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Bali keeps its cool

Feathers unruffled as it sets mind on protecting Australian marketshare

By Mimi Hudoyo and Raini Hamdi

JAKARTA/SINGAPORE Bali players are keeping their cool in the face of latest remarks by Australian federal tourism minister Martin Ferguson who was quoted in newswires early this week as saying, "If you want to help Queensland ... don't go to Bali."

The latest taunt comes as hotels in Bali are still trying to clear the air over an Australian health alert issued on January 19 on Legionnaires' disease, worried that this may tarnish the island's image among Australians who, for many Bali hotels, now comprise more than half of the business.

The alert had also caused "hundreds of nights of cancellations" at Rama Hotels & Resorts, said its corporate general manager hotels, P Padma, in a letter to the Australian office, made available to TTG Asia. Its hotel, the Ramayana Resort and Spa, was singled out in the health alert, which also mentioned 11 cases of Legionnaires' disease detected in Victorian and Western Australian residents returning from holidays in the Kuta area between August 2010 and January 2011.

Apart from Rama Hotels & Resorts,

agents and hotels TTG Asia spoke to said the impact was insignificant so far, with just a number of queries made and no cancellations. However, they are not taking the matter lightly.

Bali Hotels Association (BHA) chairman Jean-Charles Le Coz said he was collecting facts from all BHA members,

"The issue has been blown out of proportion ..."

Paul Talo Managing director Floressa Wisata Bali

including Ramayana, before the association issued a statement on Legionnaires'

Floressa Wisata Bali managing director Paul Talo said: "The issue has been blown out of proportion as it is a curable illness and not easy to catch. The problem is many people are not well-informed about this detail. Therefore, we need to make this clear to the travelling public and avoid any black campaigning against Bali."

(The Australian health alert did, however, say there are specific antibiotics to treat the disease.)

Bali Tourism Board chairman, I Gusti Ngurah Wijaya, said: "It is a new thing for us, as there has not been any victim before, not with the locals either. This is actually just like flu. If you take medication soon then there is no problem.

"We, however, are not taking it for granted. Training on precautions against the disease and treatment to patients are taking place among the tourism-related businesses here in Bali."

An upset Padma told TTG Asia: "We are a responsible and reputable property group, which will not put up with media speculation. We have conducted various tests and are satisfied with the results. Furthermore, even the WHO has cleared us of Legionnaires. With this in hand, we have invited the (Australian) Department of Health and Ageing to come visit our properties and redeem us of the negative media it has contributed to. (The office) has not responded to us to-date."

• Continued on page 4



TTGmice wins gold award again

TTGmice has won a PATA Gold Award 2011 for its cover story, Rebuilding the Team, in the November 2010 issue.

The article examines how teambuilding is enjoying its day in the sun as companies find solutions to rebuild their teams, which were torn and tattered by the big freeze of the global financial crisis. It was written by group editor Raini Hamdi with reports from Prudence Lui, S Puvaneswary, Karen Yue, Sirima Eamtako and Mimi Hudoyo.

TTG Asia Daily

Pick of the biggest news from last week's bulletin

Feb 8 • Business as usual Recent clashes on the Thai-Cambodian border around the UNESCO World Heritage Site, Preah Vihear Temple, had not led to any cancellations for bookings to both destinations, said tour operators.

Jan 31 • Egypt caution

Malaysians were advised to defer non-essential travel to Egypt in view of escalating anti-government protests there, while those already within the country were told to shun high-risk areas.

Jan 27 • India extends VoA to two markets India extended its visaon-arrival scheme to citizens of Indonesia and Myanmar.

AF resumption a huge fillip for Cambodia

By Brian Higgs

PHNOM PENH Air France will resume flights from Paris to Phnom Penh on March 27 after a 35-year hiatus, marking the first longhaul service connecting Europe and Cambodia. The carrier previously served its former colony from the early 50s until the Khmer **Kuenzie**: Rouge seized control in 1975.

Voyageurs Associes managing director Jacky Pilo said: "The fact that you have the French national carrier serving this route is very important. We will be able to gather travellers from around France and increase our business out of Paris with these flights."

The French market loves Cambodia, it is almost like a second home," said Asia Voyages deputy director of production Virginie Gerbault. "While it is still too early to give exact figures, there will definitely



milestone

be an increase in business."

Gerbault added Asia Voyages had already been approached by Air France and was developing packages and special promotions for the next winter season, targeting FITs and groups in particular.

An Airbus A340-300 will be used on the thrice-weekly flights between Paris and

Phnom Penh, with a Bangkok stopover. During the summer of 2011, Air France will switch to a Boeing 777-200ER.

Tith Chantha, director general, Ministry of Tourism (MoT) Cambodia, said: "This will be a way for more European travellers to come to Cambodia, and the local people will be able to reap the benefits of the increase in tourism activity. Cambodians will also be able to easily travel to Europe."

Gerbault added: "Previously, Siem Reap was usually an extension to travel in Vietnam, but now we will have new opportunities to bring people straight to Cambodia, not only to Siem Reap, but also to Phnom Penh.'

But both Asia Voyages and Voyageurs Associes said this would not affect business to Vietnam. "It will be a win-win situation for all with more visitors coming into the region, explained Pilo.

Asian Trails group managing director Laurent Kuenzle agreed. "This resumption of flights by a European carrier from Europe to Cambodia will be an important milestone," he said. "It will benefit tourists and business travellers alike with convenient connections through Air France's Paris Charles de Gaulle hub."

MoT and the travel trade plan to do either roadshows to France or organise fam trips to Cambodia.

More packages in the market

India weaves its way into even more international programmes

By Ollie Quiniquini

NEW DELHI India's international stock is poised to skyrocket as more foreign tour operators add the country to their brochures and product offerings.

Most buyers interviewed at the recent SATTE 2011 in New Delhi confirmed they would either introduce India as a leisure destination to their clients or expand their existing programmes on the country.

Gino Bassaletti, product manager of Chile's Viajes Falabella, said his country's growing fascination with Buddhism and all things spiritual warranted a dedicated programme on India. At present, India is offered as an optional Far East destination.

"We promote a new destination every year. This year, we will focus on India, starting off with Varanasi, the Golden Triangle and Udaipur. Eventually, we will introduce Goa and Kolkata."

First-time visitor to India, Zainabz Kutty, director of Singapore's Travel Z2000 Tours, was also confident of convincing her clients of the merits of an Indian holiday.

She said: "Having seen India firsthand, my understanding of the destination is much better. I've come to know states I had never heard of before. It is a matter now of deciding which destination to promote first."

Anita Travel Management, Singapore, director Raj Singh also plans to sell India programmes to his largely expatriate clientele. He will start with free-and-easy packages for lesser-known destinations, before embarking on group series for adventure travel, wildlife and ecotourism as Singh cited the need to find a distinct niche market with good yields to avoid competing with low-fare tours. He expects to send at least 100 passengers a quarter in the launch year.

Meanwhile, California-based RZ Travels is looking at double-digit growth to India this year,

though the US market had yet to fully recover from the recession.

He plans to drive growth by adding relatively new destinations to his portfolio. "My clients have mainly been going to New Delhi, Mumbai and Goa. They now want unique and different adventures, and the cities of Rajasthan would be ideal for this."

Julian Lancaster, director of Worldwide Sales and Marketing UK, which represents tour operator Sita in the UK and Ireland, noted that India had "suffered less than other longhaul destinations" from the drop in UK outbound traffic. In fact, demand for India had grown among smaller niche operators seeking luxury bespoke experiences for their upscale clients, he said.

Case in point was Benedicte del Marmol, sales manager of France's Tempting Places.com, who was on the prowl at SATTE for more boutique hotels to add to her Indian portfolio of seven, citing increased market demand.



Disney unveils trade deals

Hong Kong Disneyland has launched a series of trade incentives to celebrate its fifth anniversary. Its Travel Industry Salute promotion gives eligible trade partners exclusive discounts on park tickets and hotel rates at the Hong Kong Disneyland Hotel and Disney's Hollywood Hotel until December 15. Kicking off the year-long celebrations on January 21 were (from left) Commissioner for Tourism Philip Yung, Walt Disney Parks and Resorts' Bill Ernest, Hong Kong Special Administrative Region's Donald Tsang and Hong Kong Disneyland Resort's Andrew Kam (first from right).

