



# Global Leisure Perspectives 2024

## Executive Summary



## Executive summary

The travel and leisure sector is slowly bouncing back from the challenges of COVID-19, high inflation and economic uncertainty. Global investment in the sector is expected to rise 25 percent this year (year-on-year).<sup>1</sup> Hotels are enjoying record-high revenues per available room.<sup>2</sup> Global travel and tourism revenues are projected to rise by 8.3 percent in 2024 — to reach nearly US\$1 trillion.

Yet many challenges persist. In most markets, interest rates remain high — impacting the cost of finance and leading to concerns about potential recessions. Consumer confidence, while up from the lows of 2022, remains below the long-term average.<sup>3</sup> Global economic growth is anemic compared to the decade prior to the pandemic.<sup>4</sup>

## Big ideas and big opportunities

In this environment, travel and leisure organizations and investors are looking for opportunities to unlock value, drive growth and build customer relationships. And that is leading to a focus on four key areas: **inorganic growth, performance improvement, technology enablement and customer-centricity.**

This publication is intended to help travel and leisure sector executives and decision-makers surface new ideas and explore existing opportunities to drive growth. In this report, you will find articles on a wide range of important topics — supported by actionable insights and examples — to help you unlock growth in a challenging environment.

## This report includes:

- Coverage of recent industry trends in key markets including China, India, Japan and Germany
- Insights on hot topics and issues including CSRD, generative AI and cyber security
- Real life examples of companies driving performance with customer loyalty, customer experience and customer lifetime value
- Reliable forecasts on future M&A and macroeconomic trends across the industry

- Valuable takeaways and practical action items to help you apply the ideas found in this report

## What you'll find

Through a series of articles authored by KPMG professionals around the world, this publication provides real-life examples and actionable takeaways focused on inorganic growth, performance improvement, technology enablement and customer-centricity. Topics and articles include:

### Macroeconomic outlook

- Slowing inflation and lower interest rates to support consumers

### Inorganic growth

- M&A in a down market: What to watch
- Hainan: Innovating travel retail in China
- Flying high: India's travel and leisure sector reaches new heights
- Japan's comeback story
- Cautious optimism in Germany's hotel market
- Boom times for branded residences

<sup>1</sup> 2024 Global Hotel Investment Outlook, Jones Lang LaSalle IP, Inc. (JLL), 23 January 2024

<sup>2</sup> Ibid.

<sup>3</sup> Consumer confidence index (CCI), OECD as of January 2024

<sup>4</sup> OECD Economic Outlook, Volume 2024 Issue 1, OECD, 2 May 2024

## Performance improvement

- Maximizing profitability: Value-based pricing in hospitality
- Fit for the future: Simplify, modernize and optimize
- Getting ready for CSRD

## Technology enablement

- Digital transformation on the restaurant menu
- Customer experience: Orchestrating tech and the human touch
- Unlocking the power of generative AI in travel, leisure and hospitality
- Building cyber resilience

## Customer focus

- Loyalty boost: Remaining relevant
- Tap into the full value of your customers
- ESG in gaming: Responsible matters
- Creating economic growth with sustainable tourism
- Seven trends shaping the future of hospitality (IMHO)

## How KPMG professionals can help

KPMG's global network of professionals works with organizations across the travel and leisure sector to help increase profit margins, manage cash, meet shareholder demands and drive the customer experience. Drawing on the full suite of KPMG services and capabilities — including Tax, Audit and Advisory — and deep experience across more than 140 countries, KPMG professionals bring the insights, tools and capabilities travel and leisure companies need to thrive in today's environment.

Contact your local KPMG member firm to learn more.

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