
Engaging the ASIA PACIFIC MILLIONAIRE *TRAVELLER*

Agility Affluent Insights™ Summary Report
ILTM Asia Pacific





CONTENTS

3 ABOUT AGILITY

4 INTRODUCTION TO THE REPORT

5 TRENDS IN ASIA PACIFIC LUXURY TRAVEL

16 TRAVEL AND LUXURY SHOPPING

22 TRAVEL PURCHASE PREFERENCES

27 TRAVEL INFORMATION SOURCES AND INFLUENCES

30 WHAT THIS ALL MEANS TO TRAVEL BRANDS



INTRODUCING

Agility and Affluential

Agility Research & Strategy is a World Class Research and Consulting company with a core focus on the Affluent and Luxury Consumers for premium brands. With over 30 years combined experience in understanding the Affluent consumer, we are truly Fluent on the Affluent™.

We partner with leading brands in helping to provide actionable insights through a suite of solutions that lead to growing their market share.

Affluential, powered by Agility, is a leading consumer intelligence portal helping brands engage with Affluent consumers in more than 20 key economies across the United States, Europe and Asia Pacific.

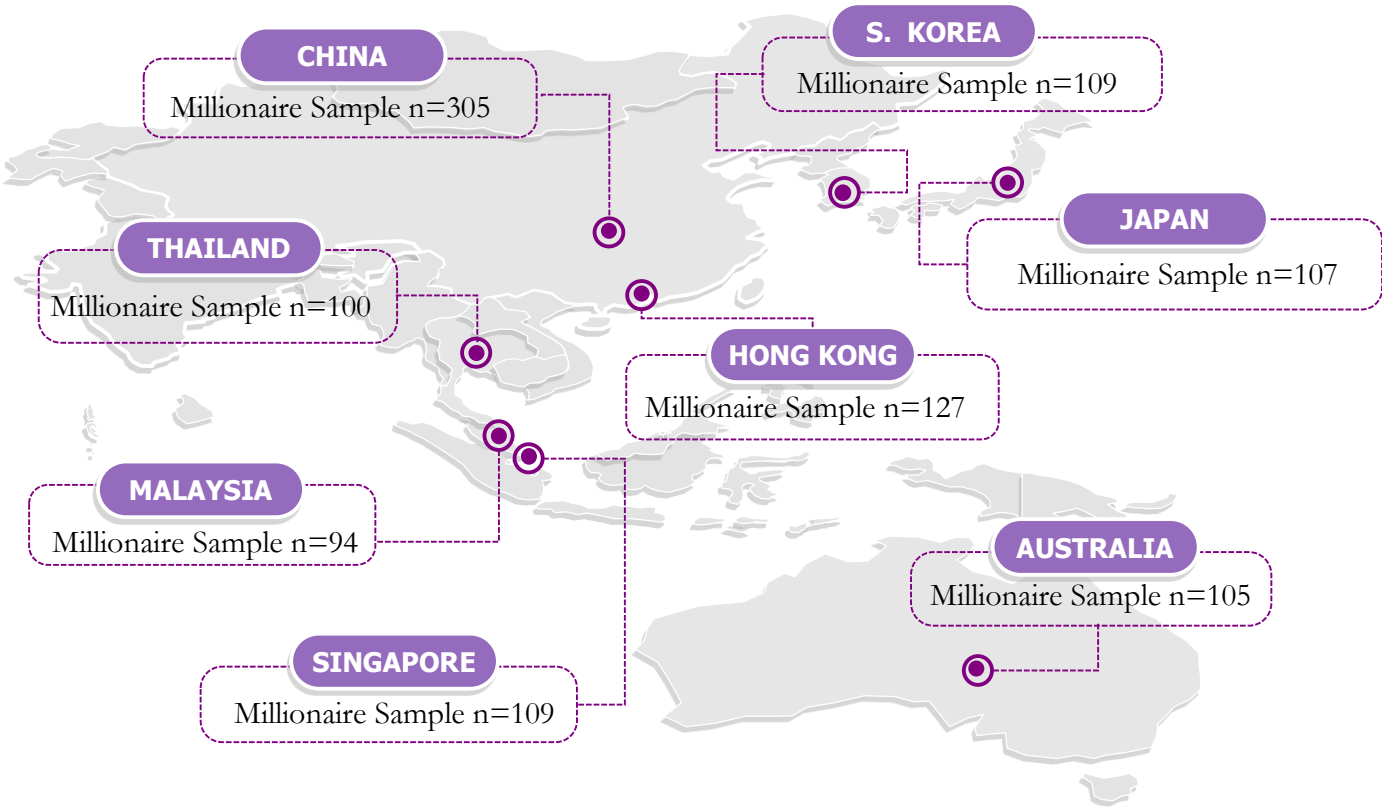
We work with brands catering to affluent consumers around the world:



ABOUT THIS REPORT

This report is based on findings from the **Affluent Insights™**
Luxury Study:

- Fielded in Nov/ Dec 2017
- Covers 8 markets: China (52% in Tier 1, 48% in Tiers 2/3+), Hong Kong, Singapore, Thailand, Malaysia, Australia, Japan, South Korea
- Total sample size across markets was 1,056 millionaire respondents who all have US\$ 1 million+ in investable assets



Age	CH	HK	SG	MY	TH	KR	JP	AU
18-34	49%	35%	37%	38%	48%	39%	12%	14%
35-44	40%	35%	44%	35%	30%	34%	14%	18%
45+	10%	31%	19%	27%	22%	27%	74%	68%
<i>n =</i>	<i>305</i>	<i>127</i>	<i>109</i>	<i>94</i>	<i>100</i>	<i>109</i>	<i>107</i>	<i>105</i>

Note: The percentages throughout this report have been rounded to the nearest percentage point and may not add up to 100%.

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GENERAL TRENDS

in luxury travel Asia Pacific

Travel remains a big focus for Asian millionaires, with over 70% in most markets confirming their intention to travel more for leisure in the next 12 months (with Japan as the most favoured destination), and with over 50% of all respondents confirming that they routinely spend more on travel than on any other luxury goods category.

Millionaires in Malaysia and Thailand are showing a growing propensity to spend on luxury items overall and on travel in particular, and to do so in style, flying in business and first class.

Personalized travel experiences and activities have become essential to the travel experience, with respondents spending on average more on experiences than on hotel accommodation.

Cruises are becoming increasingly popular among Asian millionaires, with all markets showing consistent y-o-y increases on cruise spend.

Whilst many travel brands are targeting millennials, older demographics (35+) still represent a large potential market, with 38% of the segment taking more than 3 trips annually.

The most popular information channels for travel are online search and brand websites. The brand website, often overlooked in terms of budget allocation vs social media, remains an essential tool to showcase and promote a brand.

One and social media advertisements are the top 2 influencers when choosing a travel brand. Nevertheless, offline channels are still relevant, with between 35% and 41% of respondents indicating that they are still influenced most by physical interaction with the brands or through traditional media exposure.