Vietnam properties urged to be sensible

Colomes: stabi-

lity in pricing

By Sirima Eamtako

BANGKOK With demand for Vietnam on the rise, tour operators are concerned that hotels in the country's tourist destinations would hike their rates to unreasonable levels as they purportedly did in 2007/2008.

Rates spiralled out of control during that boom period, with

many hotels jacking up prices mid-year by 30 per cent.

Vietnam received five million visitors in 2010 and tourism authorities have set a 5.3 million target for this year. Regional tour operators anticipate a 15 to 30 per cent growth,

but are only willing to accept slight inflationary adjustments in hotel rates.

Asian Trails' group managing director Laurent Kuenzle said the expected 30 per cent growth rate would "theoretically" allow hotels to increase rates but only if these were outstanding properties with unique qualities.

Exotissimo Travel Group CEO, Olivier Colomes, however, doubted that Vietnam hotels could raise tariffs this year. "The global recession is not over, and both American and European markets have not recovered yet. Airfares keep increasing due to (rising fuel prices), making long-haul destinations more expensive. These will all put pressure on hotels to not increase rates," he said.

But should hotels not heed

the gentle warnings of operators and repeat their mistake of 2007/2008, tour operators would support those that were cooperative in 2007/2008 and "ignore the ones who are out to take advantage of the situation again", said ICS Travel Group chief sales officer Sabine Widmann.

"With the increase in supply,

there will be empty beds in the low season. If hotels do not behave, we can choose which ones to fill," she added.

Tour operators believe they would have the upper hand in the negotiations that will take place at ITB Berlin since, unlike in

2007/2008 when demand outstripped supply, the reverse exists at present, they said.

Colomes noted that hotels were no longer in a position to be greedy since capacity had grown in areas such as Central Vietnam, with even more properties slated to open in the next two years.

"We need more stability in pricing to allow our overseas partners, namely agents and tour operators, overcome the financial crisis. We'll do our best to keep rates competitive to make Vietnam as attractive as possible," Colomes said.

The debate should extend to quality as well, said Kuenzle, who did not want a repeat of Vietnam's service and hardware problems from 2006 to 2008 that caused the destination to get fewer pages in operators' brochures.

viewpoint

How will you promote India in your market?



"A three-week holiday in India will be expensive but we'll convince our clients it's worth it. We'll spend a lot in marketing India and expect good returns."



"I'll definitely sell India. But with so many destinations and activities, I have to first examine which ones to promote and to which market segment."

Zainabz KuttyDirector
Travel Z2000 Tours, Singapore

Viajes Falabella, Chile

KL hub for Mauritius

Gino Bassaletti

Product manager

By S Puvaneswary

KUALA LUMPUR Air Mauritius plans to use Malaysia as its hub of operations for future expansion plans in North Asia and South-east Asia, while keeping its regional office for these areas in Singapore.

The airline will set up a full-fledged office in Kuala Lumpur on April 1, headed by its sales and marketing manager Malkit Singh. Its contract with general sales agent Maple Travel ends on March 31.

Air Mauritius executive vice president, commercial and communications, Donald Payen, said: "Maple Travel has done a good job for us over 20 years. But the full-fledged office in Kuala Lumpur will help us strengthen our profile and activities in Malaysia, as we increase our services and investment in the region."

Payen said the office would

also look at marketing the airline's services to Mauritius and beyond, promote Mauritius as an exclusive destination and develop multi-centre holidays to the Indian Ocean.

The airline's newest flight, with Kuala Lumpur as hub, will launch on July 1. The weekly service, operated on an Airbus A330-200, will fly from Mauritius to Kuala Lumpur then Shanghai, and back via the Malaysian capital. Shanghai will be Air Mauritius' fourth destination in Asia after Singapore, Kuala Lumpur and Hong Kong.

Shiri Prakash Rai, Air Mauritius' regional manager, Northeast, South-east Asia, said: "This third frequency to Kuala Lumpur and onward to Shanghai will provide more flexibility to the Malaysian market and is in line with our strategy of growing to a daily frequency to Asia."

Numbers that matter

23 The Singapore EXPO's new wing, MAX Atria @ Singapore EXPO, will add some 8,000m² in 23 new meeting rooms and pre-function areas to the MICE facility's inventory when it opens in early 2012.

Accor signed over 70 new development contracts in Asia-Pacific in 2010. These will add over 16,000 guestrooms to its network. The group opened 41 hotels with a combined total of over 7,000 rooms in the region last year.

7 Sydney has earmarked more than US\$7 billion worth of major infrastructure developments to assist in attracting more MICE visitors. The upgrades and new projects will be centred on harbourside locations – The Sydney Convention and Exhibition Centre, Star City and Barangaroo.



Malaysia looks beyond Europe

France, Russia, Asia emerge as worthy alternatives to traditional Central European markets

By S Puvaneswary

PHNOM PENH With arrivals from traditional European markets falling steadily the last few years – by as much as 30 to 50 per cent for some tour operators - the Malaysian trade is looking to recoup losses by

capitalising on new air links and market opportunities.

France is emerging as a possible alternative to the faltering UK and German markets.

Malai Adventure, which started tapping Kurz: Russian France and Italy after potential business from tradi-

tional Central European markets dropped by 30 per cent, has been receiving enquiries on ecotourism packages in East Malaysia as well as requests from schools for sports and cultural programmes throughout Malaysia.

Managing director Nasha Abdullah is developing new itineraries for the French and Italian markets in time for ITB Berlin. She also intends to go after the meeting and incentive market, and has already secured a few groups for this year.

France is also on Grace Holidays' radar. General manager Godwin Miranda will capitalise on AirAsia X's four weekly flights to Paris from February 14 to capture the French, Swiss and Belgian markets.

Miranda said he was resuming promotions in France because there were not many Malaysian inbound players tapping the market. Miranda pulled the plug on his marketing efforts in France in 1994 because Malaysia did not have many Frenchspeaking guides at the time.

Business from Diethelm Travel Malaysia's core markets in Central Europe recovered well in 2010 after "a bad year in 2009", but managing director Manfred Kurz is not taking any chances.

Believing that the air passenger duty, already imposed in the UK and, in some regard, Germany, would spread to other

Brunei opens overseas offices

Bv S Puvaneswarv

PHNOM PENH Brunei Tourism has appointed Beijing-based Longway as its marketing representative for China/Hong Kong and the Walshe Group to represent it in Australia/New Zealand. The appointments are for a two-year period and mark the sole overseas offices for the sultanate.

Brunei Tourism CEO, Sheikh Jamaluddin Sheikh Mohamed, said the NTO would work with these representatives to conduct travel trade and media activities.

China/Hong Kong is the sultanate's second largest market after Malaysia, generating 13,224 air arrivals in the first seven months of 2010. Australia is the fifth largest market, with some 8,440 air arrivals during the same period, while New Zealand is eighth, with 5,146 air arrivals.

This year, Brunei Tourism is targeting a 20 per cent increase in air arrivals over last year, an ambitious goal as previous annual targets were just around 11 or 12 per cent.

A five-year masterplan will be unveiled

countries, Kurz is now going after Russian-speaking markets in Eastern Europe. Diethelm Travel Malaysia will start by attracting FIT business, before expanding to groups and MICE.

For Ping Anchorage Travel and Tours, whose European business has halved since 2008, Asia is the way forward. The company has intensified its marketing efforts to the domestic market, China and Southeast Asia, especially Singapore, Thailand and Indonesia. It set up a Mandarin section on its portal, Redang Island, and has since been rewarded with FIT bookings from China, said CEO Alex Lee.

Thank you, for honouring us.



Our awards are not just a recognition of the world-class quality of our service. They're not just a testimony to our commitment to offering our customers only the best. More importantly, they are a reaffirmation of the continuous support we've received from you over the years. And here, we'd like to offer you our heartfelt thanks.



Sound bites

"Clients told me that if Thailand was the wholesaler of night life, then Uzbekistan is the warehouse."

Mumbai's Mercury Travels head -MICE, Augustine Barretto, whose company is seeing demand for Uzbekistan outdoing Thailand



"Germans are travelling still, but with closed pockets."

