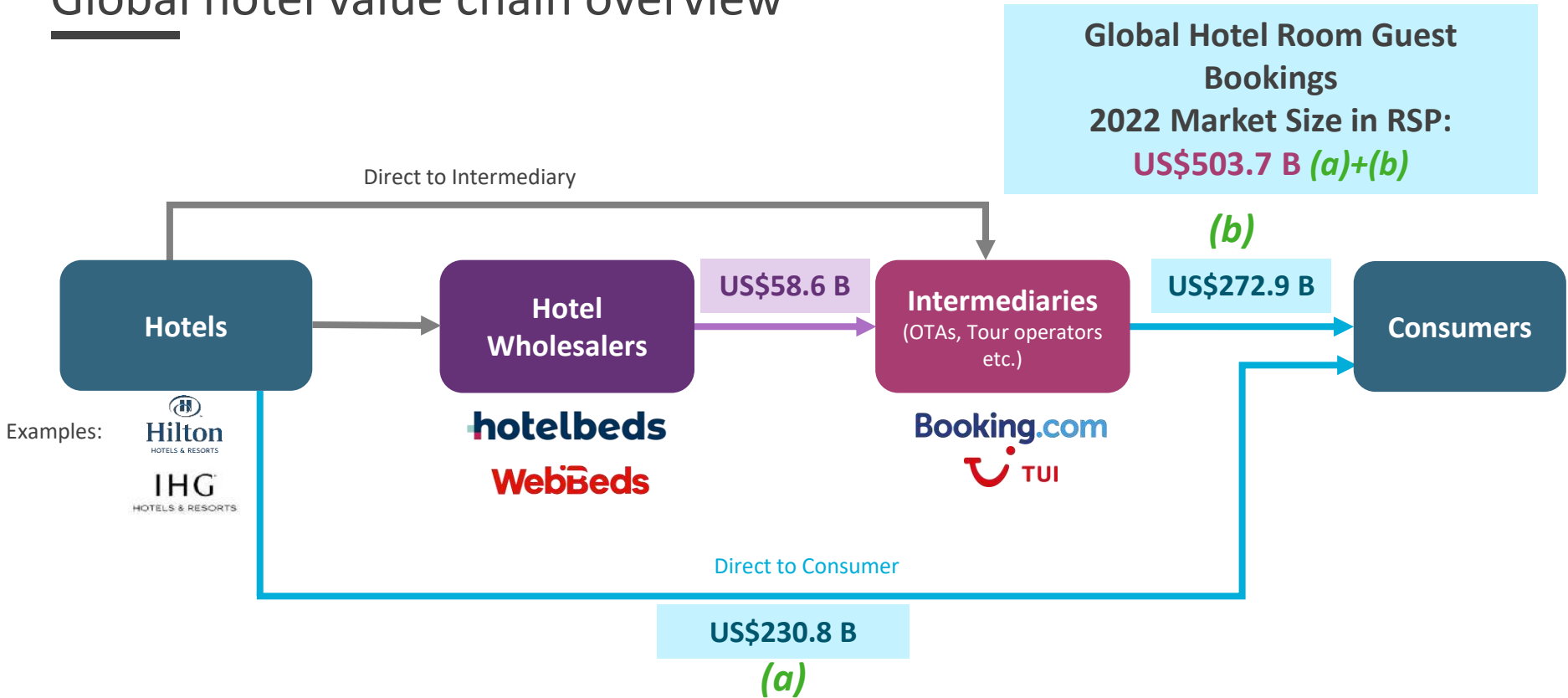
# Value Chain Introduction

# Complex global hotel value chain

Note: Typically, a hotel distributes either directly or through intermediaries. To sell to intermediaries, hotels use solutions including Channel Managers, Switches, Extranet or GDS



# Global hotel value chain overview



Note<sub>1</sub>: Names of leading players shown for illustration purposes only. Total room booking is in retail selling price (RSP); Wholesale market size is in wholesale value terms.

Note<sub>2</sub>: This is a simplified version of the value chain, global hotel value chain is still complex. Typically, a hotel distributes either directly or through intermediaries. To sell to intermediaries, hotels use solutions including Channel Managers, Switches, Extranet or GDS.

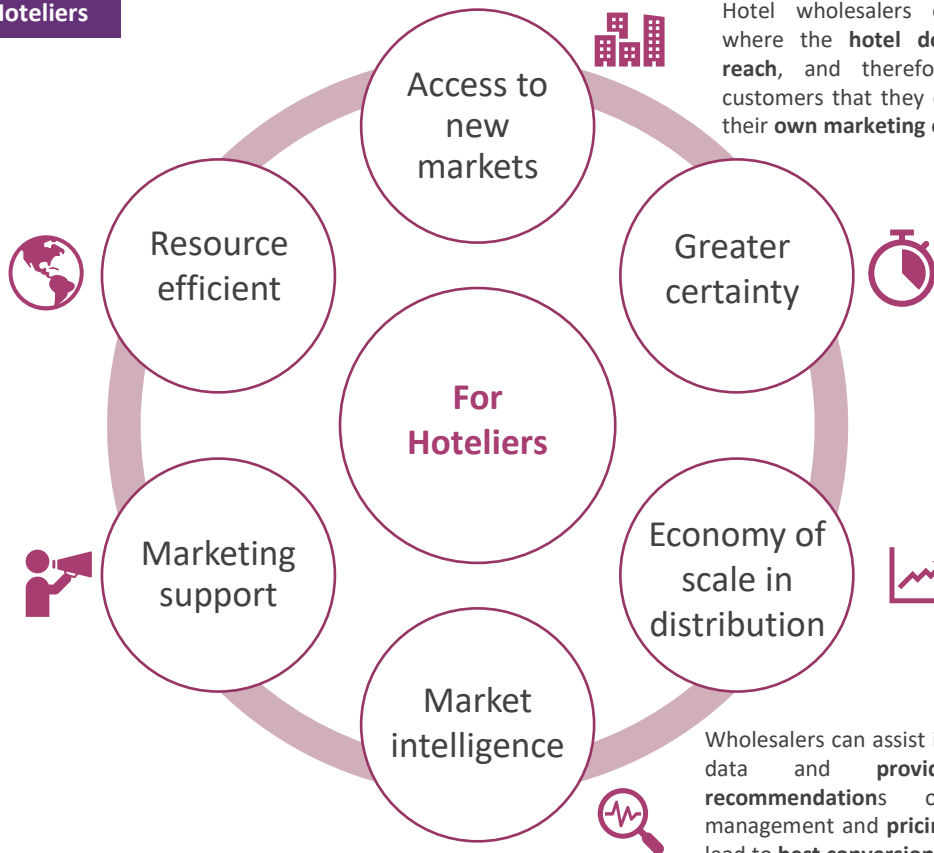


# Hotel wholesalers ensure global reach and greater certainty

## Benefits of hotel wholesalers – Hoteliers

Wholesalers can **assign an account manager (AM)** for the **market/destination** that a hotel is keen in. The AM helps to manage **market demand throughout the year**. So, hoteliers can leverage the **expertise of the AM** to increase **hotel's visibility**.

Wholesalers act as an **extended marketing arm** for the hotels and **undertake campaigns**, such as placement on their **HTML sites, EDMs** to their **customer databases** sharing the details of the properties, etc



Hotel wholesalers **operate** in markets where the **hotel does not have direct reach**, and therefore can bring them customers that they **cannot reach** through their **own marketing efforts**.

Hotel wholesalers provides **longer lead time, higher booking values and lower cancellations compared to OTAs**. Engaging a wholesaler helps hoteliers **plan better** for **occupancy, pricing, and manpower** and provides **greater certainty**.

With wholesalers, hoteliers can access **multiple distribution channels** (e.g. blue chip MNC companies, airlines, loyalty schemes) in a **cost-effective manner**.

Wholesalers can assist in **analyzing past pricing data** and **provide hoteliers** with **recommendations** on **room inventory management** and **pricing strategies** that would lead to **best conversion rates**.

