

Trends shaping our industry

Over the past few years, the travel and tourism industry has demonstrated its enduring importance for millions globally. Despite the backdrop of short-term macro pressures and uncertainty, consumers continue to value and feel passionately about travel, with surveys indicating it to be among the most resilient of discretionary spending areas. As we look to 2024 and beyond, we are seeing the evolution of several trends and travel habits that are likely to strengthen in our industry over the coming years.

This section focuses on three trends that are becoming increasingly prominent in our industry; the rise of blended travel supported by the shift to remote working in recent years; increased interest in sustainable travel; and the growing role of technology, which is creating more opportunities for personalised travel experiences.

1 Blended travel



The rebound in business travel has reignited another trend – blended travel, where business and leisure are combined into one stay, by either taking the time to explore the local destination during a business or work trip, or by adding a holiday onto the beginning or end of a business trip or conference.

A shift to remote working in recent years is contributing to the rise in popularity of blended travel. According to a 2023 survey by the Global Business Travel Association (GBTA), business travellers are blending business and personal travel more frequently than they did in 2019. Additionally, guests are increasingly extending their trips, with 42% of travellers adding leisure stays to their business trips in 2023 and 79% staying at the same accommodation for business and leisure portions of their trip. Blended travel is set to become more popular in the coming years, with Euromonitor forecasting that global spend by travellers combining business and leisure will more than double by 2027 compared with 2021.

Alongside blended travel, the growth in popularity of co-working can provide an opportunity for hotels to reimagine under-used spaces and appeal to new guests, particularly younger generations, and attract the local population.

Our responses include:

- Continuing to roll out the innovative Open Lobby for Holiday Inn® in new markets, which gives guests and visitors a welcoming space to relax, work or socialise.
- Launching new concepts such as Meetings Without Boundaries for Crowne Plaza® Hotels & Resorts to capitalise on the rising demand for flexible meetings and gatherings.
- Expanding our portfolio of extended stay properties across our Suites collection, including Candlewood Suites® and Staybridge Suites®, to offer guests an unparalleled extended stay experience.

→ See pages 20 to 24 for more information.

2 Increasing focus on sustainability



Guests and organisations are increasingly focused on the environmental impact of their travel. A study by the World Travel and Tourism Council (WTTC) revealed that 75% of travellers are looking to choose sustainable travel in the future, while 59% have chosen some form in recent years. Business customers are also increasingly paying closer attention to sustainability, with 92% of business travel professionals stating it is a priority for their organisation, according to a recent survey by GBTA. This trend is set to strengthen, with increased public scrutiny, more media coverage, and stricter reporting rules leading to more companies reporting on their GHG emissions.

As sustainability concerns grow, guests are expected to choose companies prioritising sustainable practices. However, according to a Boston Consulting Group (BCG) study, 10% of consumers currently prioritise sustainability as a top driver of choice when making travel purchasing decisions. Travel companies must continue collaborating to establish shared frameworks that enable guests to easily access and act on sustainability information – for example, improving booking tools to display relevant sustainability details across the travel ecosystem.

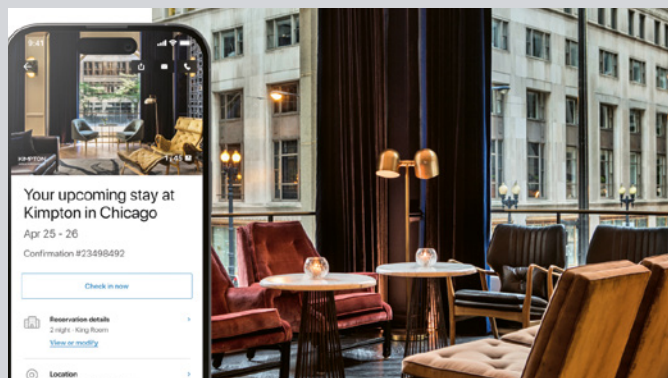
Our responses include:

- Progressing towards our Science-Based Target (SBT) through initiatives such as driving energy efficiency across our existing hotels, facilitating access to renewable energy opportunities and developing plans for new-build hotels that operate at low carbon.
- Supporting hotels with the launch of the new Meeting for Good sustainable meetings programme and by facilitating access to leading third-party sustainability certification programmes.
- Playing an active role in cross-industry conversations focused on driving visibility, alignment and clarity in sustainability initiatives relevant to travellers, including corporate customers.

→ See pages 33 to 35, and 52 to 59, for more information.

→ See our Responsible Business Report (RBR)
ihgplc.com/responsible-business/reporting

3 Technology enhancing guest experiences



Technology is redefining the travel experience, from helping inspire guests for their next trip to customising their in-room stay experience. Guests increasingly rely on digital technology, such as social media, web searches and online reviews, for inspiration and information. In fact, 75% of travellers say they have been inspired to travel to a specific destination by social media, while 48% want to travel to destinations that will allow them to 'show off on social media', according to a survey by American Express Travel.

According to Deloitte research, hotels are among the most popular categories of personalisation among customers (47%) and many customers are willing to pay more for a customised product or service. This includes booking a room with a view or more space or being able to stream content from their devices to their in-room TV.

Hotel companies are also continuing to leverage advances in artificial intelligence (AI), machine learning (ML) and analytics to create more personalised and targeted experiences for guests, and to help inform marketing, customer service and revenue forecasting.

Our responses include:

- Launching IHG® Wi-Fi Auto Connect to allow members to connect to the hotel's wi-fi automatically, seamlessly and securely upon arrival.
- Launching a next-generation IHG mobile app to give our guests more choice and unlock the benefits of our transformed IHG One Rewards loyalty programme.
- Rolling out the ability to upsell unique room attributes across the estate, enabling a more seamless and personalised booking experience.

→ See pages 22 to 23, 26 to 27, and 36, for more information.