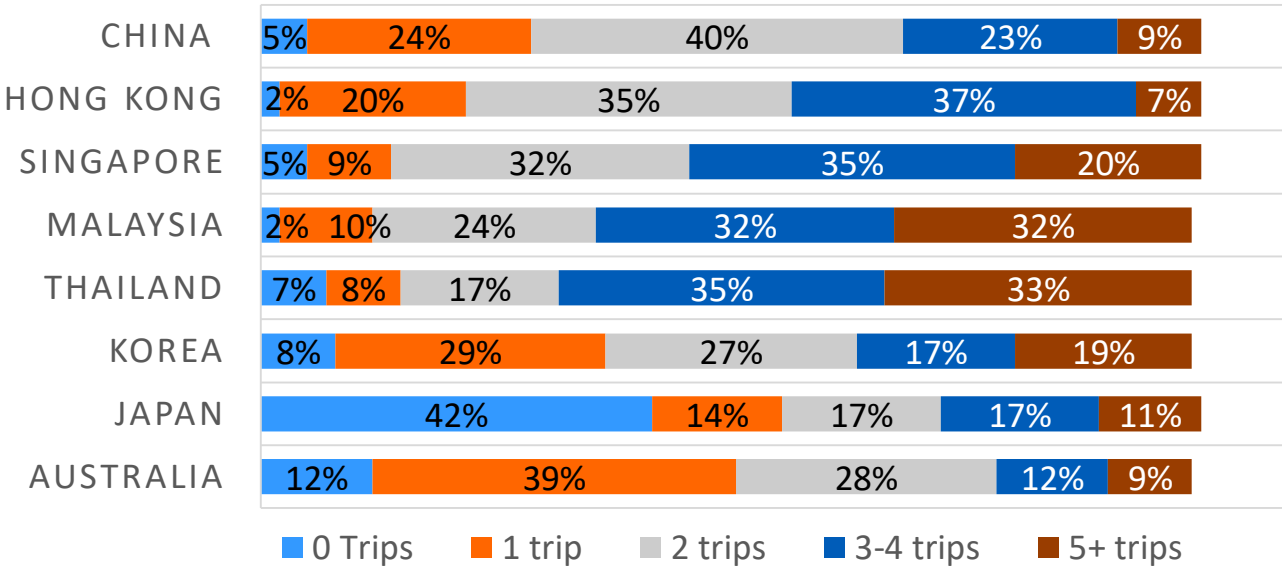
FREQUENCY OF TRAVEL

Asia Pacific millionaires are generally frequent international travellers, with the exception of the Japanese millionaires, who have travelled less internationally than other markets.

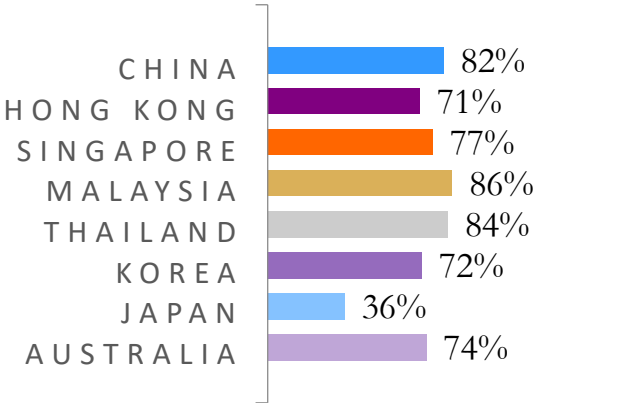
Overall, 71% of the millionaires surveyed travelled internationally for leisure 2 times or more in the past 12 months.

2 in 5 HNWI's go on 3 or more leisure trips annually.

Thai and Malaysian millionaires exceed all other markets for propensity to travel, reflecting the increasing wealthy status of both countries.



All markets, except Japan, show high propensity to travel for leisure in the next 12 months. (“More likely to travel abroad for vacation in the next 12 months”)



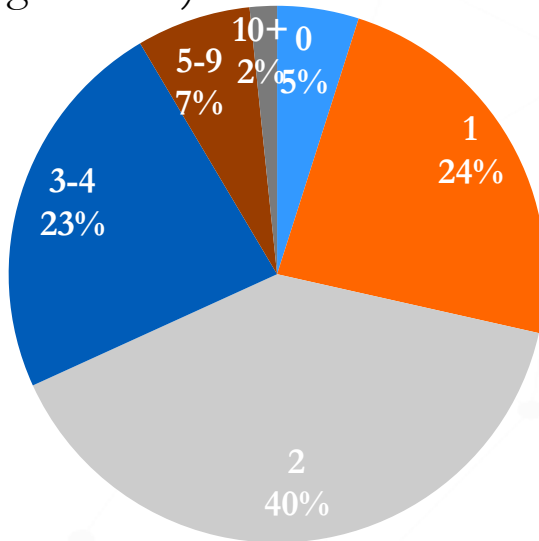
Q:How many international trips have you taken in the past 12 months for the following purposes (Leisure)?
Q: Looking ahead to the next 12 months, and comparing it to the previous 12 months, please rate how strongly you agree with the statements. (Top-2-box)

On average, one in every four trips Chinese millionaires take mixes leisure and business. “Bleisure” poses peculiar challenges to luxury travel brands: they must learn to look at their guests’ trips holistically, so they can provide different experiences during the same trip depending on the stage the guest is at.

Number of Trips in Past 12 Months

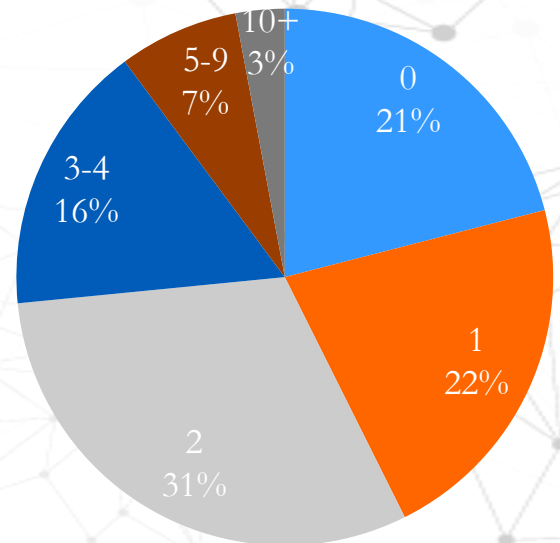
Leisure

(Average = 2.51)



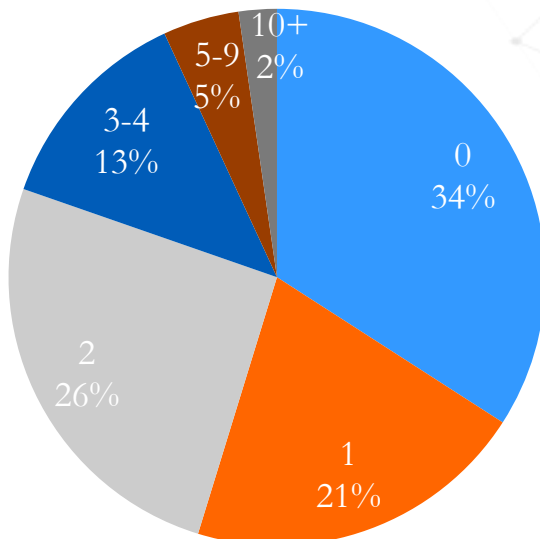
Business

(Average = 2.24)



Bleisure

(Average = 1.74)



