

davies  
tanner



The Asian Tourism Market  
an insight for London Hotels



Joss Croft  
Marketing Director  
VisitBritain



Tracy Halliwell MBE  
Director of Business Tourism & Major Events  
London & Partners

“Asia is an incredibly important region for inbound tourism to Britain. China is the world’s largest outbound market and Chinese visitors, along with Gulf visitors, are some of our highest spending. We are also seeing increasing numbers of visits from growth markets like India and South Korea. It is therefore essential that we work together with the industry to improve Britain’s competitive tourism offering to make it the destination of choice for these rapidly growing Asian markets.”

“The Asian market is key when planning future activities around attracting overseas visitors to London. Whilst China has been by far the fastest growing tourism source market in recent years, and the world’s top spender in international tourism since 2012, India, Taiwan, The Philippines and Thailand have also shown double digit growth in expenditure over the last year.

AsiaPac is also becoming the highest growth area for events and technology, and a key source of inward investment into London... all activities where hotel’s and London businesses can benefit.”



## Overview

Davies Tanner is a PR and communications agency with expertise spanning travel, tourism, hospitality and lifestyle. We keep close track of the London hotel market, from new developments to changing consumer demands – we identify key segments which are thriving in current market conditions. We recognise the London hotel market as being a highly competitive field, however UK Tourism is a resilient industry which has maintained a hotel ‘boom’ for many years in the capital. Tourism has contributed to rebuilding the UK economy since the recession; opening up business, driving trade, capital investment, creating jobs and increasing prosperity.

We want to ensure the hotel market continues to prosper within London, and we believe the Asian tourism market is a key component to making that possible. This guide will open up new routes for your hotel, providing insights into how you can attract the Asian market, and maximise their experience.

## Why Asia?

We have seen Asia's presence within the leisure and business travel markets intensify in the past 10 years, and we are starting to see its wider impact on global tourism. The combination of growth in the middle class sectors, along with a vast increase in overseas business has led to a greater number of outbound Asian tourists. China, Japan and India have been at the forefront of the continents economic growth, however the UK hasn't truly scratched the surface with the potential tourist market these three countries offer. London, has great opportunity for further growth, with its rich cultural heritage – a main attraction for Asian visitors. The UK government has identified this, thus worked alongside China, Japan and India to form closer ties, and open new connections to promote tourism to the UK.



The UK Government has worked alongside the UKVI to help build partnerships to provide easier access for Asian citizens to obtain a UK Visa, especially in China. Previously Chinese citizens would have had to travel to China's largest cities; Shanghai, Beijing or Guangzhou to obtain a visa. For such a vast country this created obstacles for many citizens, including high expense, meaning a relatively low number of tourists making the trip. Today the UKVI have 12 visa application centres across China – more than any other country. Furthermore the introduction of on-demand mobile visa services across 9 cities will make it far more accessible to a larger demographic.

All of these steps forward, building bridges between the UK and China's tourism markets are making it cheaper and easier for Chinese citizens to visit the UK.

VisitBritain's and Japan National Tourism Organisation's 2014 memorandum of understanding (MoU) to promote tourism between the two nations, will hopefully also see a larger influx of Japanese tourists visit the UK and London. Likewise in 2015, David Cameron released a statement announcing a yearlong programme of events to commence in 2017 to mark cultural ties between the UK and India.

It will celebrate the 70th anniversary of Indian independence and UK cultural ties, and work to encourage tourism in both directions.

With these political movements to promote tourism to the UK, we decided to take a look at the impact it is having on the hotel market, and offer insights into where London hoteliers are succeeding, while also highlighting new opportunities to exploit.



## London's Current Hotel Market

The addition of 7,000 new rooms opening across London in 2016 will mean increasing pressures for your brand to stand out from the crowd and maintain a competitive edge – so we decided to take a look at this year's market trends, identifying key opportunities for your hotel to drive market share and increase occupancy rates. We have seen an imbalance of supply growth to demand performance (consecutive monthly drops in occupancy and RevPAR rates since October 2015) so what should your next move be?



In 2015 international demand for London hotels was largely driven by the Asian market – seeing more than double inbound Asian tourists compared to 2014. As emerging Asian economies continue to grow we will see an influx of new market segments – so ensuring your brand is positioned correctly to reach this audience and having the correct amenities in place to accommodate them will be crucial to further success. In a capital city where there are over 1000 hotels to choose from, you need to make yourself visible.

