

BRIC travellers will trigger mid-market and budget hotel growth across Europe

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Jones Lang LaSalle Hotels predicts that the mid-market and budget hotel sector is set to benefit most in the next few years as travellers from some of the largest emerging markets - Brazil, Russia, India and China - flood into Europe.

The middle classes of the BRIC countries, who make up the majority of travellers, represent approximately 220 million and this will rise to almost 300 million over the next 20 years giving hoteliers a whole new market to cater for.

Mark Wynne-Smith, European CEO for Jones Lang LaSalle Hotels said: 'The increase in tourists will create a major opportunity for the European hotel market, in particular the budget and mid-market sector which is set to cash in on the influx of new visitors to Europe. The numbers all stack up - last year for example there were 8.3 million Indian nationals travelling to Europe, 34.5 million Chinese visitors and this figure is expected to rise to 100 million by 2020.'

The international brands that have already established themselves in the BRIC countries and are well known by the BRIC travellers are likely to benefit from their visits to Europe. While the Asian high-end brands are seeking to increase their presence across the globe; the top international brands are trying to gain a presence in the BRIC countries. The main international operators such as InterContinental Hotels Group and Accor are competing against local chains to become established in these increasingly affluent countries. The Express by Holiday Inn or the Ibis brand which are becoming well established in BRIC countries are well positioned to take advantage of BRIC tourist influx to Europe.

'We also expect to see hotel companies from the BRIC regions seeking to establish themselves in Europe. Very few hotel companies from the BRIC countries have so far set foot in other parts of the world - the internationally renowned established Asian chains Taj, Oberoi and Shangri-La are seeking to expand their portfolios across Europe although these hotels will be positioned in the luxury sector', said Mark Wynne-Smith. 'Despite the growth of the budget and mid-market sector in BRIC countries we are unlikely to see these hotel companies head to Europe until their brands are fully established in their home countries.'

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