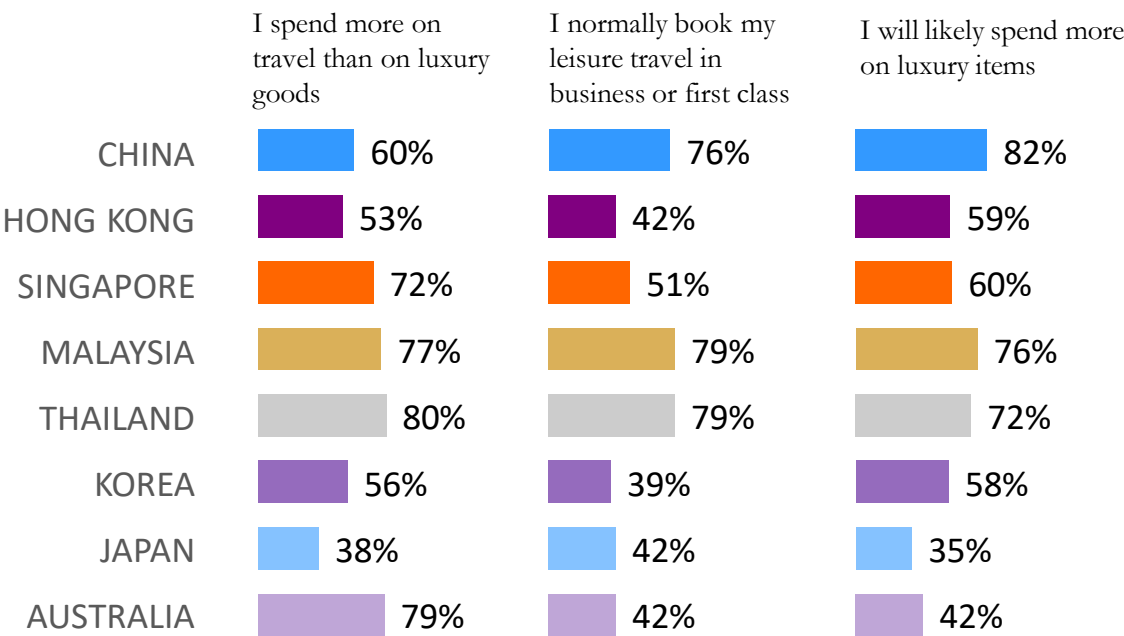
TRAVEL SPENDING PRIORITIES

Travel has become one of the most important spending categories for millionaires in Asia Pacific, with over half of all interviewed expressing the intention to spend more on travel than on other luxury items in the next 12 months.

This trend is most evident in China, with a **9% increase** YoY of respondents spending more on travel than on luxury goods.



Millionaires in **China, Malaysia and Thailand** show higher propensity to travel in style and to spend on luxury items overall.

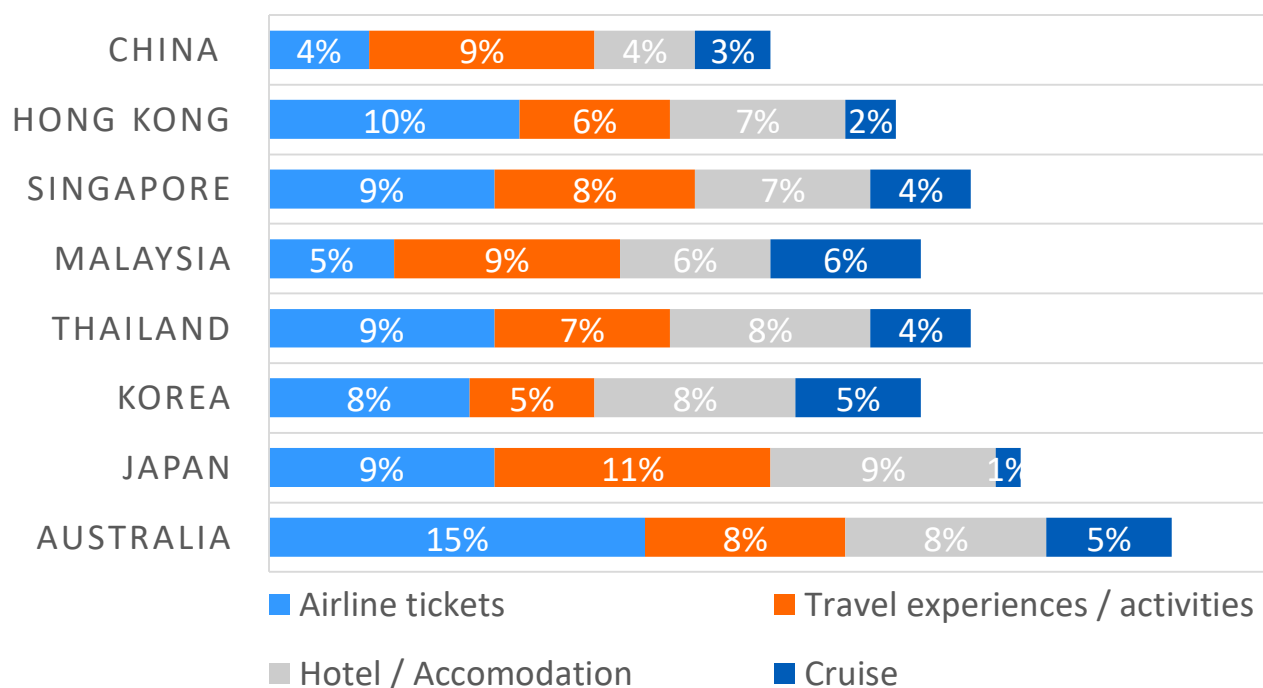


Q. Please rate how strongly you agree or disagree with each of the following statements. (Top-2-box) Base: HNWIs

TRAVEL EXPERIENCES & ACTIVITIES

In most markets, millionaires are **willing to spend** on travel experiences and activities more than on luxury accommodation.

Cruise travel is growing across APAC, particularly in **Malaysia, Korea and Australia**, which show relatively higher spending on cruise travel.



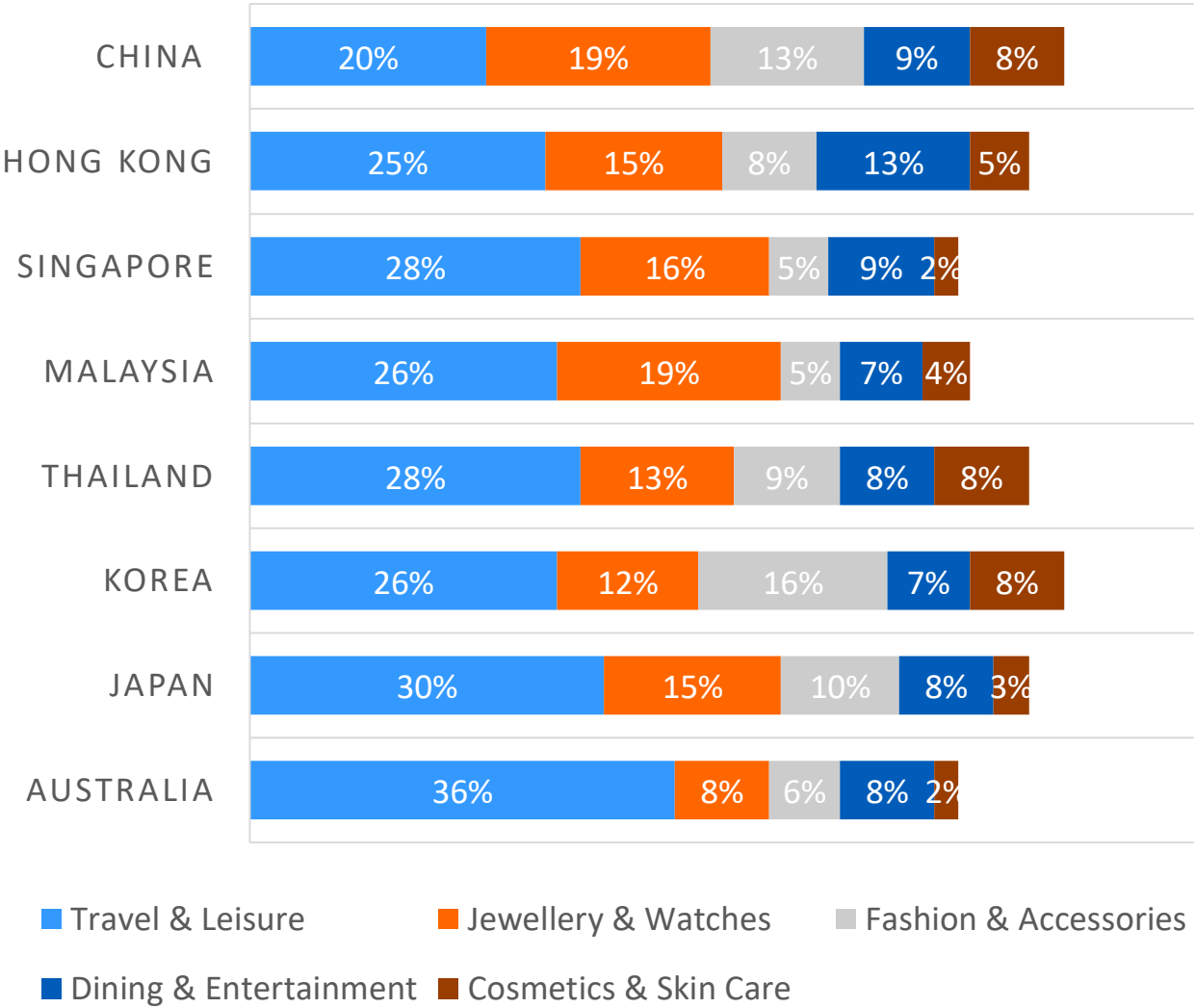
TREND With cruises becoming increasingly popular with the mass affluent market, millionaires increasingly feel that while cruises offer luxury, they **do not offer the privacy and exclusivity** they are accustomed to. Small-ship expedition cruises are a niche but rising segment among adventurous wealthier travellers, who are looking to discover far-flung destinations which are not accessible to larger cruise ships.