For the Asian market – boutique hotels are proven to be the most popular, providing that unique experience which the Asian tourist seeks. They

have a key focus on making every detail of their trip an individual and a memorable one. While they want a British experience, acknowledging their cultural differences is important, therefore adding minimal touches such as greeting your guest in their native tongue adds a great personal touch. Finding that balance of providing an authentic British stay while accommodating their culture demands is key.

Does your hotel have an in-house strategy embedded to identify and adapt to fit Asian consumer's cultural needs and preferences to maximise their stay?

## What Attracts Asian Tourists to London?

London is the most Googled city in the world, in reference to cultural and arts (PWC, UK Hotels Forecast 2016), and with no global sporting event being hosted in the capital in 2016, culture and arts will certainly be the key driver for London tourism this year.

London plays home to some of the best art galleries, museums and theatres across the world, which attract millions of visitors annually, offering a great variety of arts and culture to suit everyone's taste. In June 2016 we will see an addition to this selection with the new £280m Tate Modern space opening, and it promises to be London's best new cultural attraction for 20 years. The new building will add 60% more display space – providing greater opportunity to display a range of art from Asia and internationally, presenting a diverse cultural mix. Asian tourists want to seek the London cultural experience, however an opportunity to identify with their own culture is important – seeing work from their home country on display will offer an appealing factor and bring a sense of connection with London. Working in partnership with the Tate Modern, creating a dual marketing opportunity with the prospect of producing innovative campaigns, will undoubtedly form mutual benefits.

On the other hand, the UK has its downfalls in the eyes of some Asian tourists, with The British 'welcome' being seen as our biggest weakness. The Asian tourist's biggest worry when travelling abroad is: language barriers (73.74%), followed by personal safety (41.32%) and cultural differences (40.20%). Your aim is to minimise these concerns Asian tourists have and ensure occupancy rates don't suffer as a result of these cultural barriers.

Cultural heritage is one of London's biggest assets when it comes to global inbound tourism, and it's not any different for Asian tourists. The two biggest attractions for Chinese tourists are Buckingham Palace and Bicester Village, Oxfordshire. Culture and shopping top the list for motives for visiting London. Big Ben, the London Eye and the Tower of London are also among the tourist hotspots.

**Culture and Arts will be the key driver for London tourism in 2016**

# CHINA

## key highlights

- Chinese outbound tourism will be worth \$280bn by 2018
- Only 4% of Chinese citizens own a passport, a figure expected to rise to 12% by 2025
- The number 8 is seen as very lucky, the number 4 is unlucky as has connotation with death

## 2015 facts

Population: 1.38bn  
 Inbound Tourism (millions): 25.9854  
 Outbound Tourism (millions): 120  
 Outbound Tourism Spend: \$104.5bn  
 Spend in UK: £435m  
 Spend per head: £2,688  
 200,000+ visits, annual airline capacity 687,000

## 'Rise of the Independent Chinese Traveller'

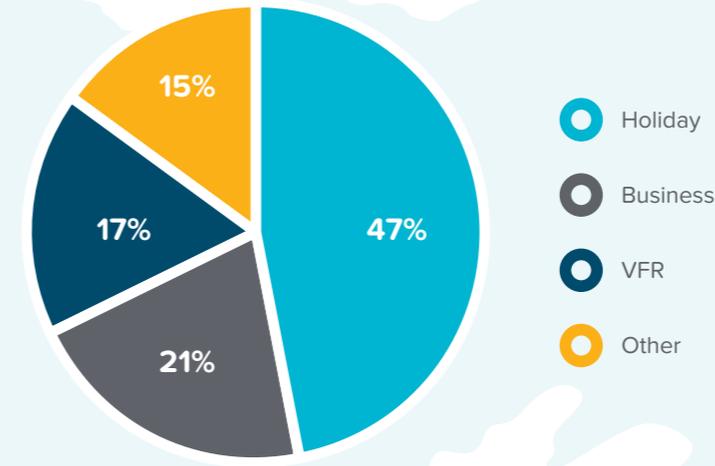
China's demographic change has seen a rise in affluent young citizens, who desire to have control over their own itinerary when travelling abroad and not be restricted. Chinese millennials are "confident, independent minded, and determined to display that independence through consumption". (McKinsey and Company)



## Enhance the experience by... making your hotel Chinese friendly

- Don't put guests in a room on the fourth floor or in a room with the number four in, the pronunciation of the number 4 in Chinese is very similar to 'death'
- Have a kettle in every room with a choice of 2 Chinese tea's (green, oolong, white, black, red)
- Provide a Chinese TV channel in the guests room
- Serve the eldest (or most wise) first at the dinner table
- Serve hot water with every meal
- Greet without physical contact
- Offer an alternative restaurant menu in mandarin
- Do not point with one finger, use the whole hand
- Union Pay POS

## journey purpose



With over 40 different Chinese languages it is not expected that you should know the language. Do not worry about getting the language wrong - if you know any Chinese use it, Chinese citizens will be grateful.

