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CNI INTERACTIVE DISTRIBUTION REPORT IDENTIFIES KEY TRENDS IN ASIA

7 August 2008 – SINGAPORE – The Cornell Nanyang Institute of Hospitality Management has released the ‘Thought Leaders in Interactive Distribution Roundtable Report’ report. This report is based on discussions between hotel industry professionals, travel distribution companies and academicians at the inaugural Thought Leaders in Interactive Distribution Roundtable held in Singapore in January 2008. The roundtable was sponsored by Amadeus and TravelCLICK and included participants from Accor Asia Pacific, Asia Pacific Preferred Hotel Group , Carlson Hotels, GoMacau, HolidayCity.com, Hyatt International, IDeaS , Indo.com, MacroVision Network Pte Ltd/HSMAl, Sabre, Shangri-la Hotels & Resorts and faculty members from Cornell University and the Nanyang Technological University . The roundtable report was prepared by Dr. Bill Carroll, Dr. Kanapaty Pelly Periasamy, Dr. Sunanda Sangwan and Dr. Judy A. Siguaw, Dean Cornell Nanyang Institute of Hospitality Management.

The report discusses the growing importance of online distribution in the Asia Pacific region, identifies key trends and issues pertaining to Interactive Distribution in travel, specifically with regard to Leisure Shopping & Buying, Business & Event Travel and Chains & Properties Distribution.

“The ‘Thought Leaders in Interactive Distribution Roundtable Report’ summarizes the observations of key thought leaders about the future trends of interactive distribution across the Asia Pacific region and its sub-regions including the roles of major travel distribution players. Dean Siguaw commented, “It analyses who the major players are and what we think will happen in the market over the next few years. I encourage anyone who has an interest in interactive distribution to download the report and read it”.

The report is available free of charge and may be downloaded from the www.cni.ntu.edu.sg website.

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THOUGHT LEADERS IN INTERACTIVE DISTRIBUTION ROUNDTABLE 2008

Executive Summary

The Asia Pacific region contains nearly one-third of the world's population. Within 10 years regional travel spending will exceed both that of the U.S. and Western Europe. In fact, current Internet users already exceed those of Western nations. If current trends continue, in ten years Asia Pacific online travel spending will eclipse every other world region.

Given the growing importance of online distribution in Asia Pacific, the inaugural Thought Leaders in Interactive Distribution Roundtable was held in Singapore in January 2008. Participants were segmented into groups based on three pre-established themes: (1) Leisure Shopping & Buying, (2) Business & Event Travel, (3) Chains & Properties Distribution. Each group was charged with identifying key trends, players and regional issues. They were also asked to prioritize a research agenda for regional interactive distribution.

The Roundtable Thought Leaders identified numerous trends, players and issues across all three themes. The most significant include the following:

- The evolution of interactive travel distribution will lag other world regions and ultimately occur differently in the Asia Pacific region.
- Leisure travelers in most of the region's sub areas still rely on travel agents and aggregators to book travel. While they use Internet sites mostly for shopping, transactions are frequently completed offline and manually.
- Travel agents in most sub regions, particularly smaller areas, largely rely on the phone to check rates and make bookings. Larger agencies and some aggregators are more likely to use global distribution systems (GDS) and implement online booking functionality than smaller ones.
- Low cost air carriers (LCC), major international carriers, large international hotel chains and large online intermediaries/aggregators are leading the migration to interactive travel commerce.
- Business use of interactive and online travel distribution lags leisure use with the exception of bookings from some of the largest corporations.
- Major international travel management companies are active in the region but have not achieved the level of interactive distribution as the U.S. or Western Europe.
- Interactive distribution of event-related travel is in its infancy.
- Most hotel properties in the region are not part of major international chains. While international chain properties will systematically and increasingly implement Western approaches to distribution strategy,

smaller independent properties will lag behind such trends and rely more on aggregators and more traditional distribution methods.

- Online booking data for the region is highly inaccurate as no two chains identify online bookings in the same way.

As part of the key issues facing the region and priorities for a research agenda, the roundtable identified two top imperatives.

- Address a significant lack of accurate research information and data about Asia Pacific sub-regions with regard to interactive distribution.
- Find ways to resolve the issues of an inadequate and/or under-trained staff and management in the area of interactive distribution.

These aforementioned issues are particularly worrisome given that the Asia Pacific region will have the largest travel spending and most online booked revenue of any region in the world within a decade.

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Please visit www.cni.ntu.edu.sg to download a free copy of the report or contact

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About Cornell-Nanyang Institute of Hospitality Management

The [Cornell-Nanyang Institute of Hospitality Management](http://www.cni.ntu.edu.sg) (CNI) is jointly operated and governed by Cornell University 's School of Hotel Administration and Nanyang Technological University 's Business School . Located in Singapore , CNI is strategically positioned to develop leaders, managers and entrepreneurs for the Asian hospitality and tourism industry. CNI offers three [hospitality education programs](#) designed to alleviate the severe shortage of qualified talent that is currently plaguing the hospitality industry in Asia and the Middle East .

Equivalent to an MBA, the one year [Master of Management in Hospitality](#) (MMH) program prepares

students to be theory-based, action-oriented leaders of executive management teams and entrepreneurial ventures in the hospitality and service industry. CNI MMH students spend six months at Cornell University in Ithaca , New York and six months at the Nanyang Technological University in Singapore , thus taking advantage of educational and networking opportunities in both Asia and North America in a single year.

The [Professional Development Program](#) (PDP) offers three-day courses that cover different aspects of [hotel management](#) . PDP teaches cutting-edge management techniques, presented by internationally recognized faculty members and industry leaders. Participants can earn Cornell certifications in Financial Management, Food, Beverage, and Restaurant Management, General and Strategic Management, Human-Resource Management, Marketing, Operations Management and Property-Asset Management and Real Estate. CNI has hosted over 900 PDP participants from 30 countries in the last two years.

The [General Managers Program](#) (GMP) is designed for hotel general managers of full service hotels and their immediate successors. Participants in this 10-day program concentrate on strategic [hospitality management](#) issues, work collaboratively to expand the foundation of their knowledge, and produce new solutions to the challenges they face. GMP 2009 in Singapore will be offered from July 20-30, 2009.

Please visit the [Cornell-Nanyang Institute of Hospitality Management](#) website (www.cni.ntu.edu.sg) for more informati

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