# One-stop shop for all of intermediaries' needs

## Benefits of hotel wholesalers – Intermediaries

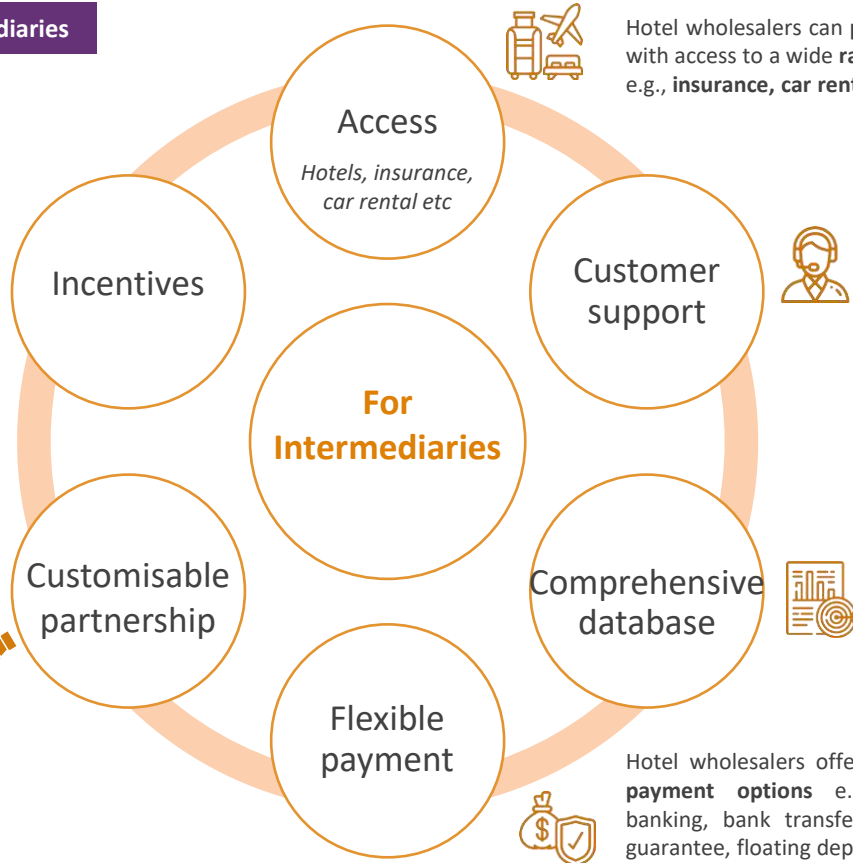
Hotel wholesalers offer **reward points based on tiers** to intermediaries who **perform well** (e.g., Expedia Partner solutions' standard, silver, gold tier etc.) This **incentivizes intermediaries** to drive **more business**. The relationship becomes **mutually beneficial, fostering growth** for both parties.



Hotel wholesalers offer **customizable partnership arrangements** for the key intermediaries they work with. So, **intermediaries can negotiate** for items that best suit their **current needs** (e.g., negotiating mandatory breakfast or securing a room on a higher floor etc.)



Source: Euromonitor International



Hotel wholesalers can **provide intermediaries** with access to a wide **range of travel products** e.g., **insurance, car rental, attractions** etc



Intermediaries **do not need to have a large customer service team** to deal with **different hotel groups** (contracting, day-to-day operations etc.) and can **engage a wholesaler** for customer **support**.

Hotel wholesalers can provide **accurate and comprehensive database** of hotel rooms, including **images, amenities, and locations**. This is especially **useful for intermediaries** such as **financial institutions, airlines** who seek **low error rates**.



Hotel wholesalers offer a **variety of flexible payment options** e.g., credit card, net banking, bank transfer, cash deposit, bank guarantee, floating deposits etc.



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# Global Hotel Wholesale Industry Overview

# Global Hotel Industry

## Global Hotel Industry

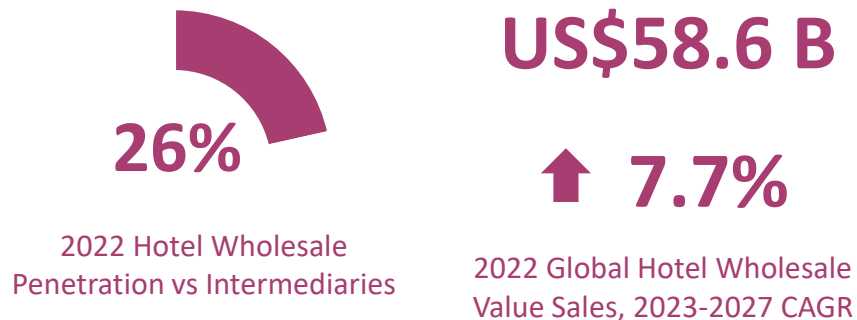


Note: 2022 Global Hotel Guest booking via **hotel direct** = US\$230.8B and CAGR 2023-2027F: 7.3%

Key Customers of Wholesalers	Emerging Customer Segments of Wholesalers	
Online Travel Agencies	Airlines	Superapps
Other Wholesalers	Financial Institutions	Social Media Apps
Tour Operators	Corporate Travel	Loyalty Schemes
Traditional Travel Agents		

Source: Euromonitor International

## Global Hotel Wholesale Industry



### Leading Global Hotel Wholesalers

hotelbeds

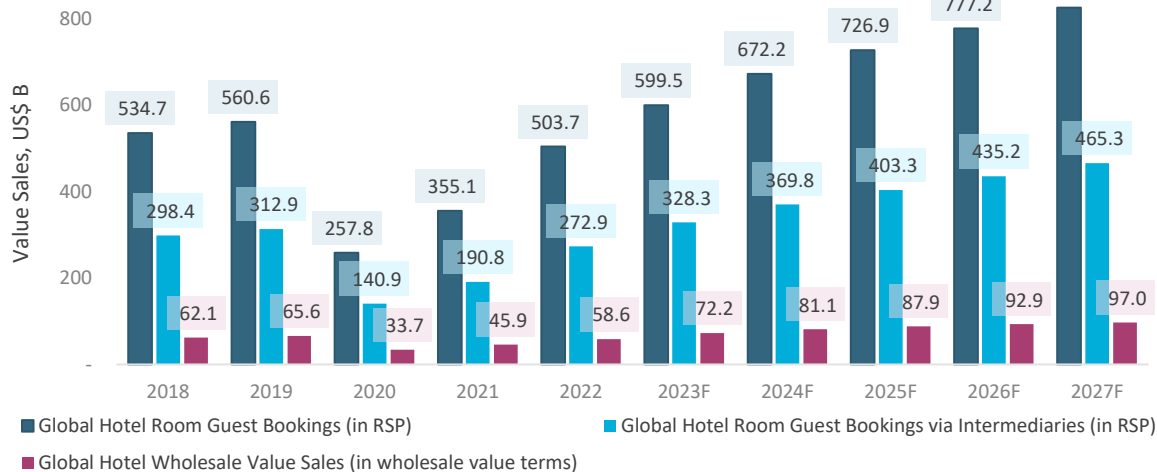
WebBeds

expedia group  
partner solutions

priceline  
partner solutions

Full global recovery from the Covid-19 pandemic is expected by 2023, with MEA, LATAM, emerging while APAC, North America and Europe drive wholesale value sales

**Global Hotel Room Guest Bookings, Bookings via Intermediaries and Bookings via Wholesalers, 2018-2027F**



**US\$ 503.7 B**

Global Hotel Room Guest Bookings, 2022

**54.2%**

% of Global Hotel Room Guest Bookings via intermediaries, 2022

**Regional Hotel Wholesale Market, CAGR 2018-2027F**

Region	Global	Middle East & Africa	Latin America	Eastern Europe	Asia Pacific	Australasia	Western Europe	North America
<b>2018-2022 CAGR</b>	-1.4%	-3.0%	1.1%	-5.2%	-5.4%	-8.5%	1.3%	0.6%
<b>2023F-2027F CAGR</b>	7.7%	11.5%	9.7%	8.6%	8.5%	7.3%	7.2%	5.6%

**US\$ 58.6 B**

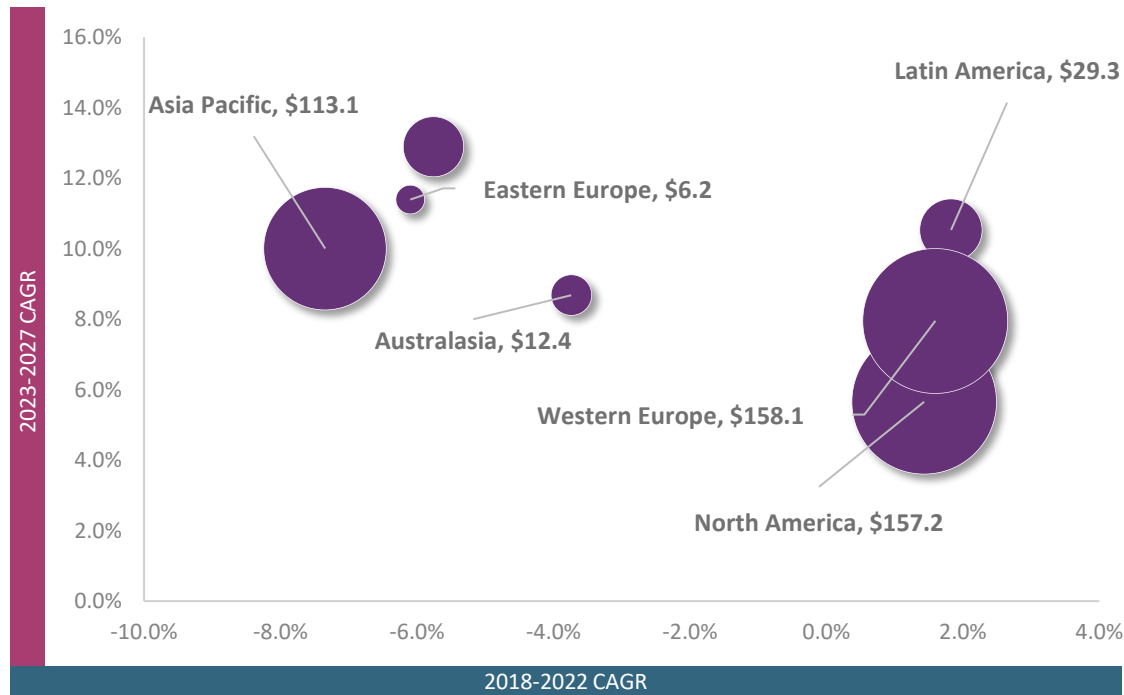
Global Hotel Wholesale Value Sales, 2022

Source: Euromonitor International

North America, APAC and Western Europe are the biggest regions for hotel guest bookings while Middle East and Africa will be growing fast over the forecast period

### Global Hotel Room Guest Bookings, US\$ B

Note: Bubble represent 2022 market size (US\$ B)



# US\$503.7 B

Global Hotel Room Guest Bookings, 2022

**APAC:** Investment in **tourism infrastructure** and **fast-growing disposable income** will drive the growth of the region.