ITB Fernreisen managing director, Hans-Dieter Mahnken, who noted that German travellers were cutting down expenditure on F&B and shopping, in order to keep travelling and maintain their ability to pay for good flights and hotel accommodation

Letters

Hosting decisions

I read your article "Hosting at ATF questioned" with much amusement.

As a veteran of the show, having attended as a buyer and a seller, here's an idea: how about letting the sellers, who fund most of Travex by booth purchase, vote for their invitees and the highest votes get hosted? You'll see where business is coming from, based on demand from sellers. Twenty per cent of space can be saved for newcomers and potentials.

Perhaps tourist boards should spend more on funding buyers than putting on outdated dinner/events that always draw criticism as, most often, they are not planned with the "customer" in

Happy to debate this topic as I am sure many readers are, given the number of shows available to both buyers and sellers these days and, at the end of the day, all of us want a vehicle to do business in that is both convenient another subject all together - and cost-effective.

Chris Bailey

Senior vice president Centara Hotels and Resorts Thailand

Stop being a bad neighbour

Trust politicians to say all the wrong things. This week, the Australian AP newswire quoted Australian federal tourism minister Martin Ferguson as saying, "If you want to help Queensland ... don't go to Bali."

It's the sort of soundbite that would make even our friends at Tourism Australia cringe. The cardinal rule of destination marketing – any marketing, in fact – is: never promote your product at the expense of someone else's. It's tasteless and it only draws attention to the strengths of the other player.

Worse, Ferguson was not the first to have broken this rule. Just weeks ago, Augusta-Margaret River Tourism Bureau chief executive, Simon Ambrose, was taken to task by Bali Discovery Tours for what it perceived as using a recent Legionnaires alert on Bali by Australian health authorities to brand Bali as a holiday rival destination that is "dirty, overpriced and a terrorist threat".

Calling him "a largely witless individual" and "an abysmally poor choice as a tourism ambassador for any destination", Bali Discovery Tours said if everyone followed his example and involved themselves in such mud



Bali: Aussie envy?

"If you want to help Queensland... don't go to Bali."

matches, everyone would end up a loser (as it turned out, even the reporter, whom Ambrose, in response, suggested had picked up on and ran with an unintended Bali attack).

All this would have been merely amusing had it not been followed by another Bali reference, no matter how glib, by no less than the Australian federal tourism minister himself and in a spate of mere weeks.

It makes one wonder, why Bali? New Zealand gets more Australian visitors; the US, too. Last year in fact was the American year for many Australian outbound operators, thanks to the strong Australian dollar.

Ferguson was getting the message out that most of Queensland was open for business following recent floods and cyclones in the state. The federal and Queensland governments have committed A\$5 million (US\$5.08 million) each to help tourism marketing. He would have done well to focus on how the authorities would incentivise Australians to travel domestically, without any need to say, "... don't go to Bali".

With Australian buyers interviewed by TTG Asia at the recent ASEAN Tourism Forum predicting an "Asian" year this year, the federal minister has his job cut out. The reasons for the anticipated Asian year are new flights, a strong currency and cheaper prices. An old apartment along the Sunshine Coast would cost at least A\$120, a price that could fetch a five-star room in ASEAN. To boost domestic travel, the federal minister therefore needs to do a lot - rope in domestic airlines and domestic hotels for "aid Queensland" fares and rates perhaps, support tour operators' marketing brochures, subsidise tacticals and, not least, understand the reality that it will take time to rebuild perception.

Just ask Thailand, which knows this only too well.

Or, Bali, which fought years of negative perception over safety without making a single reference to any competing destination in the effort.

We don't take it personally, says Bali trade

• From page 1

The Association of Indonesian Tours and Travel Agencies (ASITA) Bali Chapter has issued circulars to members with latest updates and information that, should a person is found ill with Legionnaires' disease in Bali, the hospitals are ready with the medication.

As to whether there was real "black campaigning" against Bali by Australian tourism officials, what with the latest glib remarks by the federal tourism minister, Le Coz's feathers refused to be ruffled.

Tourism often suffers at the expense of natural disasters, and it is normal that domestic tourism be encouraged to stimulate

local economies. This is the case throughout the world, and we feel that this wasn't a specific, negative reference to Bali itself, just as an overseas destination.

have. I also believe Indonesians are always keen to travel to various destinations in Australia."

Asked if Australians would be influenced, he said: "We feel

"We would not want the local economy of Queensland to suffer. We would rather not be named as a specific place to avoid, but again, we feel that this is not personal.""

Jean-Charles Le Coz, chairman, Bali Hotels Association

We feel that there is room for both domestic and overseas travel for Australians; and through the emotional ties with the island, we hope to welcome Australians to Bali as we always

that the impact will be minimal. While we definitely do support the efforts of the Queensland tourism authorities to stimulate their own economy, Bali has been and remains a destination of choice for Australians. This is because of the choices it offers for all budgets, the quality of its accommodation and activities, its great value for money, an excellent flight coverage, and last but not least the emotional ties that have been established between Australians and Indonesians throughout the years."

Agreeing, Bali Tourism Board's Wijaya said: "I don't think they are going overboard to discredit

"Australia and Bali have a very close relationship. Both have different kinds of products. The Legionnaires' disease issue has not affected business much, while the Bromo issue (TTG Asia e-Daily, January 31) was a force majeure."

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Travel Hall of Fame

The Travel Hall of Fame, displayed in the Raffles Hotel Museum on the third level accolades, artefacts and memorabilia of the region's most exceptional travel organisations

Since 2002. luminaries who have won the prestigious TTG Travel Award at least 10 times have been conferred the title of Travel Hall of Fame Honorary. Singapore Airlines and Singapore

Changi Airport are the Travel Hall of Fame's pioneering honoraries, having been voted by Asia-Pacific's travel trade as Best Airline of the Year and Best Airport of the Year respectively, for more than a decade. Hertz Asia-Pacific joined this elite family in 2005. Recently inducted were Star Cruises, Royal Cliff Beach Rosort Pattaya, Abacus International and SilkAir

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BRAND EXPANSION ON A GRAND SCALE

By Glenn de Souza Vice President of International Operations - Asia & the Middle East of Best Western International

Brand expansion is a term frequently heard in all sectors of business in all industries, with varying degrees in the justification of its use. At Best Western International, brand expansion really does mean brand expansion and there's plenty of evidence to support the statement.

Nurtured and strategized from its Asia & the Middle East Head Office in Bangkok, Best brings together 170 hotels and Middle East in operation. going through rebranding and under construction by yea end 2010. These properties are part of The World's Largest Hotel Chain® - a hotel group showing no signs of slowing its impressive expansion. The goal is to have 300 properties offering 60,000 rooms in Asia and the Middle East by 2015.

This growth has earned the Best Western International the title of Asia's fastest growing international hotel brand. It is impressive recognition indeed and a title not easily earned nor maintained, given the world-class competition and geographic size and scope of what is one of the world's most dynamic hospitality and tourism

On a national scale, there are more titles adorning the Best Western aggressive expansion. With 13 hotels currently operating in Japan, the chain is the fastest growing hotel brand and second largest international brand in that country. In the South Korea Best Western is already the biggest international hotel brand, with 9 hotels in operation.

Hand in hand with this steady growth is Best Western's strong commitment to quality which is the chain's strong belief that superior service is key to succes

Needless to say, Asia holds a strategic status in Best Western International's ongoing global expansion. Supporting such a focus, international tourism figures showed Asia was the first recent global economic crisis Its international tourist arrivals reached a record 204 million n 2010, up from 2009's

Until recently, the chain's growth in the region has nvolved its mid-scale brand BEST WESTERN and luxury
BEST WESTERN PREMIER. a new strategic positioning where the chain is gearing up to introduce its upscale duct - BEST WESTERN PLUS throughout Asia and the Middle East. The first BEST WESTERN PLUS hotel in Asia scheduled to open its door in the beginning of Q2 2011 in Bangkok, Thailand.

Watch this space and learn more about Best Western International in the next issue!



THE WORLD'S LARGEST

COLUMNIST Simon Nowroz

Merchandising – simply irresistible

Let me start with a simple statement: merchandising has enormous potential to create value for everyone involved in the travel chain.

It may not have fully established itself yet, but merchandising will have a material impact on the future earnings of travel agencies and airlines alike, and that impact will be felt globally.

