

Trends shaping our industry

Continuing to evolve and adapt

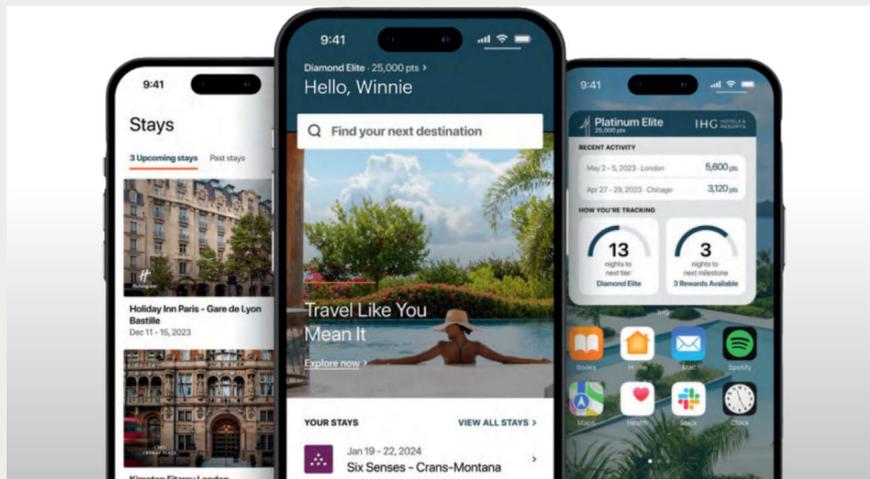
The travel and tourism industry continues to demonstrate strong fundamentals.

Despite the current backdrop of macro-economic uncertainty, intent to travel remains high.

Continued technological advancement in AI is changing consumer behaviours and expectations, and transforming operations across the hospitality landscape. Meanwhile, the growing

attractiveness and potential of Asian and Middle Eastern markets, alongside the emergence of experience-driven consumers, is redefining global travel demand.

AI transforming travel



Artificial intelligence is driving significant transformation across the hospitality sector. AI technologies are redefining the end-to-end travel purchase journey and enhancing the operational capabilities of accommodation providers.

Generative AI is providing inspiration to a broad range of travellers, gaining particular traction among younger travellers and those in Asia. Meanwhile, advanced solutions such as AI-powered smart search and integrated trip-planning platforms are redefining how guests research, book and experience travel.

Accommodation providers are also unlocking new capabilities through embedding AI into their core systems, often in collaboration with specialist partners, to remain at the forefront of technological progress. Predictive analytics are optimising pricing and staffing models, providing hotels with improved clarity in anticipating occupancy and demand shifts.

On the guest-facing side, advanced language models are transforming customer service, including assisting with guest queries and supporting multilingual content translation.

Our responses include:

- Embedding AI into core operating platforms, including:
- deploying a new revenue management system that leverages AI to deliver advanced insights and recommendations to owners; and
- developing an AI-enabled CRM platform to empower corporate and hotel teams with unified guest insights, and to enhance loyalty delivery.
- Leveraging AI to enable new content types, including building a new digital content platform to unlock additional capabilities for owners, such as AI-powered translations, expanded video capabilities, and accelerated content publishing across our digital channels.
- Developing AI-powered trip-planning capabilities in partnership with Google – a key step towards enabling a more elevated search experience on IHG's owned sites.

Accelerating growth in Asia and the Middle East



Asia Pacific and the Middle East are becoming increasingly significant contributors to the global travel market, with the economic development of countries such as China, India and Saudi Arabia driving higher travel demand.

Oxford Economics predicts that Asia Pacific and the Middle East will account for over 15 billion domestic and inbound nights by 2035 (up from 10 billion in 2025), representing 45% of global nights.

To address emerging demand, hotel companies must adapt to varied consumer preferences and behaviours, including varying travel motivations, the use of local planning sources, and purchases through local channels.

Loyalty programmes will need to be tailored to regional expectations, offering benefits and experiences that resonate with local customers, and are delivered in their native language.

Hotel stay product and formats also need to be carefully tailored to reflect local preferences and cultural expectations for domestic travellers. This includes adapting amenities, food and beverage offerings, and guest services to meet the unique needs of regional travellers. By aligning product features and service delivery with local tastes, hotel companies can enhance guest satisfaction and loyalty, ensuring their offerings resonate with both domestic and international visitors.

Our responses include:

- Expanding our presence in key future growth markets, including surpassing 50 open hotels in India, reaching 100 open and pipeline hotels in Saudi Arabia, and growing to more than 800 open hotels in China.
- Adapting to local booking preferences in key markets, such as partnering with Rakuten and launching the LINE mini app in Japan, to connect guests and IHG via preferred channels.
- Launching the next generation Holiday Inn Express® format in China to improve guest satisfaction and investment returns, alongside debuting lifestyle brand Atwell Suites in China.

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Kimpton KAFD Riyadh, Saudi Arabia, which opened in August 2025, marking the debut of Kimpton in the Middle East.

The next stage of the experience economy

Consumers continue to place strong value on experiences, with younger generations leading this shift; approximately two-thirds of 18- to 35-year-olds report that live experiences are more fulfilling than purchasing items of equivalent value.

This trend is boosting experience-related travel archetypes, such as live-event-focused tourism, where trips are centred around activities such as concerts or sports fixtures, which reflect guests' interests, values and lifestyle.

Hotels are increasingly evolving from simply being a place to stay to becoming an integral component of the overall travel experience.

Brand portfolios are adapting to include more lifestyle-focused offerings catering to specific interests such as wellness, inter-generational family travel and live-event-driven stays. By broadening product offerings, accommodation providers can better meet the needs of experience-driven guests.

Loyalty programmes are increasingly capturing demand by offering members a curated selection of activities, in addition to core accommodation options. These platforms enable guests to earn and redeem points across a broader range of experiences, enhancing the overall value proposition and fostering deeper engagement with the brand.

Our responses include:

- Growing our Luxury & Lifestyle portfolio to six distinct brands, providing guests with a variety of authentic, experience-driven stays to suit their specific tastes.
- Scaling our estate in key cultural destinations around the world, providing a base for experience-driven guests travelling for sport, music or other occasions.
- Acquiring Ruby, expanding our estate with design-led lifestyle properties based in cultural hub locations across Europe, and growing the brand globally.
- Partnering with organisations such as the US Open Tennis and Six Nations Rugby to provide members with culturally relevant and personalised experiences.
- Launching 'Doors Unlocked by InterContinental' – a luxury programme across six InterContinental properties, offering curated insider experiences such as private Fashion Week events and VIP film screenings.
- Developing Six Senses destinations that combine crafted experiences, pioneering wellness programmes, and sensory led design to cater for growing demand for experiential luxury.

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The Racquet Bar by IHG at the 2025 US Open Tennis Championships.



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