**North America:** **Domestic travel** and **long summer holidays** propelled growth of hotel guest bookings in **2022**. Over forecast period, **growth of leisure travel, business travel, loyalty programs and large-scale events** (e.g., FIFA world cup 2026) will be key growth drivers.

**Western Europe:** Most European countries **reopened their domestic borders** after 3 months of its lockdown in March 2020, fueling **intra-Europe travel**.

**Business and leisure tourism** and **major events** remain a **key catalyst** (e.g., Oktoberfest)

**Middle East and Africa:** Investment in tourism (\$6 trillion), expansion of Grand Mosque's capacity for **religious pilgrims, corporate events, leisure, business travel** and **medical tourism** will be key drivers for the growth of travel in the region.

Source: Euromonitor International

North America, Western Europe and APAC present great opportunities due to sizeable markets while emerging Middle East & Africa, Latin America are experiencing rapid growth

### Global Hotel Wholesale Market Size (wholesale value terms, US\$ B)

Note: Bubble represent 2022 market size. Global hotel wholesale = US\$58.6 B in 2022



Source: Euromonitor International

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# Regional Hotel Wholesale Industry Overview





# North America

- bleisure
- mice destination
- loyalty scheme
- sport event
- financial institution
- point redemption scheme
- entertainment

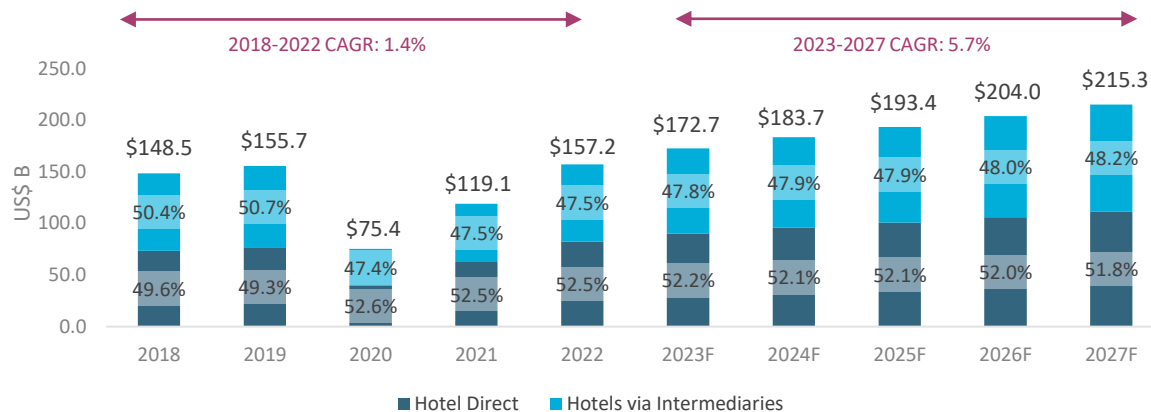
**157.2 B**

2022 Hotel Room Guest Bookings, US\$

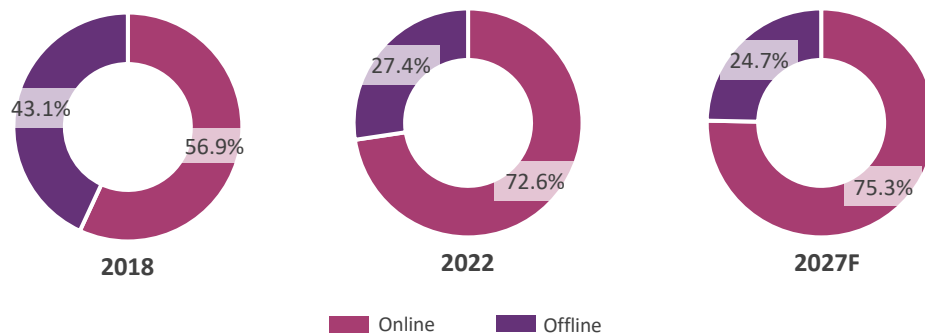
**16.2 B**

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

## Hotel Room Guest Bookings, North America, 2018-2027F



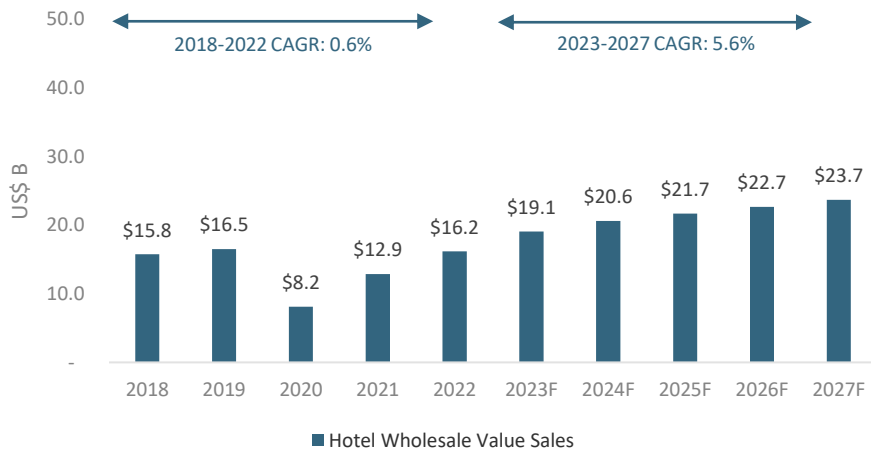
## Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



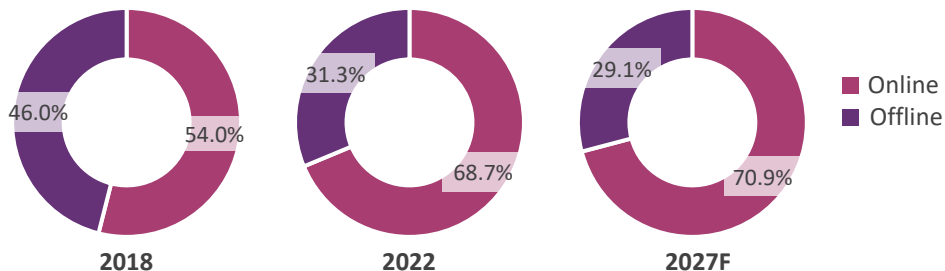
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)  
 Note: Bleisure is a combination of travel that involves business and leisure. MICE = Meetings, Incentives, Conventions and Exhibitions

## The increasing demand for business and leisure travel coupled with emergence of airlines and financial institutions provide new customer segments for wholesalers

### Hotel Wholesale Value Sales, North America, 2018-2027F



### Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

Note: Bleisure is a combination of travel that involves business and leisure. MICE = Meetings, Incentives, Conventions and Exhibitions

### Hotel Wholesale Overview

- The **US government's** support in **promoting US** as a travel destination through **marketing** and **reducing barriers of entry** for travelers as well as **increasing demand for business and leisure travel** is expected to fuel wholesale CAGR growth of **5.6%** over **forecast** period.
- The region has **few successful OTAs** besides the **prominent ones e.g., Booking.com and Expedia**. Hence, there would be **less competition between wholesalers and OTAs**.
- Hotel wholesalers are diversified, ranging from global-scale wholesalers (**WebBeds**), to luxury wholesalers (**Bonotel Exclusive Travel**).

### Opportunities of the Hotel Wholesale Industry

- More **airlines** (e.g., SIA) and **financial institutions** (e.g., JP Morgan chase) are entering the travel industry in recent years, making them **potential wholesale customers**.
- **Nationwide, international events** are **returning post-covid**, attracting both **local and international** travelers.
- Over the **forecast period**, the **shift to online** provides opportunities for global wholesalers with robust technology to **serve airlines, digital banks, and online loyalty schemes** while still **playing a key role with offline travel agents**.