First, what is merchandising, really? For the consumer, it is choice and the ability to pay for what you want – and avoid paying for what you don't want. For airlines and other suppliers, it offers the prospect of vast new revenue streams through up-selling and cross-selling. And for travel agencies, it creates an opportunity to assist consumers as they compare and contrast travel offers based on the "real price" and value they will receive.

Currently in Asia, merchandising is in its embryonic stages as only leading airline brands



"Merchandising will have a material impact on the future earnings of travel agencies..."

have started experimenting with a small range of products and options. Priority seating, travel insurance and extra baggage allowances are among the few unbundled offerings available to travel agents to on-sell to passengers. But this will gradually change as consumers seek greater price transparency and, more importantly, choice.

So how will merchandising take root? Look no further than the GDS. In the same way that GDS companies cracked the code of multi-airline shopping and complex ticket exchanges, it will also provide travel agents with access to these optional services, from booked luggage, pre-paid meals and lounge access to a myriad of other services that will be rolled out by airlines in the near future.

The biggest issue for travel agents will be maximising their productivity and efficiently managing the entire booking process, including ancillary services where they choose to sell them

So how can travel agents maximise the opportunities provided by merchandising? Simple. Capitalise on the client relationship when providing airfare quotations and discuss (and on-sell) optional extras prior to finalising their booking. The GDS display of merchandising and ancillary services will assist agents when pricing, shopping and booking airfares.

Remember, not all merchandised content will be bought at the time of booking or ticketing. As airlines in Europe and the Americas have discovered, their best interests are served by making such content available at any point between research, booking, ticketing, check-in, at the gate and even onboard. But more importantly, travel agents are at the start of the booking process and have a great opportunity to benefit from this exciting new trend in airline sales.

Simon Nowroz

President and managing director Asia Pacific, Travelport

Is this your agency?

TTG Asia asks New Shan Travel Singapore about a tour package to China



TTG Hi, I understand that your travel agency specialises in tours to China. Our family of four plan to go on a trip there, but we're not sure when, where to go, what to see... I have a few questions that I hope you can answer. When is the best time to travel to China for a holiday? **NST** Spring is the best period to go, especially to the Jiangnan region (south of the Yangtze River), when the ice built up over the winter season has already melted, the flowers are blooming, and the air is refreshing. A first-time traveller to China should visit Shanghai in May. Hangzhou, Suzhou and Huangshan are the other areas you should definitely consider during this period. Alternatively, I would suggest visiting Beijing

TTG What is the weather like in October?

NST The temperature is usually cool and comfortable at about 20 degrees Celsius, but it would be advisable to wear long-sleeved clothing and bring a jacket along just in case the temperature dips suddenly. The weather tends to be colder from January to April, when it is necessary to wear at least a sweater. **TTG** Do you have any recommended tours and itineraries for families? What promotions do vou have available?

NST We do not currently have any tours specifically for families, but we've organised special tours for families in the

past, such as a skiing trip to Beijing. I will be in touch once I have more information about such trips. Ultimately, the tour package prices depend on deals we can make with airlines. All our flights to and from China are on Singapore Airlines, but we are considering operating all our tours to Hangzhou on China Southern Airlines. This should translate into cheaper tour packages due to the more affordable airfares.

TTG What about the tour guides? Do they speak fluent English? Will I be able to understand them?

NST Our tour guides in China are mostly Mandarin-speaking. A few of them speak simple English, and Cantonese to a certain extent.

TTG Lastly, I have a six-monthold baby and a three-year-old boy travelling with me. Will this be a problem?

NST Your children are slightly young, but it should not be a problem, besides the fact that you would ultimately be responsible for your children's safety and have to spend time and effort watching out for them while on the trip. I would recommend Shanghai then, since there would be more interesting sights and sounds to keep your three-year-old occupied.

VERDICT The agent showed a depth of understanding of the local conditions in China and was able to make informed suggestions based on her assessment of my requirements as a "parent", as well as a first-time traveller to the country. She was also accommodating and patiently answered all my queries without any fuss. – Brian Higgs

Culinary tours heat up

More foodies explore South-east Asia

PHNOM PENH Dorison Travel Singapore is seeing good response for the South-east Asia culinary tours that it launched last April.

Managing director Jimmy Sim said most of the bookings were from Singapore clients and longhaul travellers as part of their South-east Asian programmes.

The tours to Thailand and Indonesia last four to five days, with each group comprising no more than 15 participants, who visit local markets, get shopping and cooking lessons from quality chefs and learn about Asian spices and the culture behind popular dishes.

"We decided to take our culinary tours into South-east Asia after seeing strong demand for culinary tours to Japan and



France," Sim explained.

Such experiential trips are also popular among Brazilians, according to United Tour Brazil's owner Jorge Barbosa. "Brazilian travellers are particularly receptive to our tours combined with cooking classes in Thailand, India and Vietnam."

He cited value-for-money and direct flights as the region's additional pull factors for Brazilians.

- Karen Yue and Brian Higgs

AKA Hua Hin's industry offer

SINGAPORE AKA Resorts Hua Hin is wooing trade bookings by offering travel industry staff special rates at its properties.

Until March 31, employees of airlines, hotels and travel agencies get to stay at the AKA Resort Hua Hin for 3,000 baht (US\$96.53) nett per night at a one-bedroom deluxe pool villa and 5,500 baht nett per night at a two-bedroom deluxe pool villa.

Industry rates at the AKA Resort Guti Hua Hin are 4,000 baht nett per night at a one-bedroom deluxe pool villa and 6,500 baht nett at a two-bedroom deluxe pool villa.

Rates do not include breakfast

and are applicable from Monday to Thursday, subject to availability and advance reservations. A 2,000 baht weekend surcharge applies per villa for Friday, Saturday and Sunday bookings.

Industry staff also get a 25 per cent discount on F&B and spa treatments and massages. Guests staying at least three consecutive nights get a complimentary 45-minute Aroma Massage.

Travel industry staff IDs need to be presented upon check-in. To avail of this special offer, email reservations@akaresorts.com.

AKA Resorts Hua Hin is a member of the Small Luxury Hotels of the World.

WORKPLACE

People

Gordon joins Khiri Travel



Terry Gordon has joined Khiri Travel as joint country manager for Vietnam and Cambodia. He is based at the Khiri Vietnam office in Ho Chi Minh City. Gordon

has extensive Indochina travel industry experience, having previously been a tour leader and operations manager for Travel Indochina, and an Indochina tour leader for Intrepid Travel.

LH management changes

Steffen Harbarth will replace Uwe Mueller as Lufthansa vice president for Asia-Pacific from April 1, while Christian Altmann has succeeded Claudia Huegel as Lufthansa Singapore general manager.

Harbarth will manage and direct the sales, marketing and airport operations for Lufthansa Asia-Pacific, while Altmann will drive Lufthansa's sales and marketing activities in Singapore, South-east Asia, Australia and New Zealand.

Harbarth began his career with Lufthansa in 1996, while Altmann has worked for the airline for over 15 years. Most recently, Altmann helped establish Lufthansa Services Thailand, the airline's regional service centre in Bangkok.

Executive changes at Alila

Alila Hotels & Resorts has promoted managing director and COO Frederic Simon to CEO. Meanwhile, Guy Heywood joins the group as COO from luxury shared ownership specialist Firstlight In-

Marketplace

Jobs looking for people

Position Business development manager, Contiki Holidays, based in Japan Job spec Make sales calls to travel agents and the trade across Japan, assist Contiki's representative (GSA) and distributors in boosting sales volume, grow network of distributors and travel agents, give sales presentations, conduct training seminars, and get the brand out to the relevant audience. Candidates should have around three to four years of sales experience, preferably in the travel industry. Must be able to converse in Japanese and English, work independently and deliver results, be a team player with a never-say-die entrepreneurial spirit and love interacting with people.

Contact Email resumé to christelle.lin@ contiki.com by February 28 and state current and expected salary

Positions Director of sales & marketing, Sofitel Guangzhou Sunrich (opening May 2011); director of sales & marketing, Sofitel Saigon Plaza; director of sales & marketing, Sofitel Shanghai Jing'An (opening October 2011); senior director of sales, Sofitel So Bangkok (opening October 2011); and director of revenue, Sofitel Sydney Wentworth

Job spec Candidate for the Sofitel Guangzhou Sunrich position must have actual Chinese experience.