Luxury hotel brands are also extending into the small cruise market. For example, Belmond's luxury barges sail through France, to explore wine regions crossed by the smaller rivers and The Ritz-Carlton plans to launch the Yacht Collection in 2019.

Travel Remains Top of Mind for Millionaires

Travel accounts for a **lion's share of spending** on discretionary goods and services in most Asia Pacific countries, with Australia showing the highest share.

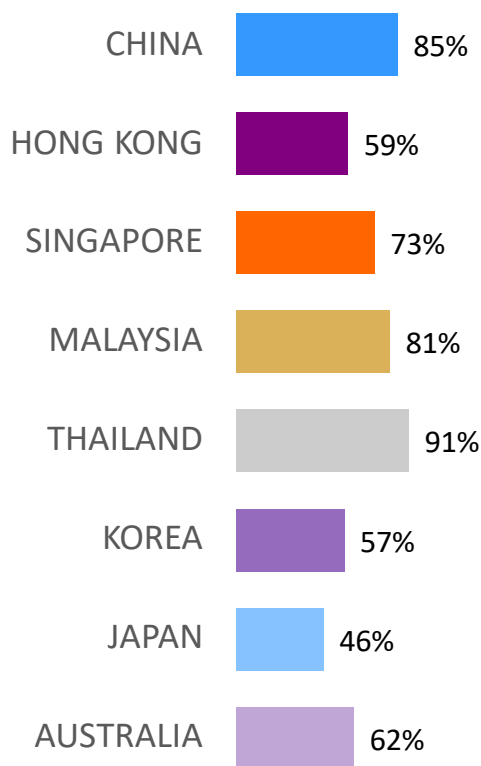
SHARE OF WALLET



Q: How much did you spend in the following categories in the last 12 months?

The research strongly shows that no matter what type of experience is considered, all must have one common trait: customization by understanding and anticipating the millionaire's needs.

I expect a highly customized experience when buying luxury products or services



“A great experience I associate with a luxury brand is one that offers thoughtful, bespoke, intelligent service and solutions, and fulfil needs that you might not even anticipate yourself.”

— HONG KONG MILLIONAIRE

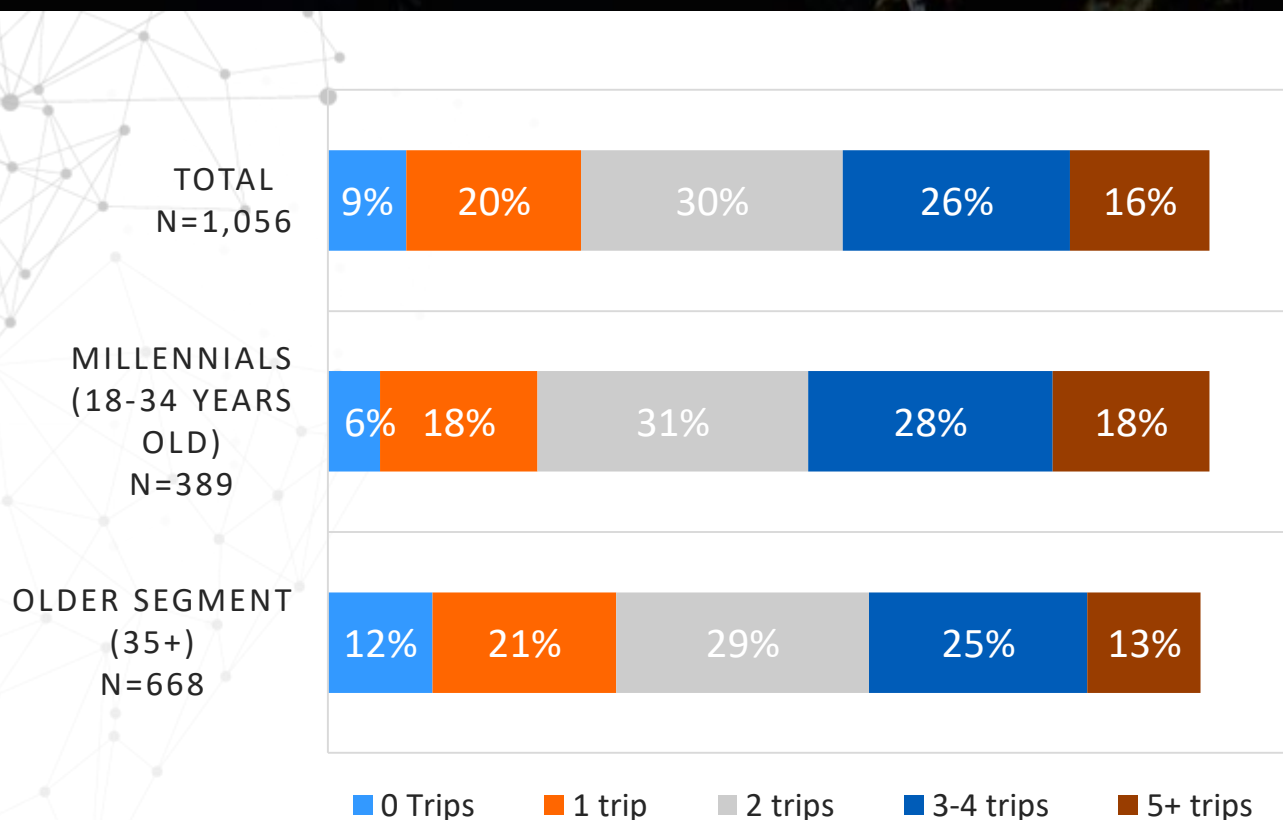
Luxury travel brands need to set up **personalized digital to offline customer journeys**, using the trove of data available today. They have to make the end-to-end journey one seamless process, paying particular attention to pain points in between stages.

TREND Airbnb Trips platform provide personalized, locally-operated tours and activities. They thus pose a potentially big challenge for the luxury travel advisor community. While the traditional travel advisor will still be able to provide good recommendations to long term customers, Airbnb's use of big data and AI enables it to better understand new demographics' needs and pick up growing trends much faster, all in one easily accessible platform.