Western Europe

sport event  
 intra europe  
 group tour royal family event  
 bleisure ski resort

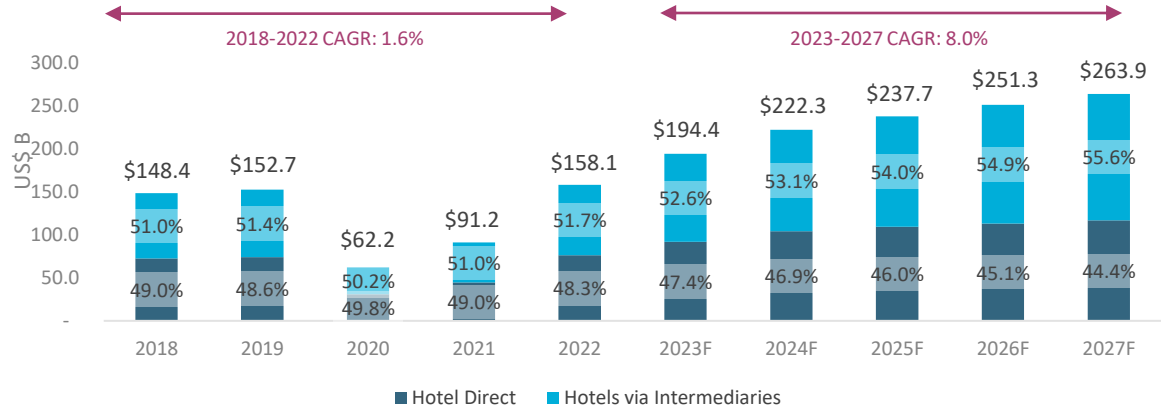
158.1 B

2022 Hotel Room Guest Bookings, US\$

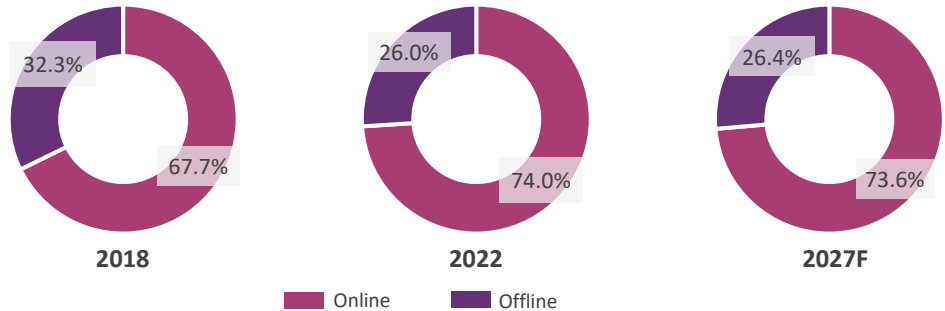
18.4 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

Hotel Room Guest Bookings, Western Europe, 2018-2027F



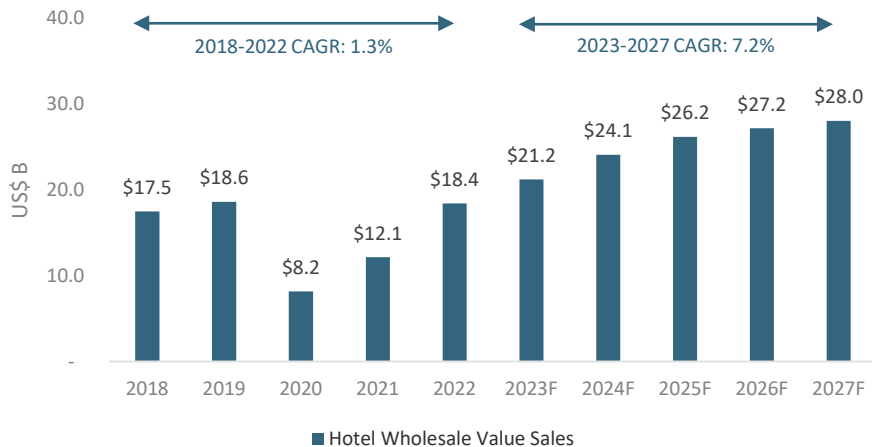
Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



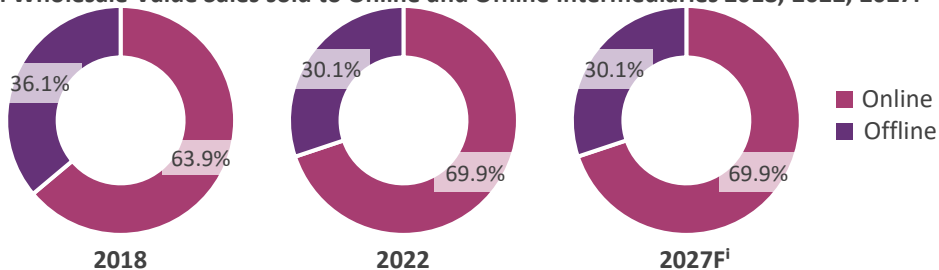
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)  
 Note: Bleisure is a combination of travel that involves business and leisure.

## Group travel and tours are a mainstay in Western Europe, providing opportunities for wholesalers to offer hotel rooms bundled with tours

### Hotel Wholesale Value Sales, Western Europe, 2018-2027F



### Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Note:<sup>i</sup>Offline booking via wholesalers continue to hold shares. Hence, online/offline proportion is same for 2022 vs 2027F at 69.9% (offline) and 30.1% (online) due to prominence of offline travel intermediaries like tour operators, travel agents working with independent hotels in Western Europe.

### Hotel Wholesale Overview

- With a **variety of attractive destinations** and **independent hotels**, the region should be a **continued focus** for global **hotel wholesalers**.
- Wholesalers continue to grow in value sales as more inbound travelers, particularly from **emerging APAC markets** such as China and India, gain **increasing disposable income** and spend on **long haul travel**.

### Opportunities of the Hotel Wholesale Industry

- **Significant investments** are being made in improving **conference facilities** (e.g., Italy). The **rise of travel consortia** and cooperatives in the region is a **potential key segment**.
- **Growing consumer demand** for **glamping** in nature settings and **boutique/designer hotels** will increase. Hence, **wholesalers** who offer **boutique hotels** in **varying price ranges**, **packaged with ancillary products** could **compete effectively** in the region.
- Wholesalers can serve **emerging** customers such as **airlines**, **loyalty schemes** while still **playing an essential role** among **offline tour operators** for **planning complex trips** (e.g., long-haul, trips to non-English speaking countries).



Asia Pacific

cultural experience  
chinese traveller  
bleisure travel

destination market  
wellness retreat

mice destination

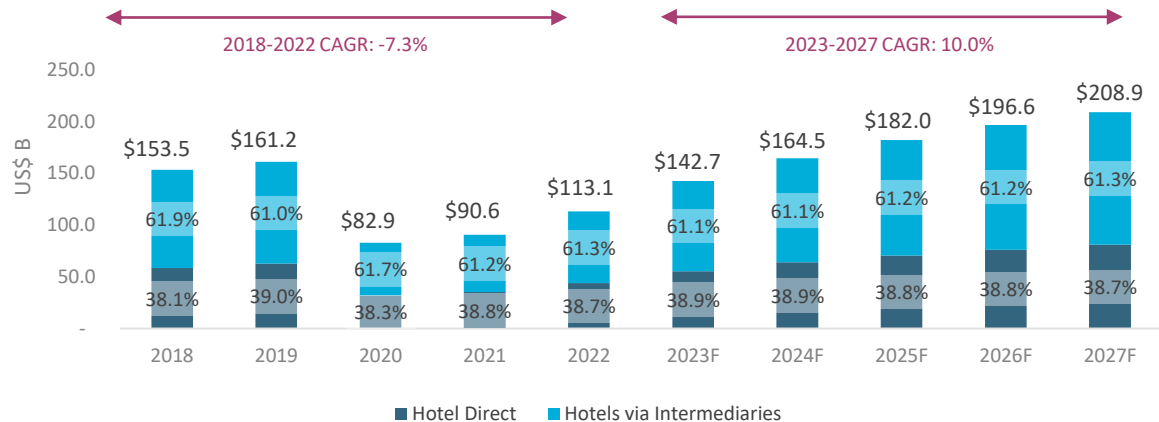
113.1 B

2022 Hotel Room Guest Bookings, US\$

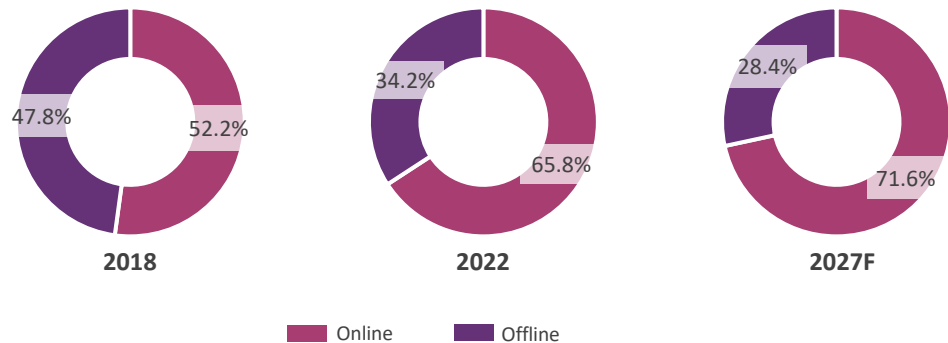
14.5 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