Mandarin is the most common dialect, so having a member of staff who can speak Mandarin to a good level would be very useful.

There are over 600 million social media users in China, that's 91% of internet users. 61% are likely to post about a positive experience with a brand or service on their social media sites. 31% say social media plays a role when planning their travels (hotels.com).

## Business & Meetings

- The Chinese find a venue with a spa more appealing.
- Chinese delegates will give business cards to every individual they meet. Be prepared with your own large supply!
- When inviting Chinese delegates, try to book meetings or events to fall between April-June and September-October. Avoid all national holidays especially the Chinese New Year otherwise you might not get the attendee numbers you would otherwise expect.
- The Chinese are normally very punctual so try to ensure your meeting or event starts on time.
- In China, colours have special meanings – red is a symbol of happiness, white is the colour of mourning and yellow symbolises royalty.
- The Chinese do not generally discuss business during meals – so if you want to talk business do it somewhere else or arrange a separate meeting.
- Do not be surprised or offended if a Chinese delegate does not finish all their food during a meal. They consider it an insult to clear a plate as it implies the host did not provide enough food.



# JAPAN

## key highlights

- The Japanese love Twitter, 20.5% of the population use it, compared to 7% in the US
- Many Japanese like to travel in large groups for events and business
- Bowing is an integral part of Japanese society

## 2015 facts

Population: 126 million  
 Inbound Tourism (millions): 19.73  
 Outbound Tourism (millions): 16.2  
 Outbound Tourism Spend: \$21.8bn  
 Spend in UK: £380m  
 Spend per head: £1,020  
 221,571 visits, annual airline capacity 568,984



Japan has the second highest life expectancy of any major country in the world at 85 years old.

## Enhance the experience by... creating comfort, convenience and efficiency

The Japanese travel industry is specialised and customer-focused

Quick service, breakfast buffets, set meal lunches and express check-ins

Small touches in rooms and around the hotel will make a big impact – the Japanese are very precise

Tooth brushes, face cream and make up supplies are very common in Japanese hotels

Nearly all of the tea produced in Japan is green; provide a selection of green teas in the guests room

Word of mouth factors very highly in the consumer decision process

Majority of visitors will use a credit card to pay



## Business & Meetings

Many Japanese like to travel in large groups for events – you may have more success with your event if you can accommodate travel arrangements in this way.

Bowing is an integral part of Japanese society, particularly in greeting, showing respect and gaining attention. Either welcome delegates with a bow or with a handshake and a slight nod of the head.

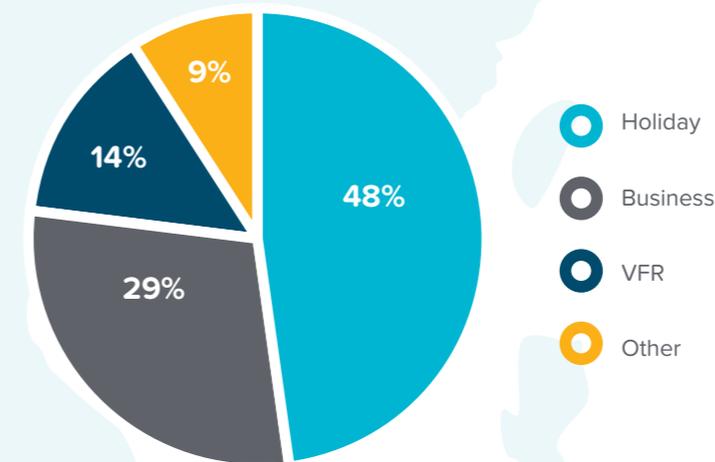
It is not uncommon for Japanese citizens to slurp when eating noodles. Do not be offended, this is a sign they are really enjoying the food.

Japanese delegates will give business cards to every individual they meet.

Silence is considered a virtue in Japan. If during business discussions the room goes silent do not worry, reflection is taking place and their silence should be respected.



## journey purpose



Tokyo will host the 2020 Olympics which is expected to bring a great economic benefit through job creation, greater inbound tourism and an increase in prosperity across Japan leading to greater consumption levels. It is believed the Olympic Games could contribute 30 trillion yen to Japan's economy (\$249billion)

The number of Japanese visitors to the UK aged between 25-34 has halved in the past decade, where the 65+ demographic has increased

Travel products are geared towards the 65+ age group who have both the money and time to travel abroad, compared to younger career focused individuals

# INDIA

## key highlights

- Outbound tourism spend is predicted to rise from \$17bn to \$40bn by 2020
- 2017 will mark a yearlong programme to commemorate cultural ties with the UK
- Airline capacity for India to the UK is 1.8m annually, only 400,000 made the trip in 2015

50% of the population are under the age of 25. India will be adding more people than China to the global middle class just 12 years from now.