MILLENNIALS' LEISURE TRAVEL BEHAVIOUR

Although millennial (those in the 18-34 years of age bracket) millionaires in Asia Pacific go on international leisure trips on a more frequent basis than the older millionaire segment, the difference is not as marked as one could expect. 46% of millennials took at least 3 leisure trips annually, compared to 38% for the elder segment

Older demographics remain an important contributor to the luxury travel industry. Their spending power cannot be discounted.



Q: How many international trips have you taken in the past 12 months for the following purposes (Leisure)?

Japan, the Most Popular Travel Destination

Japan is the most sought after country to travel to by **Asian millionaires**, due to the low Yen, variety of destinations, authentic culture and attention to the environment.

CHINA



HONG KONG



SINGAPORE



MALAYSIA



THAILAND



SOUTH KOREA



JAPAN



AUSTRALIA



Q: What destinations have you travelled to for leisure in the past 12 months?

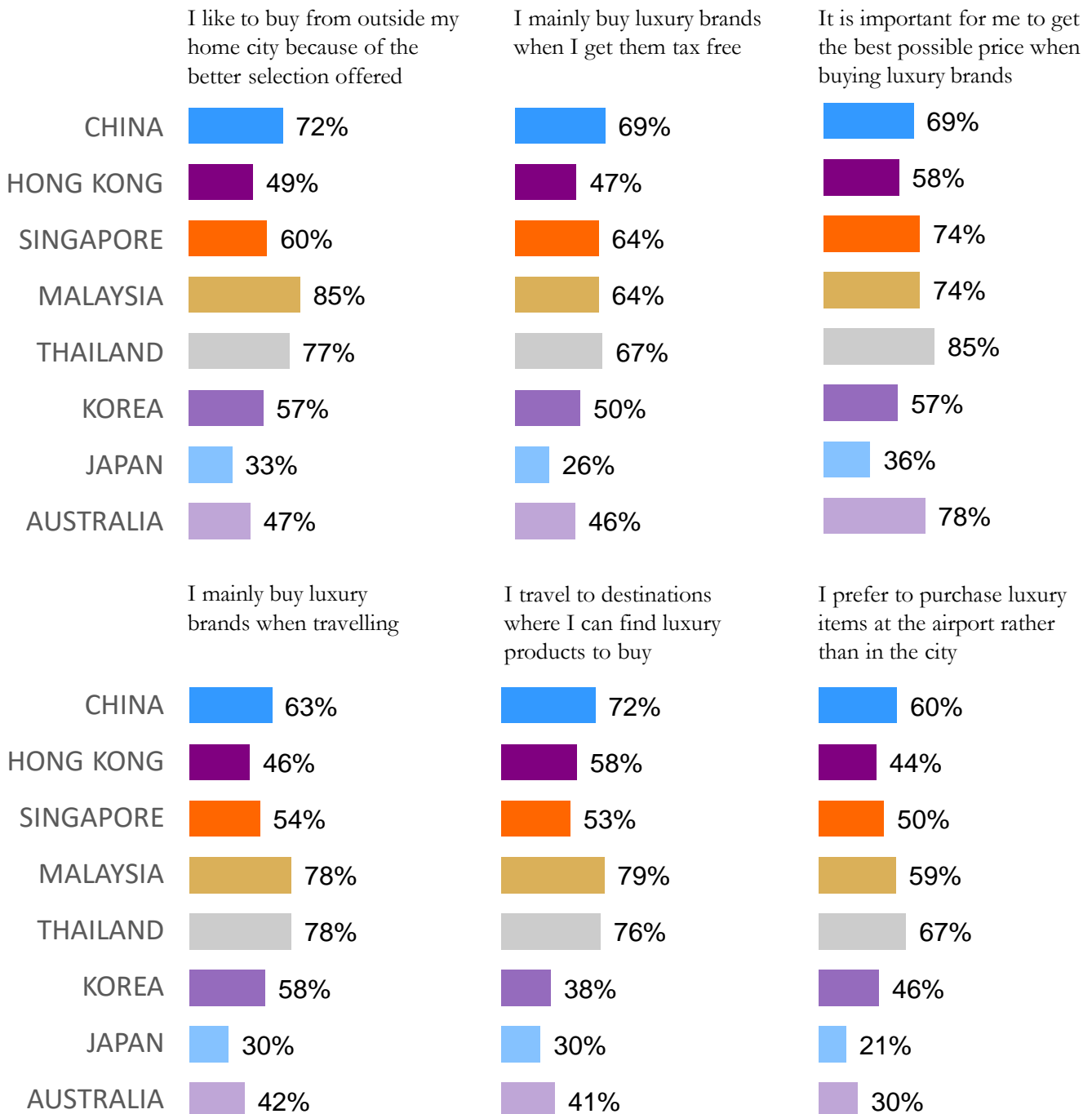
ACTIVITIES DONE DURING LEISURE TRAVEL IN THE PAST 12 MONTHS BY ALL 8 MARKETS



Travel Luxury Shopping Preferences

Better selections offered is one of the key reasons for buying luxury products during travel. Still, most of the HNWIs would like to buy the luxury product tax free and at the best possible price.

The HNWIs in **China, Malaysia and Thailand** show higher interest in buying luxury products during travel.



Q: Please rate how strongly you agree with each of the following statements. (Completely agree + somewhat agree)

Travel Luxury Shopping Influencers

Unsurprisingly, given the region's widespread adoption of mobile connectivity, **online search, social media apps and travel / guide apps are the channels of choice** when researching luxury shopping during travel.

But **face-to-face recommendations remain important** in certain markets, with HK and SG indicating Tourist Information Centres and Japan and Australia indicating Hotel Concierge as important sources of recommendations.

TOP 3 INFLUENCERS	1 st	2 nd	3 rd
CHINA	Online search	Social media apps	Travel / guide apps
HONG KONG	Online search	Tourist information center or kiosk	Travel / guide apps
SINGAPORE	Online search	Tourist information center or kiosk	Travel / guide apps
MALAYSIA	Online search	Travel / guide apps	Social media apps
THAILAND	Online search	Social media apps	Travel / guide apps
KOREA	Online search	Travel / guide apps	Social media apps
JAPAN	Online search	Hotel concierge	Travel / guide apps
AUSTRALIA	Online search	Hotel concierge	Tourist information center or kiosk

Q. While you are travelling overseas, which of the following do you use to help you make purchase decisions and find shopping destinations for luxury and premium goods?

Travel Luxury Shopping Influencers

MILLENNIALS prefer to source information themselves, without third party help, either online (search or social media) or in print. Very few rely on Hotel Concierge or Tourist Info Centre as a source of information.

TOP 3 INFLUENCERS	1 st	2 nd	3 rd
CHINA	Online search	Travel / guide apps	Social media apps
HONG KONG	Online search	Brochures and guides picked up at the airport	Travel / guide apps
SINGAPORE	Online search	Tourist information center or kiosk	Travel / guide apps
MALAYSIA	Travel / guide apps	Online search	Brochures and guides picked up at the airport
THAILAND	Online search	Social media apps	Hotel concierge
KOREA	Online search	Travel / guide apps	Social media apps and brochures / guides
JAPAN	Brochures and guides picked up at the airport	Hotel concierge	Online search
AUSTRALIA	Hotel concierge	Online search	Social media apps

Q. While you are travelling overseas, which of the following do you use to help you make purchase decisions and find shopping destinations for luxury and premium goods?

[illegible][illegible]

THAILAND



MALAYSIA



Respondents in both Thailand and Malaysia display a more **classical view** of luxury. On one hand, they highlight the price tag ("expensive"), but on the other, they draw attention to the status that having luxury bestows on the owners ("wealth").