Contact Send resumé to stephane. laguette@sofitel.com

For free job listings in this Marketplace section, email ttgnewsdesk@ttgasia.com ternational, where he was director, global head of operations.

New InterCon Singapore GM

InterContinental Hotels Group has appointed Tash Tobias as general manager of InterContinental Singapore. Tobias was most recently hotel manager of Inter-Continental Asiana Saigon.

Siaw to join SCC

Christina Siaw will take over as CEO of

March 5, following the retirement of incumbent Cheong Teow Cheng. Siaw was the CEO of destination marketing and online travel company Macau.com. She has also worked previously with Zuji Enterprises, Cathay Pacific and Kenair Travel & Tours.

Banyan Tree appointment

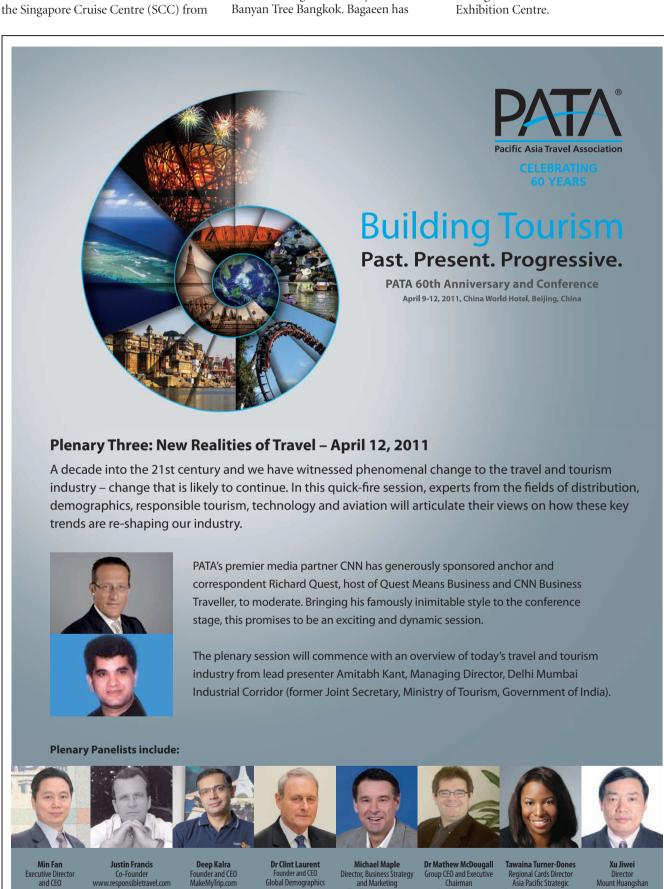
Banyan Tree Hotels & Resorts has appointed Tareq Bagaeen as director of sales and marketing of the newly renovated

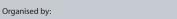
worked in Europe, the Middle East and Asia, primarily with Ritz-Carlton and most recently with Grand Hyatt.

Borneo Convention Centre gets new chief executive

Paul D'Arcy has joined the Borneo Convention Centre Kuching as CEO.

D'Arcy was the pre-opening general manager of the Qatar National Convention Centre and also the opening general manager of the Perth Convention and









People's Government of **Beijing Municipality**



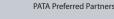


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Local online intentions

TTG Asia looks at the various homegrown online players staking a claim in their respective markets

Chudu24 Vietnam

By Brian Higgs

Hotel Club 88 One & Only Thailand

By Sirima Eamtako

Lastminute.com Hong Kong

By Prudence Lui

Who are they?



Chudu24 started as an online travel community website focused on providing travel information to Vietnamese consumers looking for destinations in Vietnam and overseas.

Starting with nine high quality travel sections in November 2008, Chudu24 expanded to 23 travel sections covering promotions, articles, reviews, photos and travel guides within five months, in the process becoming the first Vietnamese travel portal with 20,000 daily visits.

Established in 2005, Hotel Club 88 is a wholesale B2B online hotel booking service, which brings hotels and travel agents together via an XML (Extensible Markup Language) platform, developed by Thai company 11-Infotech System.

The company is a division of CBS Travel Asia, a Bangkok-based travel company founded in 1999 by Chaladol Ussamarn, a former senior executive of Diethelm Travel Group.

Lastminute.com was founded in 1999 during the height of the dot.com boom, with startup investment coming from two fund companies in Hong Kong and Europe.

The company provides a range of products including packages, travel insurance and cruises.

Herman Lam has been managing director of Lastminute.com since inception.

What's their business model?

Initially offering a mix of hotel and flight booking services, Chudu24 has since reorganised to focus on hotel bookings as the main revenue generator.

Chudu24 earns 10 to 20 per cent commission on hotel bookings through its portal and generates additional revenue through banner advertising and campaigns on its website.

With no direct online competitors, Chudu24 actually sees its partners like travel agents, tour operators and hotels as the only competition to complete domination of the Vietnamese online travel space, said CEO David Tran.

Hotel Club 88's XML platform offers convenient management of room rates and allocations for hotels, while partner agents worldwide can book rooms online and receive instant confirmation at respective contract rates, thereby doing away with the need for email and fax requests.

Some hotels have offered as short as one-day cut-off time for room allocations because of the convenience of Hotel Club 88's system.

Lastminute.com was one of the first online agents in Hong Kong to offer ticketing and hotel bookings with instant confirmation.

What continues to set Lastminute.com apart from other online players is its provision of wholesale airfares.

The company has also opened a retail shop in Tsim Sha Tsui to complement its online business.

Who do they attract?

Chudu24 caters to a mostly middle- to high-income segment, from 25 to 40 years old, 99 per cent of whom are Vietnamese, living either within or outside the country.

More than 90 per cent of the bookings are for stays within Vietnam, and come mostly from FITs (leisure and corporate) who book their stay and pay right away, said Tran.

Hotel Club 88 provides its B2B hotel booking services to some 10,000 travel agents worldwide.



Lastminute.com's target market is expatriates in Hong Kong and South China looking for leisure travel products. The mainland Chinese market contributes 10 per cent of the business.

The company's clients favour value-for-money shorthaul trips featuring beach destinations like Thailand and the Philippines.

However, new destinations like Vietnam and Cambodia have emerged in recent years, as political instability in Thailand hurt travellers' confidence.

Milestones to-date

In April 2009, Chudu24 became the number one online travel website, in terms of traffic and travel content, in Vietnam. It launched its made-in-Vietnam online hotel-booking services with instant confirmation and online payment in July 2009 and decided to concentrate on this business segment in December of the same year.

Chudu24 now has over 15,000 subscribers of its newsletter and travel deals, and its database includes more than 600 hotels within Vietnam.

The company has 15 staff, most of whom are based in Ho Chi Minh City, with the rest in Hanoi.

Hotel Club 88's B2B bookings generated revenue of one million baht per day throughout 2010.

The company's XML partners have grown from one Japanese travel agent in the beginning to around 45 to 50 agents from all over the world.

These travel agents now have convenient access to a wealth of hotels in Europe, Asia and the Middle East.

Lastminute.com has grown from 13 staff when it started to the current 30, and now has about 60,000 subscribers.

The company opened an office in Guangzhou in 2008, and a new office in Beijing will be operational later this year to expand its sales network to provinces outside South China.

Lam said: "At the start, online business only accounted for 10 to 20 per cent of our revenue, but this segment started to increase in 2003. Today, it generates more than 70 per cent of our business."

2011 ambitions

Tran said the potential for online travel agents in Vietnam was huge, but there were "not enough players to push the market effectively".

"We hope there will be more competitors joining the online space within the next year, and together we can build this market," he said.

Hotel Club 88 CEO, Chaladol Ussamarn, is targeting revenue of 1.5 million baht per day from B2B bookings through Hotel Club 88's portal and 20 new worldwide XML partner agents this year.

"This can be achieved if there are no more crises either in Thailand or elsewhere." he said.

Lastminute.com has entered into a partnership with Galileo to develop a white-label online platform for SME agents, which it plans to roll out in the second quarter.

"This B2B platform may be a solution for those who can't afford their own online system, said Lam. "Agents will pay an entry free and rent the system at an affordable rate."

"They don't have to worry about technical support and maintenance because we would handle this for them," he added.





Rakuten Travel Japan

By Brian Higgs

Travelzoo **Australia**

By Brian Higgs

Via India

By Anand & Madhura Katti

Who are they?