### Hotel Room Guest Bookings, Asia Pacific, 2018-2027F



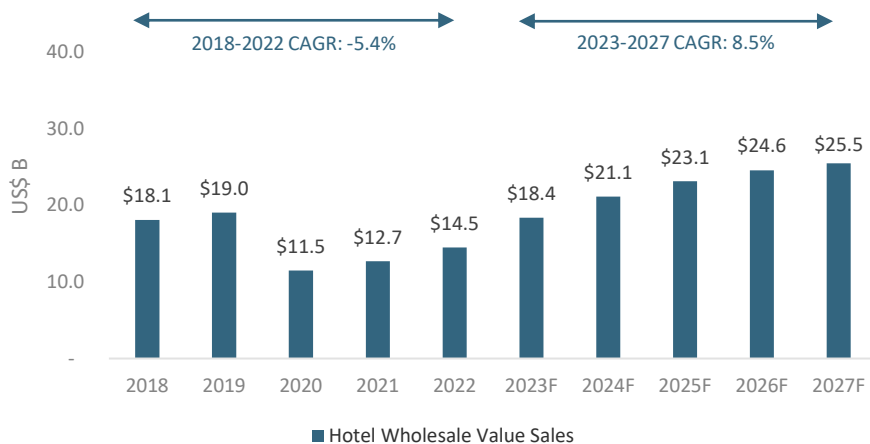
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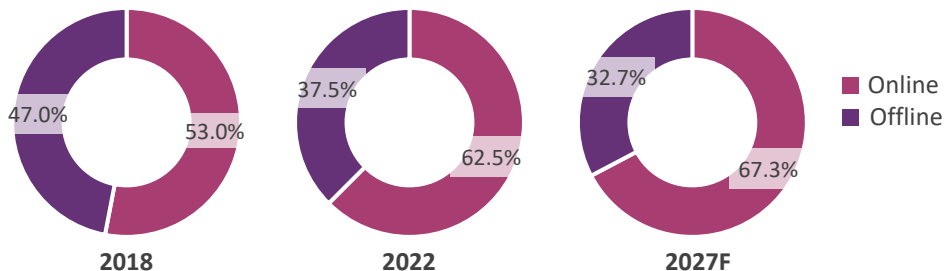
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

## Affordable travel and wide range of experiential activities offered in APAC make it one of the most attractive regions globally for wholesalers to tap into

Hotel Wholesale Value Sales, Asia Pacific, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

### Hotel Wholesale Overview

- Wholesalers can cater to the **rising demand** for travel products in APAC by focusing on **direct contracting** with hotels for **best rates** and **upselling hotels** with **packages** (attractions, culture and experiences).
- The pandemic has caused smaller, **domestic wholesalers** (e.g., Mengtu Travel, Chiyu travel) to **exit the market**.
- **Provides opportunities** for **global wholesalers** with **strong technology** and **direct contracting capabilities** to gain **foothold** in the region.

### Opportunities of the Hotel Wholesale Industry

- **Specifically for APAC, wholesalers that can offer travel buyers with unique, diversified ancillary products** (e.g., attractions, experiences, tour packages) will **thrive**. This is due to growing **demand** for culture, **attractions, immersive experiences** and **sustainable travel** among **long-haul North American and European travelers visiting APAC**.
- As **bookings shift to online**, partnering with online **social media applications, airlines, loyalty schemes** would provide wholesalers with **new opportunities to grow**.
- **Business travel, specifically MICE** is a **potential customer segment** for wholesalers.



Latin America

ecotourism  
authentic experience

local culture

sustainable tourism  
heritage tour

adventure tourism

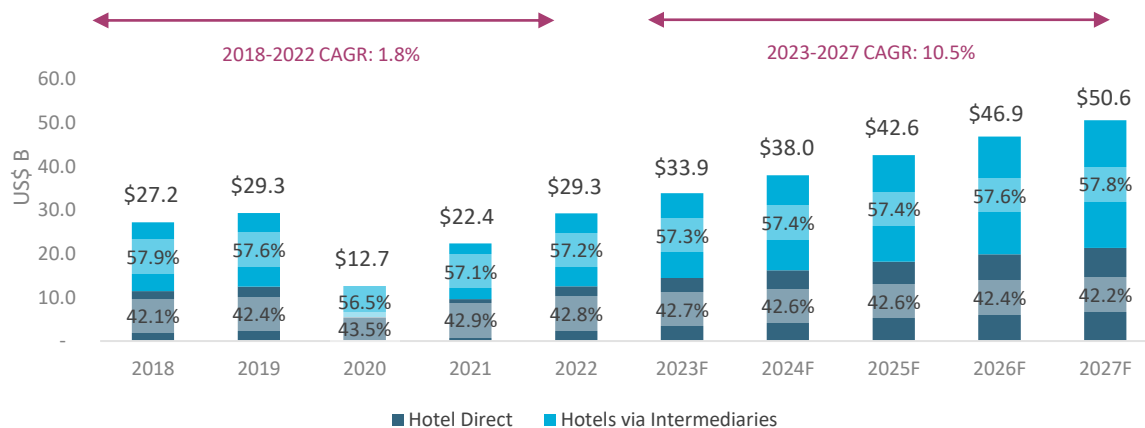
29.3 B

2022 Hotel Room Guest Bookings, US\$

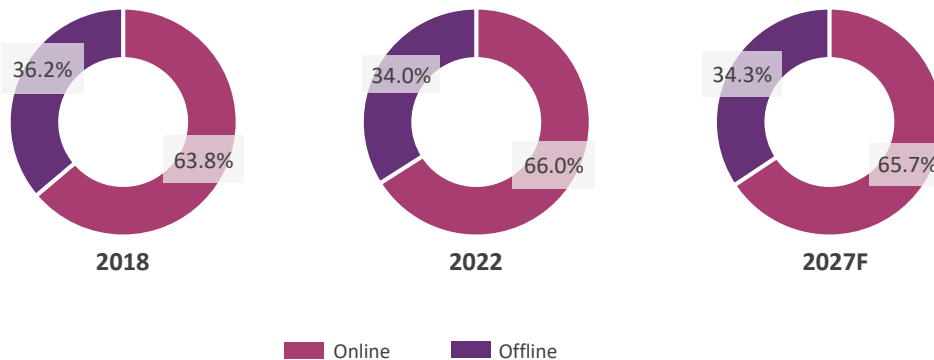
3.5 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

### Hotel Room Guest Bookings, Latin America, 2018-2027F



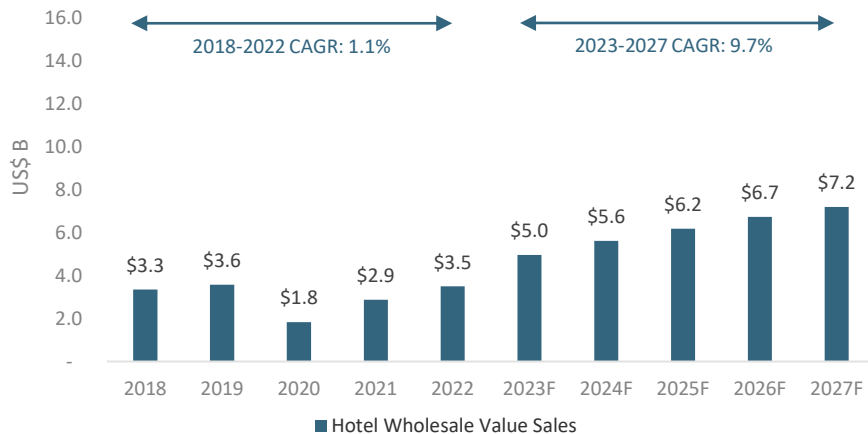
### Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



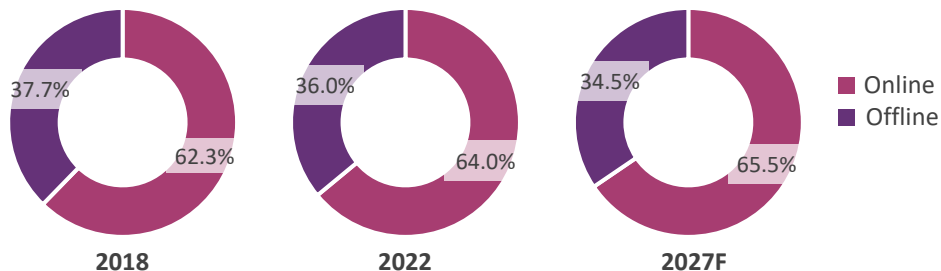
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

## Strong growth and development of players along the value chain provide opportunities for wholesalers to expand in the region, but currency fluctuations should be considered

Hotel Wholesale Value Sales, Latin America, 2018-2027F



Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

### Hotel Wholesale Overview

- Over the forecast period, **fast growing** countries such as Mexico and Brazil would drive the growth of the region driven by **eco-tourism, glamping and “Bleisure” travel**.
- Wholesalers** will continue to be a **key player** connecting **independent boutique hotels** to a **global consumer base**.

### Opportunities of the Hotel Wholesale Industry

- With the emergence of Latin America as an **attractive destination** for international travelers, global hotel chains such as **Hyatt, Hilton, and Marriott** have begun **expanding** their presence in the region, providing potential for wholesalers to participate in the industry. **Historical sites, nature, and adventure tourism** are popular.
- Currently, the region has relatively **low penetration of global wholesalers**, and the region is expected to grow at **9.7% CAGR** over forecast period hence there is **opportunity to capitalize on the popularity of leisure travel**.
- Online intermediaries' growth** is driven by local OTAs such as **Despegar** while the popularity of **group leisure travel** and tours drives **offline** growth.