JAPAN



AUSTRALIA

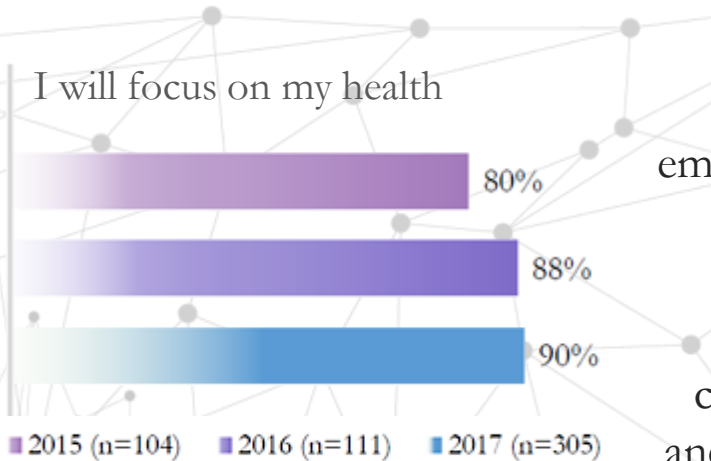


Japan and Australia indicate “expensive” as the **first marker of luxury**, but the price tag in both cases is associated with, and justified by, the “high quality” of the luxury products purchased or luxury services enjoyed.

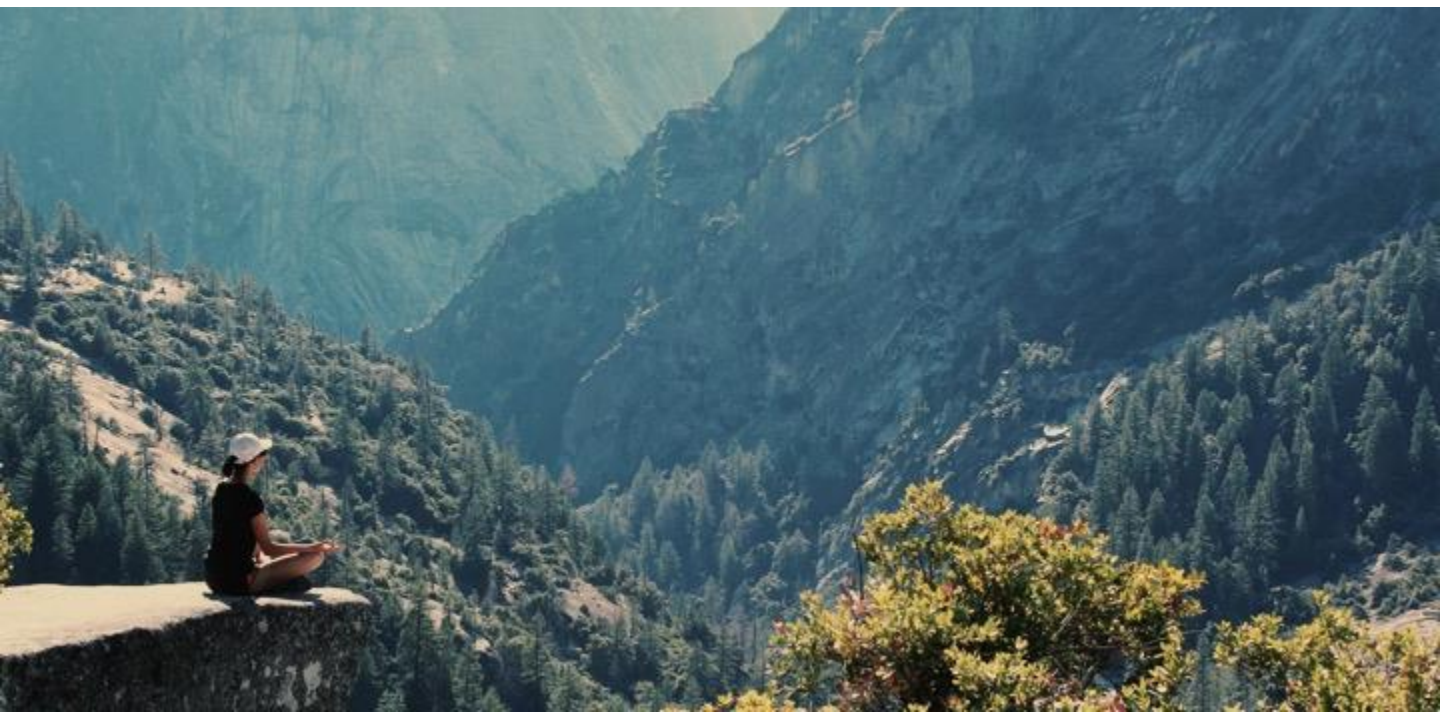
WELLNESS IS THE NEW LUXURY

Millionaires across Asia increasingly assign **more value to health and wellness than to material objects.**

The definition of health and wellness has evolved to encompass a more holistic quality of life, where one's mental, physical, and emotional health are balanced with the daily grind of modern life. Chinese millionaires in particular clearly recognize that health and wellness are important in life, with 90% expressing the desire to focus more on their health in the current year, a whopping 10% increase in only 3 years.



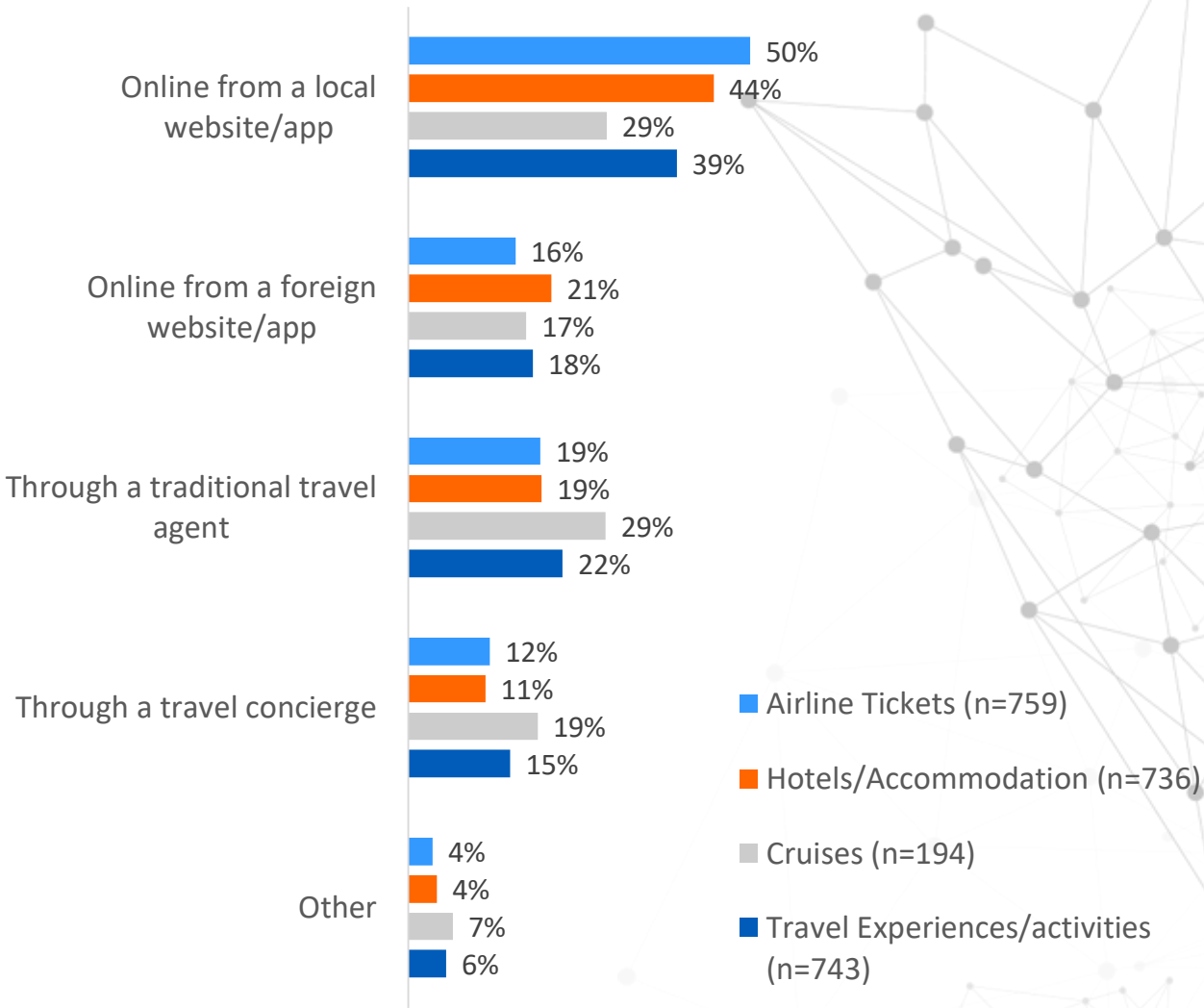
Q. Looking ahead to the next 12 months, and comparing it to the previous 12 months, please rate how strongly you agree with each of the following statements. (Top-2-box)