The current version of Rakuten Travel was created as a result of the 2004 merger between the original Rakuten Travel, started in 1996, and rival OTA Mytrip Net.

The number one OTA in Japan, with all sorts of travel-related products and services on its website, Rakuten Travel aims to help parent company Rakuten Inc. achieve its goal of becoming the premier Internet company in the world.

Its rivals in the online travel segment in Japan are Jalan.net, Ikyu.com and Nippon Travel Agency.

Travelzoo Australia was launched in November 2007 as part of an aggressive strategy to expand the US-based Travelzoo brand into Asia-Pacific.

Besides publishing a localised weekly Top 20 newsletter covering the best travel deals generated from its offices all over the world, the company also offers a free email alert service Newsflash that notifies subscribers of deals hot off the newsdesk.

In August 2009, the Asia-Pacific operation was privatised, and since then Travelzoo Australia has been independently owned and operated by Travelzoo (Asia) under a license agreement with Travelzoo Inc.

Launched on July 28, 2006 as flightraja.com and incorporated in May 2007, Via started in a small garage in Bangalore with the aim of selling travel in the style of fast moving consumer goods.

The company's plan was to offer value-formoney products to make travel easier and more accessible to India's extremely fragmented travel market, which was used to a cash-driven travel industry lacking in quality products and services.

What's their business model?

Rakuten Travel charges no fixed fee for listings on its website, but earns from advertising and a seven to nine per cent commission on hotel and airline bookings.

Rakuten Travel contracts directly with every hotel, giving the latter the flexibility to input inventory data, room rates, special packages and availability.

"We act solely as the middleman between suppliers and our members. Both parties will be able to benefit from this arrangement," said Hideaki Yokomizo, general manager, International Division.

Travelzoo's revenue is generated through advertising in its Top 20 newsletter and website.

One of Travelzoo's strategies is to create demand when there is none, so it works with clients on attractive deals to produce incremental demand during low periods.

Besides advertising its services across a variety of online and offline media, the company also has a strong viral element, which has allowed its database to grow quickly.

"The better deals are, the more inclined people are to share them with their friends," said Brad Gurrie, general manager, Australia and Singapore.

Via sells the full gamut of products required by a traveller — from air travel and train rides to hotel stays and bus journeys.

Both online and offline sales points are available across the country. Service is also provided through a wide network of partner travel agents across India.

The OTA offers membership points on every purchase, which can be used to redeem Via products.

Who do they attract?

Rakuten Travel draws mainly business and leisure travellers.

Business travellers tend to be males in their 30s and 40s, booking both local and international hotels, while leisure travellers are mostly families or couples, heading to resort hotels and small inns in the countryside.

Rakuten Travel's top destination is South Korea, but clients also patronise other Asian countries such as China, Taiwan, Hong Kong, Thailand, Singapore and Indonesia (Bali).

Travelzoo Australia's target demographic is "simply all leisure travellers", according to Gurrie.

The company has found, however, that its core clientele tends to be female, between 24 to 54 years of age, earning a high income – 58 per cent earn over A\$100,000 (US\$99,833) per year and are frequent leisure travellers.

Via has both B2B and B2C platforms and caters to luxury travellers, corporates and the mass market. Luxury travel is serviced by a separate segment within the company.

Milestones to-date

As of March 2010, Rakuten Travel had 402 employees, and 24,211 domestic and 47,084 overseas hotels in its network, generating a total of 22.93 million roomnights per month.

It brought in 260.5 billion yen (US\$3.18 billion) worth of bookings in 2008 to emerge as the number one OTA in Japan.

The company's online membership, tapping parent company Rakuten Inc.'s online shopping empire, is currently 67 million.

Since its launch in 2007, Travelzoo Australia has published over 150 "Top 20" weekly newsletters and more than 3,000 amazing travel deals. Its subscriber database has expanded to over 550,000 people as of this January.

Travelzoo's office in Sydney has grown to over 12 staff, and the company will be moving office this month to accommodate its growing staff numbers.

Via has grown into India's largest travel network company, with more than 50,000 registered agents across 1,700 cities in India and 20,000 partners across the globe. It has 350 employees and annual sales revenues of US\$500 million.

Via launched operations in the Philippines last year, its first overseas office, and plans to set up shop in Indonesia this year.

It also recently introduced a bus booking service through its membership database in January.

2011 ambitions

Yokomizo said Rakuten Travel plans to expand further outside Japan and establish branch or subsidiary offices in other regions.

'The last overseas office we set up was in New York last year," he said. "We will take steps towards the West while strengthening our position in Asia."

Gurrie said 2011 was shaping up to be a big year for Travelzoo Australia, as it "continues to scale and grow the business".

"We will be launching some new and exciting products throughout the year and will also continue to expand our database to deliver our Top 20 newsletter to more leisure travellers in Australia," he said.

Via CEO, Vinay Gupta, said the company plans to enter 10 to 15 countries this year and generate a turnover of Rs 4,000 crores (US\$877 million) to 4,500 crores.

"Our vision is to be the Walmart of travel, where customers can log-in, walk-in or call-in for any travel-related service," Gupta said. "We give them the travel of their choice, at the best prices, direct from suppliers."

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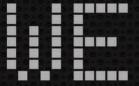
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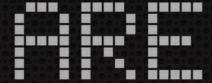
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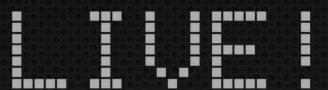
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EDITOR'S BLOG

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Hale and hearty again

China largely credited for Asia-Pacific corporate travel rebound. By Karen Yue

Business travel in Asia-Pacific is thriving as the economic climate takes a turn for the better.

Hogg Robinson Group (HRG) Asia-Pacific executive vice president James Stevenson said: "We have seen massive growth in volume in the region over the past year, with some areas almost reaching 2008 levels."

Singapore, he said, was one Asian destination where business arrivals were on the rise.

Carlson Wagonlit Travel (CWT) chief operating officer Asia-Pacific, Martin Warner, expects further increases in corporate travel demand this year, with China and India poised for 35 per cent booking volume growth.

American Express Business Travel's 2010 China Business Travel Survey supported the optimism over China bookings.

More than half of the 280 organisations surveyed intended to increase their travel and entertainment budget this year.

These organisations in Shanghai, Beijing and Guangzhou said 76 per cent of their travel would focus on achieving new business and building loyalty among existing clients. Nearly 20 per cent of travel would be intra-organisation business trips, while in-



Stevenson: massive growth

centives and corporate events would account for six per cent.

Century Holiday International Travel Service (Shenzhen) sales director

Yan Wong expects greater investment in meetings and incentives as companies realise the value of such events. "More of my clients are requesting for better hotel stays, gala dinner venues and social activities," Wong said.

He was quick to add though that Chinese corporates would not spend blindly. "They are starting to be more mature (in corporate travel management) and will study options to find the best deals. Corporate travel agents have to work smarter to help Chinese corporate clients stretch their dollar."

The 2010 China Business Travel Survey echoed Wong's observation. Travel policy compliance is on the rise – 69 per cent of companies surveyed declared that their travel policy compliance exceeded 50 per cent, representing a 31 per cent rise since 2006. Online reservations,

preferred suppliers and travel arrangement rules for domestic and overseas business trips are now present in more than 30 per cent of travel policies, compared to 21 per cent in 2010.

While China is driving much of the Asia-Pacific business travel growth, other markets in the region are faring well too.

CWT vice president Southeast Asia, Olivier Spaenie, noted that the region reflected the strongest post-crisis recovery, which was most evident from the last quarter of 2009 into 2010, and expected "high single-digit to a low double-digit growth".

To cope with rising corporate travel demand, HRG has pumped more manpower into its Singapore office and seconded travel experts to clients' offices in China and India. CWT has also doubled its Singapore team.

The upswing in business travel is leading to consolidation of travel management, said Stevenson. For instance, Procter & Gamble and the Bank of America Merrill Lynch have consolidated their travel management in Singapore and Hong Kong respectively. Traveller tracking tools are also gaining traction, as more clients recognise the importance of risk management.

Business travellers are still relying on low-cost carriers (LCCs) despite the bump up in budgets.

Warner explained that LCCs had helped fill the gap in capacity created by full-service airlines that had yet to fully reinstate capacity cuts made during the economic crisis.