## Middle East and Africa

mice destination  
religious travel  
luxury travel  
entertainment  
government investment

medical tourism

# 27.3 B

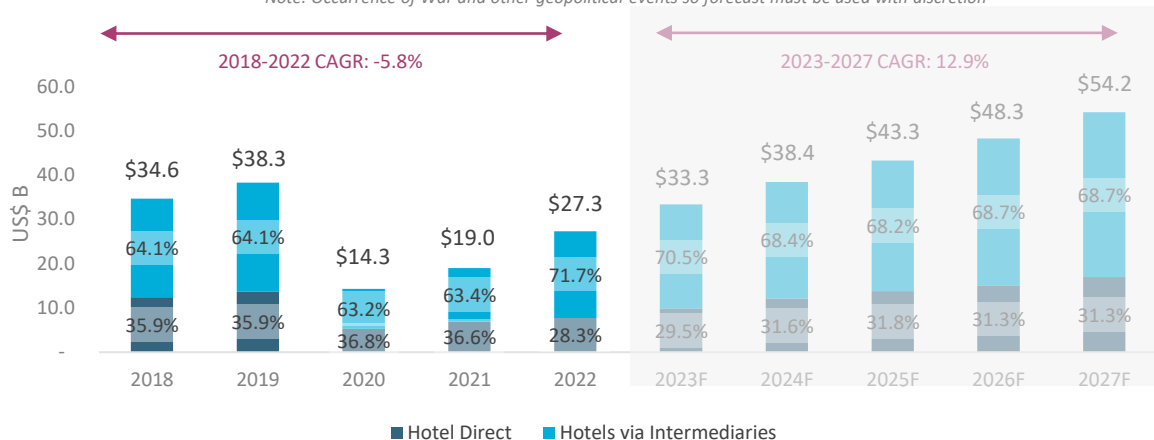
2022 Hotel Room Guest Bookings, US\$

# 3.4 B

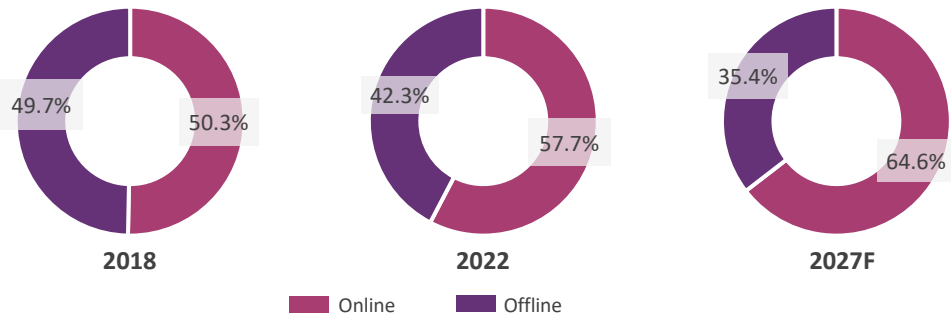
2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

### Hotel Room Guest Bookings, Middle East and Africa, 2018-2027F

Note: Occurrence of War and other geopolitical events so forecast must be used with discretion



### Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



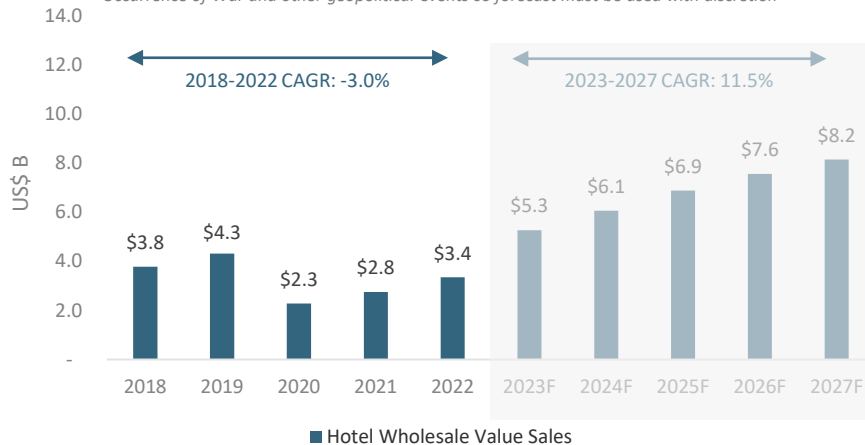
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

Note: MICE refers to Meetings, Incentives, Conventions and Exhibitions

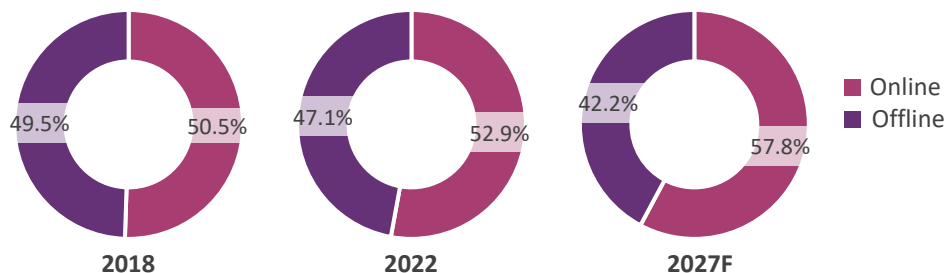
## Growing awareness of MEA as an attractive destination will push local players to rely on wholesalers to capture a greater share of international traveler spending

### Hotel Wholesale Value Sales, Middle East & Africa, 2018-2027F

*Occurrence of War and other geopolitical events so forecast must be used with discretion*



### Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices  
Note: Occurrence of War and other geopolitical events so forecast must be used with discretion

### Hotel Wholesale Overview

- The Middle East is an **emerging region** for wholesalers **due to a lack of strong global OTAs** in the region. **Local Destination Management Companies** (e.g., dnata) are relatively small while **offline travel agencies** largely cater to the growing **religious travel**. Tourism has been a **major focus for Africa**, with several **African countries** promoting their **natural environment** (national reserves, waterfalls, etc) with an aim of becoming **travel hubs**. Major **giga projects** (luxury hotels, Qiddiya entertainment project) provides opportunities for global wholesalers to tap into by providing **tour packages**.

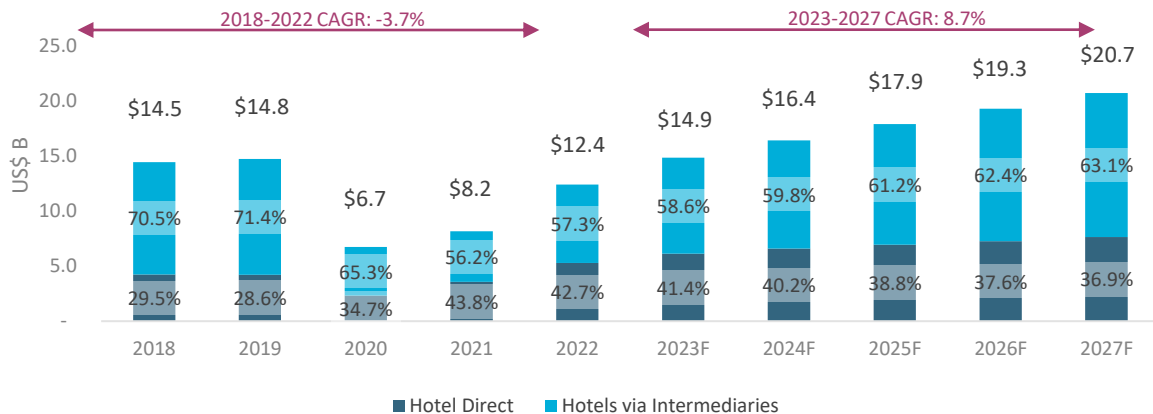
### Opportunities of the Hotel Wholesale Industry

- Attractive destination market where local intermediaries will need to **rely on wholesalers to expand their global reach to religious, business, and leisure travel**.
- Large-scale leisure, corporate events, and AI conferences** will drive the region's growth.
- Wholesalers have the potential to serve **offline retail travel agents** catering to **leisure and religious tour packages** (attractions, car rentals etc.), while increasingly serving **online travel intermediaries**.