TRAVEL PURCHASE CHANNELS

Overall, most of the travel purchases made in this region are completed online, particularly through a local website / app.

This is, however, not true for cruises, which are more likely to be booked through traditional travel agents and travel concierge services, especially in markets like Hong Kong and Japan.

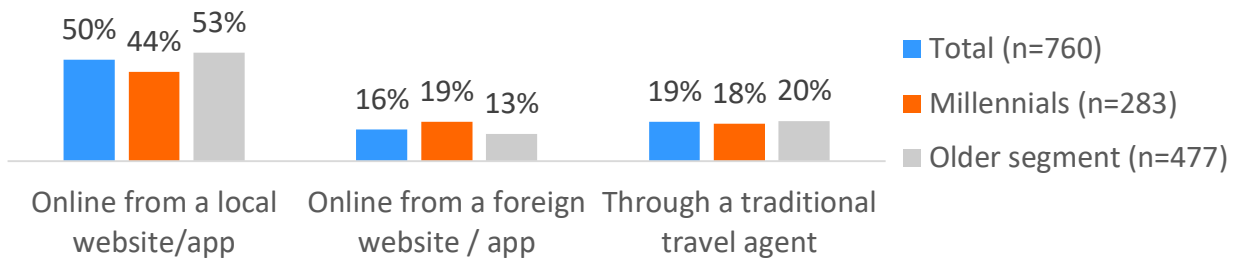


Q: What percentage of your purchases for each of the following travel categories was from each of the following channels?
Base: P12M Category Purchasers, All 8 markets

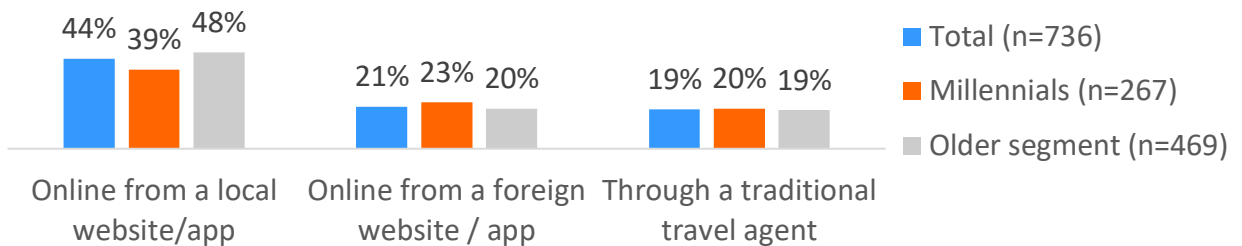
Millennials' Purchase Channels

Millennials are more interested in booking air tickers and hotel accommodations through a foreign website / app than the older segment, reflecting both **deeper familiarity with new technologies** and a **willingness to test new websites** when it is convenient to do so.

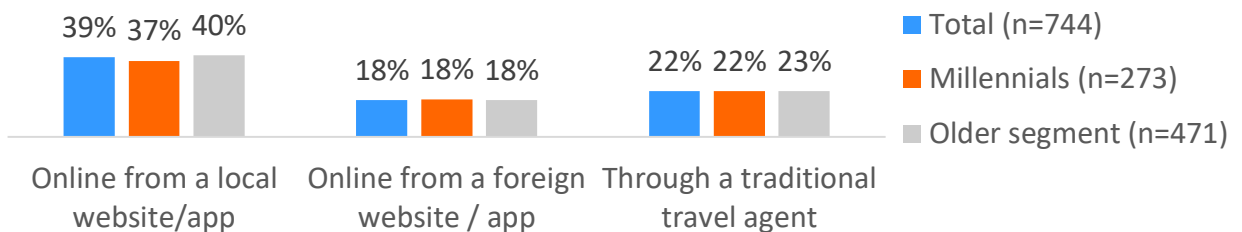
AIR TICKETS



HOTEL / ACCOMMODATION



TRAVEL ACTIVITIES



Q: What percentage of your purchases for each of the following travel categories was from each of the following channels?

Air Ticket Booking Websites

The most common websites for booking air tickets are the official websites of the airlines. Some also book through travel portals, such as Ctrip and Expedia.

CHINA



HONG KONG



SINGAPORE



MALAYSIA



THAILAND



SOUTH KOREA



JAPAN



AUSTRALIA



Q: What websites have you used to book the following travel categories in the past 12 months?

Hotel & Accommodation Booking Websites

Travel portals are more popular for hotel / accommodation booking, because of the various choices available for comparison and the ease of booking.

CHINA



HONG KONG



SINGAPORE



MALAYSIA



THAILAND



SOUTH KOREA



JAPAN



AUSTRALIA



Q: What websites have you used to book the following travel categories in the past 12 months?

Travel Experiences & Activities Booking Websites

Similarly, travel portals like Ctrip, Expedia and TripAdvisor are more popular channels for booking travel activities.



Q: What websites have you used to book the following travel categories in the past 12 months?

Popular Information Sources for Hotels & Travel

FOR ALL AGE GROUPS The most popular information channels for hotels and travel are online search and brand websites.

The brand website, often overlooked in terms of budget allocation vs social media, remains an essential tool to showcase and promote a brand.

	1 st	2 nd	3 rd
CH	Brand website	Online search	Social media
HK	Brand website	Online search	Social media
SG	Online search	Brand website	Social media
MY	Online search	Websites specific to the category	Brand website
TH	Online search	Online video	Website ads
KR	Online search	Brand website	Social media
JP	Online search	Websites specific to the category	Brand website
AU	Online search	Brand website	Websites specific to the category

Q. In which of the following places, venues, or media do you look for or pay attention to information or advertising of products in the following categories: Hotel and Travel

Popular Information Sources for Hotels & Travel

FOR MILLENNIALS, social media shows greater influence in the choices of hotel and travel whereas the older segment still shows preference to traditional medias for information.