Amadeus Asia-Pacific regional director of corporate solutions Lisa Akeroyd has seen regional bids asking for LCC content "to at least be shown (online)". She believes LCCs, already popular among business travellers in Australia and India, would gain favour in Singapore and Malaysia too this year.

Akeroyd pointed out that LCCs were becoming viable options for the corporate segment due to newer services such as express boarding and the ability to tweak bookings without incurring excessive penalties.

AirAsia X CEO, Azran Osman Rani, was confident of retaining corporate demand, based on market interest in the carrier's premium class. Business travellers comprise 15 per cent of AirAsia X passengers, with services to commercial cities such as Taipei and London seeing an even greater share. – Additional reporting by Gracia Chiang

Trend watch

Embracing ancillaries
Premium airlines' quest for more revenue from ancillary services is inducing travel policy shifts.

Amadeus Asia-Pacific's regional director of corporate solutions Lisa Akeroyd said: "If travel managers do not find a way to incorporate ancillary fees into their corporate travel programmes ... (and) if there's no policy on paying for extra baggage or legroom, travellers are going to make up their own minds."

But corporate travel agents and managers doubt that Asian full-service carriers would adopt the complete ancillary service model anytime soon.

An Asia-based regional travel manager of a US technology company said business travellers in the region were not ready to pay legacy carriers for ancillary services, and full-service carriers would "lose their ability to charge (more than low-cost ones) if they unbundled fares completely". – Karen Yue and Gracia Chiang

2Duty of care drives OBTs
A growing sense of duty of care towards employees is driving more companies and travel management companies to use online booking tools (OBTs) and traveller tracking applications. Average adoption rate for OBTs in Asia-Pacific is 56 per cent, according

to Akeroyd. - Gracia Chiang

Checking in

So this is how the C-level lives

Corporates are spending again. Raini Hamdi splurges on the venerable

Peninsula Hong Kong before its rooms get a new look in a two-phase renovation from January 2012 to April 2013

LOCATION I felt like I had made millions for my company as the hotel's Rolls Royce Phantom whisked me off from the airport. I was amused and unused to the spotlight this gleaming feat of engineering and design was getting from onlookers.

As I settled back into the plush leather seat and surveyed the interiors of the car, I realised one clear message had been sent with this one helluva transfer: The bar of Peninsula's quality is perched so high, pity the ones who try to match the level. Be warned.

The hotel is located on Victoria Harbour, within walking dis-

tance of the underground railway and Star Ferry, and attractions such as the Hong Kong Cultural Centre and Hong Kong Museum of Art. For the first time, I could wait to get to my hotel and wished the drive was longer than 45 minutes. In the Rolls-Royce, I felt I had arrived.

ROOMS Blue blood or old money came to mind, if you know what I mean. If you don't, just picture the drawing room of an episode of *Dirty Sexy Money* (okay, *Dallas* if your client is a much older C-level achiever): flowery cream sofa, mantelpiece with antique Chinese vases, walnut-coloured furniture — Timeless Elegance Personified. The last significant room redesign was in 1994, coinciding with the tower extension. A redesign would indeed give the grande dame a little fresh air.

Not that she was looking stale, mind you. Far from it. Everything was in tiptop condition and thoughtfully planned for my comfort. I loved working in my suite, which had views of the



SERVICE They have mastered the art of pampering. Oh, the flurry of activities from an entourage of staff upon my arrival! One served Chinese tea, another brought fruit and chocolates, the floor manager and butler personally introduced themselves — it was as if the whole hotel had dropped whatever it was doing because I had arrived. It was all

a fixture.

done in five minutes or so, yet it felt unhurried and genuine.

When I returned each morning from breakfast, my room was already made. The only time service was not smooth was an encounter at breakfast, when my order for wholewheat croissant was not met.

F&B Felix on the 28th floor and Gaddi's are institutions in Hong Kong, but the one that melted my heart was Chesa, a rustic lodge in the hotel that serves cantonal specialities of authenticity on an even keel with – or better than – any Chesa in Switzerland. The Chinese restaurant manager is an

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institution and a great part of the enjoyment of eating at Chesa, as he regaled me with his knowledge of Swiss culture and traditions while ensuring food was well served and arrived on time. Salon de Ning also wowed me as a unique lounge.

VERDICT Worth splurging on.

Premium class air travel regains shine

Airlines laugh their way to the bank as the front of the plane fills up again. By Sim Kok Chwee

t is no secret that revenue from the front end of the airplane often makes a difference between breaking even and the ability to flaunt a sterling profit. The yield per passenger here far outstrips that in economy class, and the world's most celebrated airlines spare no expense to ensure that highly prized customers arrive in better shape.

When the world's economies and air travel crumbled in 2008/2009, airlines desperately sought to salvage both volume and yield but could do little to prevent the plunge in First and Business Class travel. The International Air Transport Association (IATA) noted that whereas economy class travel fell by 10 per cent during the recession, premium class air travel plunged 24 per cent. By the time 2010 arrived, airlines were quietly hope-

Group

ful - against a backdrop of a release in pent-up travel demand that the well-heeled executives would soon follow.

Latest reports by IATA suggest that despite murkiness in month-on-month growth rates, premium air travel is trending upwards as consumer confidence gains strength and sets the tone for other determinants.

IATA's Premium Traffic Monitor in November 2010 clearly showed that travel to, from and within Asia leads the world with a year-on-year growth rate of 16 per cent. In that month, premium air travel between Europe and the Far East grew 10.7 per cent year-on-year. Strong growth of 16 per cent within the Far East and 17.6 per cent between the Middle East and the Far East further support the justification for renewed optimism, although

Premium traffic growth by route

	Share of premium travel (%)		Premium traffic growth (%)
Route	Traffic	Revenue	Jan-Nov 2010 (year-on-year)
Europe – Far East	9.8	15.6	12.6
Africa – Far East	0.2	0.3	28.2
Within Far East	11.6	6.9	21.6
Middle East – Far East	3.4	2.4	23.2
SW Pacific – Far East	1.8	2.7	12.4
Europe – SW Pacific	0.1	0.2	-11.2
Africa – SW Pacific	0.0	0.0	- 8.4
Middle East – SW Pacific	0.4	0.9	15.2
Within SW Pacific	0.2	0.1	8.1
North and Mid-Pacific	6.0	14.2	14.5
South Pacific	0.4	1.0	23.8
Worldwide			9.3

Source: IATA

premium traffic has not yet surpassed levels attained in 2007.

Asia-Pacific airlines and those operating into the region are undeniably optimistic and have committed themselves to sustaining the supply of premium air capacity – even in First Class which has, in recent years, been scaled back.

Asia-Pacific continues to record growth rates that surpass those of other regions. The growing number of wealthy Chinese travellers, along with increasing demand for corporate travel into and out of China (see page 12), will help sustain the demand for premium class travel in the region. Rising airfares and yield are already evident and, as the economic recovery gains traction, airlines will continue to invest more in pampering those seated in premium classes (see table).

the use of sound-absorbing materials and the installation of individual

A new Business Class cabin featuring full-flat beds will be

introduced this year, coinciding with the delivery of Boeing B747-8

Mueller said the group saw no need to standardise the premium

wardrobes, following the removal of overhead cabin bins.

class product onboard the various member airlines.

Intercontinental at year-end.