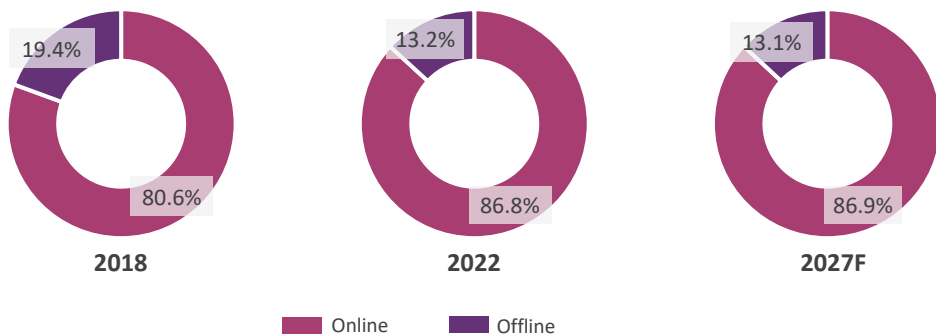
Australasia

### Hotel Room Guest Bookings, Australasia, 2018-2027F



boutique hotel  
 wildlife tour  
 cultural experience  
 domestic travel  
 nature  
 blissure  
 campsite

### Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F



12.4 B

2022 Hotel Room Guest Bookings, US\$

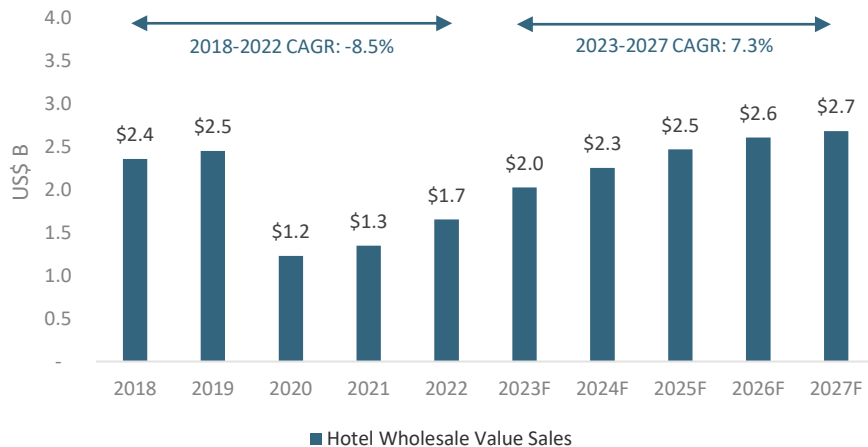
1.7 B

2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

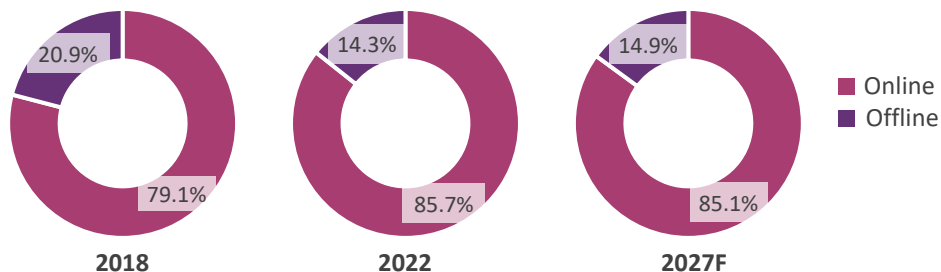
Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

## Hotel wholesalers in Australasia should leverage on the Bleisure trend by focusing on offering travel products attracting business and leisure travelers

### Hotel Wholesale Value Sales, Australasia, 2018-2027F



### Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices

### Hotel Wholesale Overview

- Hotel wholesale is **expected** to surpass pre-pandemic levels by **2025**. **Wholesale online** accounts for **85%** (share of bookings in 2022) and persists into the forecast.
- Hotels are **“capping” occupancy rates** to **address continual staff shortages**. This results in **fewer available rooms for wholesalers to directly contract** from hotels and the issue would likely persist until migration and backpacker numbers return to **pre-pandemic levels** around 2024-2025.

### Opportunities of the Hotel Wholesale Industry

- Australian tourism is supported by **government’s promotional efforts** (AUD40 mn) over the 2022-2030 period to **attract international visitors**, potentially increasing **inbound travel**.
- Sydney and Melbourne** are **gateway cities** through which **international travelers** arrive and wholesalers can **focus on supporting hoteliers** in these cities for **Bleisure** while serving **boutique independent hotels in other cities**.
- Online bookings** (e.g., OTAs, mobile apps) is expected to become the norm **providing opportunities for wholesalers** to cater to **OTAs and mobile apps** in the region.
- Australia** has **higher ADRs** and wholesalers can command **higher mark ups** than in **other regions** e.g., Southeast Asia.



## Eastern Europe

group tour  
 heritage tour  
 intra-europe  
 holiday resort

beach destination

# 6.2 B

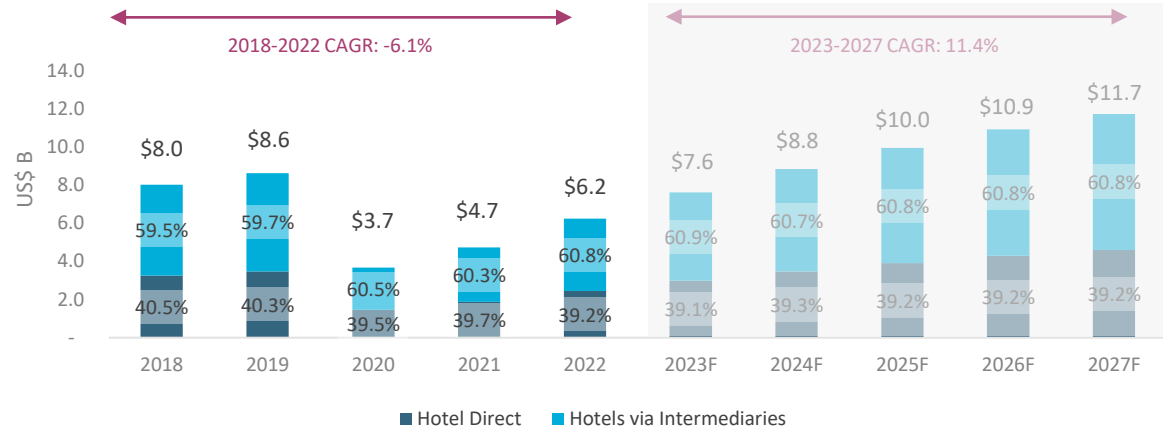
2022 Hotel Room Guest Bookings, US\$

# 1.0 B

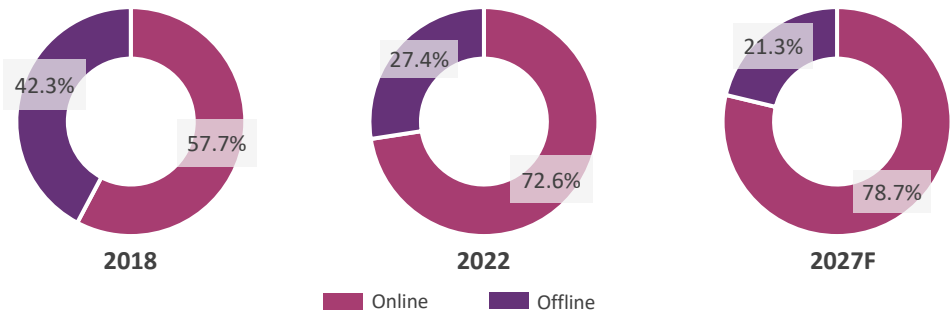
2022 Hotel Wholesale Value Sales (in wholesale value terms), US\$

## Hotel Room Guest Bookings, Eastern Europe, 2018-2027F

Note: Occurrence of War and other geopolitical events so forecast must be used with discretion



## Online vs. Offline Hotel Room Guest Bookings via Intermediaries, RSP, 2018, 2022, 2027F

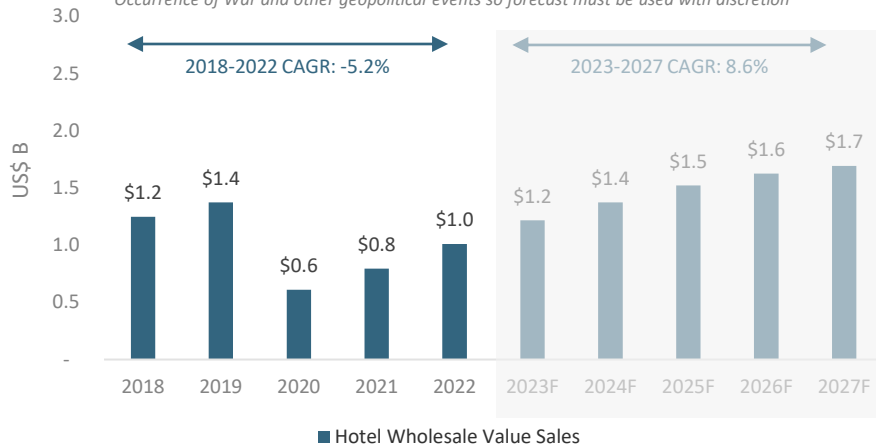


Source: Euromonitor International – Passport Travel, 2023 edition (fixed 2022 exchange rates, current prices)

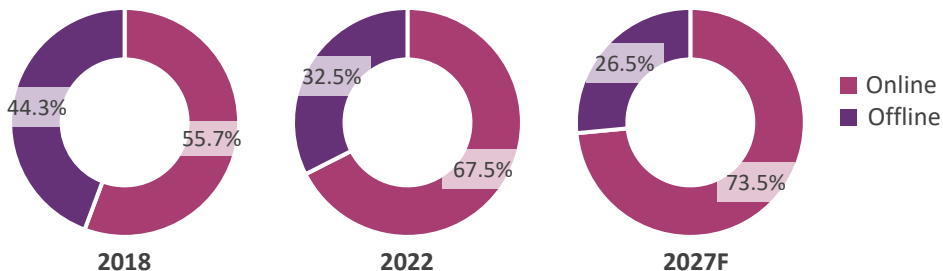
## Instability due to war and rising tour operator costs limit the growth of hotel wholesalers in Eastern Europe

### Hotel Wholesale Value Sales, Eastern Europe, 2018-2027F

Occurrence of War and other geopolitical events so forecast must be used with discretion



### Hotel Wholesale Value Sales sold to Online and Offline Intermediaries 2018, 2022, 2027F



Source: Euromonitor International. Note: fixed 2022 exchange rates, current prices  
MICE = Meetings, Incentives, Conventions and Exhibitions

### Hotel Wholesale Overview

- **Poland, Czech and Croatia** are key travel destinations in Eastern Europe. Amidst rising **cost of living concerns**, lower priced accommodation is becoming **popular among travelers** and these smaller **boutique hotels** rely on **wholesalers** for **visibility** and **marketing support**. Also, **smaller tour agencies** typically **obtain rooms** from hotel wholesalers (due to **lack of direct contracting** capability).