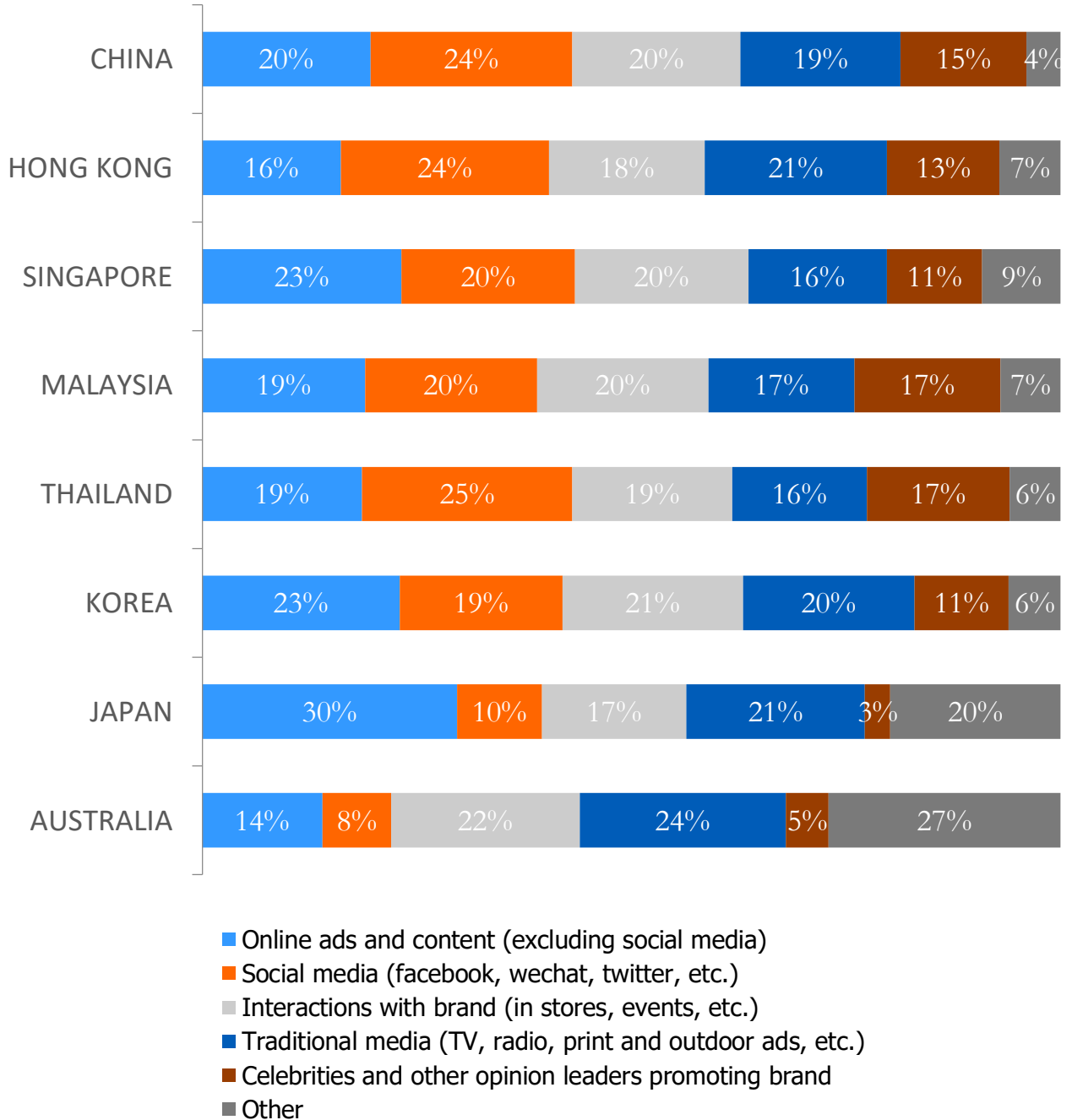
	TOTAL (n=1019)	MILLENNIALS (n=381)	OLDER SEGMENT (n=638)
1.	Online ads and content	Social media	Traditional media
2.	Social media	Interactions with the brand	Online ads and content
3.	Interactions with the brand	Online ads and content	Social media
4.	Traditional media	Traditional media	Interactions with the brand
5.	Celebrities and opinion leader	Celebrities and opinion leader	Celebrities and opinion leader

Q. In which of the following places, venues, or media do you look for or pay attention to information or advertising of products in the following categories: Hotels and Travel



Share of Influence for Media/Information Sources

Online ads and social media are the top 2 influencers for brand choices during travel, *but...* **between 35% and 41% of respondents are still influenced most by physical interaction** with a brand's space or through traditional media exposure.



Q: Thinking about what influences your brands choices in each of the following categories. Please estimate the share of influence of each of the following media and touchpoints where brands advertise, communicate and interact with you.

WHAT DOES THIS MEAN FOR ME AS A BRAND?

Brand can expect travel to continue to grow. While China remains an important contributor to APAC luxury travel, other markets in SEA, specifically Malaysia and Thailand, show growth promise in this research.

Brand must realize that different markets are at different growth stages, and they need to put in place strategies which reflect each stage. While Japan is a mature market with less frequent travel but high spend on average for each trip, Malaysia and Thailand post higher frequency but smaller amount of spend per trip.

Japanese travellers expect that every stage of the trip meets the same luxury standard, while Thai and Malaysian travellers will pick and choose a mix of affordable and luxury solutions for each stage.

Brand needs to understand what motivates millionaires from different countries to travel. While shopping and sightseeing are equally enjoyed activities, each market displays particular interests. For Thai millionaires, photography is an important activity, while for South Koreans, reading ranks high among their priorities. Both Chinese and Australian millionaires show a wide variety of interests. Gone are the days when Chinese tourists all behaved according to a predictable pattern.

Brand needs to cater to both millennials and the older generation, the latter group still representing a large contributor to luxury travel.

While travel and luxury shopping go hand in hand, each market displays slightly different reasons to travel. Thai, Malaysian and Chinese millionaires travel to selected destinations for the shopping opportunities and the larger assortment they offer, while Singaporean, Hong Kong and Japanese travellers go to certain destinations to take advantage of lower prices, given that their cities already offer well-stocked and diverse shopping options.

Travellers are going beyond sightseeing and looking for experiences and activities that will (1) enrich their understanding of the local culture, (2) increase their knowledge and (3) benefit their overall health. Millionaires, regardless of age, expect personalized, bespoke and proactive activities, tailored to their needs. For brands, the challenge lies in being able to predict travellers' preferences, so that they can deliver experiences that feel natural and effortless.

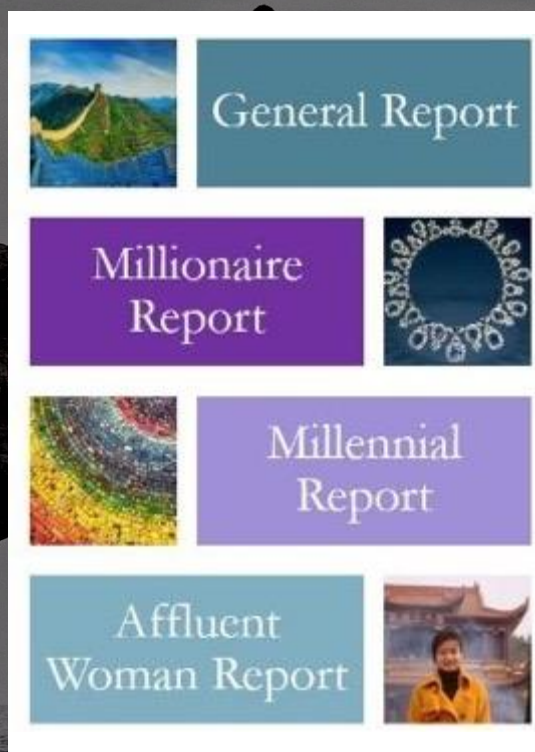
While new social media channels and influencers are gaining popularity, more traditional channels, such as the brand website and other traditional offline channels, are still very relevant, particularly for the older segments.



Affluent Insights™ 2017/2018 Travel Reports

CHINA HONG KONG SINGAPORE MALAYSIA

THAILAND AUSTRALIA JAPAN S. KOREA



Please contact us for the full report, with additional topic areas and detailed reporting, which is available for purchase. Country specific reports and different segment reports are also available.

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