## 2015 facts

Population: 1.25bn  
 Inbound Tourism (millions): 8  
 Outbound Tourism (millions): 19.9  
 Outbound Tourism Spend: \$17bn  
 Spend in UK: £435m  
 Spend per head: £1,139  
 400,000 visits, annual airline capacity 1,803,048



## Enhance the experience by... Atithi Devo Bhava – ‘consider the guest as god’

### 5 Steps – Panchopchara Puja “code of conduct”

Fragrance/Incense (Dhupa): rooms must have a pleasant fragrance while welcoming any guest.

Earthen Lamp (Dipa): Lighted earthen lamp provides beautiful light to welcome the guest into their room.

Food (Naivedya): Fruits and milk made sweets offered to guests for refreshments.

Rice (Akshata): Tilak is a symbol of warm wishes but also an expectation of well-being of the person who it is applied. Made from vermilion paste, tilak is put on the forehead and rice grains are placed on tilak.

Flower Offering (Pushpa): symbolises freshness and gesture of good will that will stay with them for several days.

## Business & Meetings

India has a flexible attitude to time – do not be insulted if Indian delegates arrive late or change meetings or appointments at the last minute.

When greeting Indians use Namaste, where the palms are put together at chest level with a slight bow of the head. Using the Namaste shows your understanding of Indian etiquette, although a handshake is also an acceptable greeting.

It is considered well-mannered in India to have a soft handshake.

Titles are highly valued by Indians so it is always better to make introductions using any titles in full.

Every region in India has its own dietary rules – provide a number of vegetarian dishes to ensure all delegates are catered for.

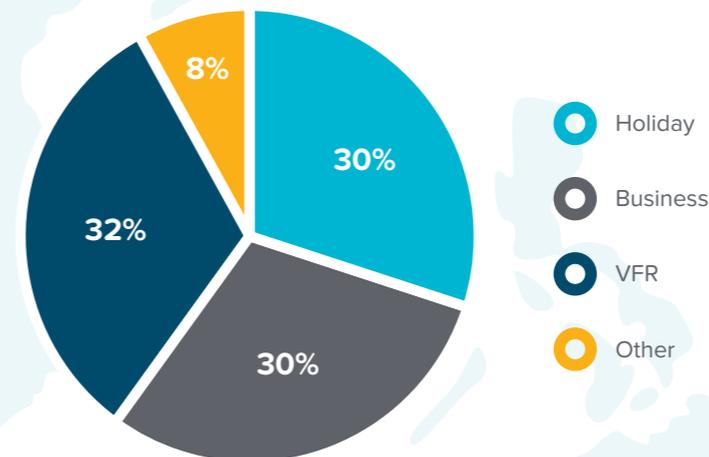
Indian delegates may refuse the first or even second offer of refreshments, which is a customary practise in India. Be aware of this and make sure to offer drinks more than once if initially refused.

To Indians, wearing only black or white clothes can indicate you are mourning or going to a funeral. Bright colours can show that you are dressing to stand out so be considerate with your choice of dress.

200 million Indian citizens will be classified as middle class in 5 years, 475 million by 2030.



## journey purpose



A yearlong programme of events in 2017 will mark the 70th anniversary of Indian independence and its cultural ties with the UK. This will promote tourism in both directions to each nation.

Events will include: Shakespeare’s first folio & Magna Carta – to tour India and popular Bollywood waxworks to feature in new Madame Tussauds in New Delhi.

Davies Tanner is a specialist independent travel, tourism and hospitality PR and communications agency. We operate on a global level and support many luxury brands from boutique to group-wide prestigious hotels and venues. We communicate brand messages to a targeted audience through engaging campaigns. Furthermore we are special advisors to the Government-backed Events Industry Board, as well as VisitBritain's delivery partner for the 'Events are GREAT' campaign.

Please do get in touch, we would be thrilled to meet you.

Creativity  
Connections  
Content

davies  
tanner

Davies Tanner Marketing Services Limited,  
Longford House, 19 Mount Ephraim Road,  
Tunbridge Wells, Kent TN1 1EN, UK  
[enquiries@daviestanner.com](mailto:enquiries@daviestanner.com) | [daviestanner.com](http://daviestanner.com)

davies  
tanner