### Opportunities of the Hotel Wholesale Industry

- **Conventions and exhibitions market** drives tourism in Eastern Europe, particularly in **Poland and Hungary**, with over 24,000 business events hosted. This significantly increases visitor spending in the region, providing opportunities for wholesalers to **cater to MICE tourism**.
- Increasingly **after the pandemic**, **online intermediaries** are **offering early booking promotions** to attract travelers and wholesalers have the potential to serve **online travel intermediaries**.
- **Tour packages, airport transfers, and attractions** in the region would be the main drivers for travelers booking through **offline intermediaries**, which **hotel wholesalers could tap into**.

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# Outlook of the Hotel Wholesale Market

# Global Hotel Wholesale Industry

2022

2027F

2022 Global Hotel Room  
Guest Bookings

US\$503.7 B

2022 Global Hotel Room  
Guest Bookings via  
Intermediaries

US\$272.9 B

2022 Global **Hotel**  
**Wholesale** Value Sales

US\$58.6 B

Addressable Market

US\$825.4 B

US\$465.3 B

US\$97.0 B

2023F-2027F CAGR

↑ 8.3%

↑ 9.1%

↑ 7.7%

## GROWTH DRIVERS

1

### External factors

- Growing disposable income
- Reopening of China

2

### Service Improvement

- Proprietary technology to reduce rate parity
- System optimization to improve business efficiency
- Automation

3

### Segment Expansion

- Emerging customers
- Acquisition & Consolidation
- Powering intermediary partners

4

### Product Extension

- Transformation into a one-stop travel service provider



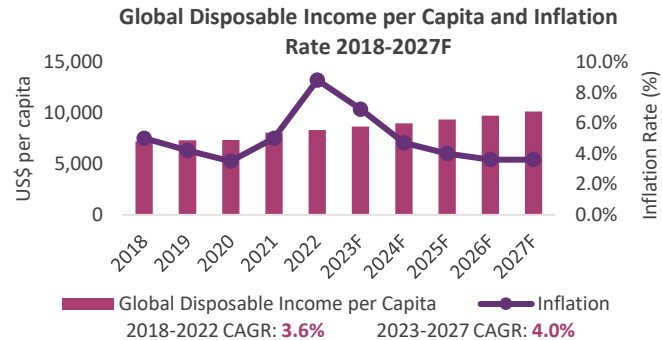
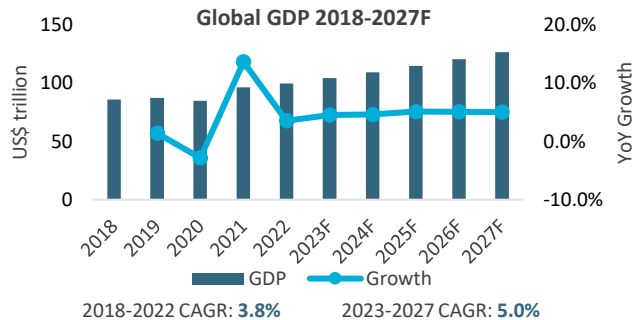
# Travel is supported by macroeconomic growth

## 1 External factors

**Improving Macroeconomy**  
*Boosts travel recovery*

**Reopening of China**  
*A strong source market to capitalize on*

- **Asia Pacific (7.6%), Middle East and Africa (4.8%), and Australasia (4.2%)** have the **highest forecast GDP** from 2023-2027.
- **Global inflation** is expected to **continue falling** from 8.8% in 2022 to 6.9% in 2023 and 4.7% in 2024, gradually **easing the pressure on consumer spending power**. **Asia Pacific (7.1%) and Latin America (3.6%)** are the regions with the **fastest disposable income growth** over the forecast period. This indicates a **higher propensity for travel spend**.
- Historically **China** is a **key source market** for major destinations. Domestic **travel** is growing in popularity (e.g., ski and beach resorts)
- **Growing income of the middle class**, and **desire to explore** international travel and culture will propel travel demand. **Rebound of leisure and long-haul tour groups** is expected to be a key growth driver for wholesalers.



## Technology and process improvement at the forefront

### 2 Service Improvement

#### Technology

*Proprietary technology to reduce rate parity and improve process*



*Note: BRG = Best Rate Guarantee*

- **WebBeds Parity Monitor and Hotelbeds Parity+** aims to achieve **zero BRG<sup>i</sup> discrepancies**, **improves speed** of resolving parity.
- **Webjet's Reconciler** process addresses mismatched data in **real time** and **increases efficiency**.
- **Expedia's Partner Solutions** enables travel agents to have **direct access** to Expedia's travel product database.



#### System Optimization

*To improve business efficiency*



- Traditional wholesalers are **adapting processes** to **optimize service operations**. They are adopting **API connectivity** and **payment gateways** to improve **business efficiency**.

#### Marketing Support

*To support hoteliers*



- Globally, the **top 20 hoteliers** (e.g., Hilton, Hyatt, IHG) represent **15.4%** in terms of brand share and the **top player** represent **less than 2%** in **2022 in retail value RSP terms** according to Euromonitor Passport.
- This indicates the **fragmented nature** of the **hotel industry** globally. So, hotel wholesalers play an **essential role** in being an extended **marketing arm** to **support hoteliers** with **marketing activities** while **hoteliers focus** on enhancing **guest experience**.

## Penetrating new customer segments drives growth

### Emerging Customers

To capture new revenue streams



- Wholesalers offer **preferential rates** for airlines, **loyalty programs, points redemption schemes, financial institutions.**
- Serve as an **accommodation provider** for **super-apps, social media apps**

### Acquisition & Consolidation

in adjacent and same businesses



- Acquiring** other wholesalers for **scale and inorganic growth.** E.g., **WebBeds** acquiring **Destination of the World (DOTW)** to **complement** their **existing portfolio**, to enhance their **existing APAC and Americas businesses**, while **further expanding its presence** in **Europe** and the **Middle East** and Africa regions. **Hotelbeds** acquiring **GTA** to enhance **their footprint in APAC** and Middle East.
- Acquiring **complementary adjacent business** that can be bundled **with hotels.** E.g., **Webjet** acquiring **online car rental, cruise** and motorhome business, **GoSee** (formerly Online Republic) to **further expand its offering**; **Hotelbeds** acquiring **transfer specialist, HolidayTaxis** to strengthen their **ancillary business.**

3

Segment Expansion



## Hotel wholesalers evolve to become a one-stop travel provider that sustains growth in the long term

3

Segment Expansion

### Intermediary Partnership

To drive synergy



- Enables **wholesalers** to expand into **new consumer segments**. E.g., **WebBeds** partnering with **Hopper** (leading OTA and a disruptor providing price predictions) in **September 2023**. This partnership enables Hopper to source **diverse hotel inventory** for its travelers.



4

Product Extension

### New Product Offerings

To strengthen value proposition



- Wholesalers are **diversifying beyond room bookings** to offer new products (e.g., transfers, activities, cruises, multi-day tours etc) that caters to their intermediaries' needs.
- To **enhance product offering** while strengthening **core business**.



**Hotelbeds offering cruises, activities and transfers**

## The road ahead for hotel wholesale industry



### Global travel is set for accelerated growth

- The return of **international large-scale events**, and leisure and business travel are driving **travel demand**.



### Hotel wholesale market is expected to grow by 7.7% CAGR over next 5 years

#### GROWTH DRIVERS

- 1 **Service improvements:** **Technology** and **process improvements** will be at the **forefront** (i.e., technology and efficiencies).
- 2 **Segment expansion:** Hotel wholesalers are able to **penetrate emerging customers segments**, e.g. super apps, social media apps, financial institutions (i.e., global scale and strong partnerships).
- 3 **Product extension:** Hotel wholesalers are evolving to become a **one-stop travel provider** (i.e., scale and innovation).



### Hotel wholesalers will continue to play a key role in the global hotel industry, now and in the future

- **Hotel wholesalers** provide **global reach** and **longer lead time** to hotels.
- Hotel wholesalers act as an **extended marketing arm** of hoteliers. They provide significant **market intelligence** and **marketing support**.
- They will further support hoteliers to **acquire more customers**, so **hoteliers can focus** on enhancing the **guest experience**.
- Hotel wholesalers serve as a **one-stop shop** for **hotel intermediaries**.
- The shift from **offline to online intermediaries** will benefit **global hotel wholesalers** with **good technology solutions/capabilities**.

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# Q&A

# Thank you

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