Premium Performance Premium Changes Singapore Airlines (SIA) has reported that demand for its premium **Singapore Airlines** In an industry where product development is a closely-guarded secret, class product has been growing steadily as global economic conditions SIA is understandably guarded about what's ahead in premium class, continue to improve. except to say that in-flight mobile telephony and Internet access are According to SIA's vice president - Public Affairs, Nicholas Ionides, among the many initiatives underway this year. According to credible industry sources, SIA's 12th and subsequent the airline remained committed to providing a Suites or First Class offering on many of its routes. A380s will have an all-Business Class cabin on the upper deck. Excluding the routes on which SIA operates Suites, some routes Besides having a three-class configuration in more than half of with three-class aircraft include Singapore-Seoul-San Francisco. its fleet of 105 aircraft, SIA also operates a fleet of five Airbus A340-Singapore-Moscow-Houston, Singapore-Mumbai and Singapore-Dubai. 500s with an all-Business Class configuration. The latter are deployed The airline's upcoming Singapore-Barcelona-Sao Paulo flights will also on nonstop flights linking Singapore to Los Angeles and New York be operated on three-class Boeing B777-300ER. (Newark). And although frequencies for these were trimmed during the lonides said: "We believe there will always be demand for premium recession, they have since been restored to daily operation (Newark on travel, and while we would not presume to speak for the industry, January 19, 2010 and Los Angeles on October 5, 2010). As SIA receives delivery of more Airbus A380s, these will also be based on our forward bookings and provided the economic recovery holds up, we see that the return in demand for premium travel should deployed on the Singapore-Tokyo (Narita)-Los Angeles route. The airline be sustained at least through 2011." will also reconfigure the cabin in six more B777-300ERs between February and July. **Cathay Pacific Airways** Cathay Pacific has signalled its confidence in premium class travel by The airline's new Business Class seat debuts on an A330-300 this committing to spend more than US\$130 million to install new Business March on the Hong Kong-Sydney route and is "angled to give pas-Class seats onboard 50 aircraft – 30 Boeing B777-300ERs and 20 sengers a perfect view through the windows" - moving away from the Airbus A330-300s – by February 2013. current herringbone layout. **Korean Air** NA Korean Air is on the brink of a major milestone as it prepares for the introduction of the Airbus A380 with the lowest seat density among all operators – 407 seats in three classes, compared to 450 seats on Qantas and 538 on Air France. Particularly noteworthy is the exclusive use of the entire upper deck for 94 Business Class seats, which together with 12 First Class seats on the main deck, means that 26 per cent of the aircraft is dedicated to premium class. This will be the first time Korean Air's Business Class seats convert into fully-flat beds. Five A380s will be delivered to Korean Air this year. These will be nitially deployed on flights to Tokyo, Hong Kong and Bangkok in June, followed by New York on August 1 and Los Angeles on October 1. **Lufthansa Airline** Lufthansa German Airlines and members of the Lufthansa Airline Last year, Lufthansa introduced a new First Class cabin onboard its Group - SWISS, Austrian Airlines, SN Brussels Airlines - have recorded Airbus A380 that features higher humidity, lower noise level through

evenly-spread growth in premium and non-premium travel.

ments (in the region)."

Its vice president – Asia and Pacific, Uwe Mueller, said: "A remark-

able new development is the leadership position of our Asian markets.

Our home market, Germany, also enjoys remarkable recovery as Ger-

man companies continue to invest in Asia and intensify their engage-



Emphasis on leisure

Mumbai switches gears to capture more tourist traffic, report Anand and Madhura Katti

NTO The state government aims to attract more leisure tourists this year to the predominantly corporate destination, especially since 2011 has been declared "Year of Tourism for Maharashtra". Festivals will feature prominently in the line-up of events for the year.

Kiran Kurundkar, Maharashtra Tourism Development Corporation (MTDC) managing director, said: "We plan to build up the image of Maharashtra as a leisure destination by showcasing gateway city Mumbai, the state's vibrant culture and our 750km of pristine coastline."

The MTDC has invested Rs 300 crore (US\$65.6 million) in each of the holy towns of Kolhapur, Tuljapur and Shirdi for infrastructure upgrades. The leisure appeal of the ancient cave temples of Ajanta and Ellora is likewise being enhanced through audiovisual presentations and replicas of their murals.

Mumbai will also host the Cricket World Cup Finals on April 2.

Hotels India's financial centre has recovered somewhat from the lows it fell to after the terrrorist attacks in late 2008.

Alok Verma, general manager of Fortune Select Exotica, Navi Mumbai, said: "Hotel occupancies are back to levels prior to the global financial crisis and the terror attacks. We are experiencing sold-out dates quite often now. Average room rate is still lagging behind by some 20 per cent but we expect this to pick up soon."

Investor confidence has also returned to Mumbai, as evident by a slew of new hotel openings in the city last year, including the Four Points by Sheraton and the Courtyard by Marriott.

Opening in the first quarter is the 180-room Ibis Mumbai Airport, while Sofitel Mumbai Banda-Kurla will start welcoming guests in April.

Access

Mumbai's Chhatrapati Shivaji International Airport will launch its new international terminal by year-end. The airport, which has been undergoing a modernisation programme since 2006, will be able to handle 47 million passengers a year by the first quarter of 2013, up from the current 27 million.

Mumbai's airport saw its connections grow substantially last year. Kingfisher led the charge by



"The market (in Mumbai) has not yet fully recovered. Once market conditions firm up, we should be able to raise rates."

Ajoy Misra

Senior vice president, sales and marketing Taj Hotels, Resorts and Palaces

launching daily Mumbai-Dubai flights last April. Jet Airways started its daily nonstop flights from Mumbai to Johannesburg that same month. In August, Air India connected Mumbai to Seoul. October saw SWISS turning its five weekly Zurich flights into a daily service, while Austrian Airlines returned to Mumbai after a two-year hiatus with five direct flights a week to Vienna.

Access within Mumbai has also been improved. The first stage of the metro rail connecting Versova, Andheri and Gatkopar will be ready this year, and the Mumbai Metropolitan Region Development Authority is investing Rs 600 crore to build 50 skywalks in the city.

MICE The Lavasa International Convention Centre (LICC) became fully operational last June and has been catering since to domestic events, mainly from Pune and Mumbai.

Out to give Lavasa a run for its money this year is the CIDCO (City Industrial Development Corporation) Exhibition Centre near Vashi railway station in Navi Mumbai. Occupying 7.4 hectares, the facility will be a "green building" in accordance with LEED

(Leadership in Energy and Environmental Design) standards. It will have a 21,562m² exhibition centre, a 7,597m2 business centre and a 780m² ancillary block when it opens this quarter. An open area will also be available for exhibits.

Etc A number of projects in satellite city Navi Mumbai have been plagued by delays.

Fortune Select Exotica, Navi Mumbai's Verma said: "The city has yet to develop as a leisure destination. The delay in launching the planned amusement park and other attractions has left the city with too many rooms and too little demand. We might have an advantage when the new exhibition centre opens."

Aside from the CIDCO facility, the city will also have a 103-hectare 10-hole golf course by June this year, with eight more holes to be added in due time.

The Sant Gadgebaba rock garden opened at Nerul in Navi Mumbai last month. The 10-acre garden has various sculptures, an amphitheatre, a garden of medicinal plants and separate gardens marking zodiac signs and star constellations. – Additional reporting by Ollie Quiniquini

Palatial interlude

Bv Ollie Quiniquini

UDAIPUR Havelis (mansions) are aplenty in Udaipur, which after all boasts a long line of dynasties and royalty that shaped the history of India.

Chunda Palace, however, takes the haveli stay to a whole new level. The 50-room hotel, right at the doorstep of Oberoi's Trident and Udaivilas compound, faithfully recreates a Rajasthani palace

also serves to keep the building's interiors cool at all times.

The attention to detail extends to the hotel's interior. Doors are intricately carved, and camelbone and inlaid-glass ornaments add a touch of the exotic to Chunda Palace. Each floor has a cozy yet elaborately designed lounge. Every room has a different design and dimension.

Modern conveniences have



in decor, feel and history.

The family abode of one of the noble houses of the Mewar Kingdom, the property was a work in progress for 16 years before its conversion into a luxurious and opulent haveli.

The exterior is stunning shaped as an intricate palace with traditional Rajasthani domes, the building is a gleaming pastel yellow. Executive director Veeram Dev Singh Krishnawat shares that no paint was used to achieve the hue. Instead, a traditional technique of mixing lime and marble powder was used. The technique

not been spurned though. All rooms are fitted with their own jacuzzis and Wi-Fi access. There is also a business centre and a conference hall for 120 pax. The property has 27 palace rooms, 22 suites and a presidential suite. F&B consists of a bar and a finedining restaurant for 60 covers. Meals can also be taken at the seven rooftop gazebos by the outdoor pool (the hotel has an indoor pool as well).

Rates start from Rs 11,000 (US\$253), inclusive of breakfast. The property is targeting the US, UK and French markets.



Bollywood spectacle



The theme park promises "An Incredible Indian Experience". Ollie Quiniquini is

dazzled in more ways than one

WHY Kingdom of Dreams had been regaling visitors for six months at time of visit. The theme park in Gurgaon claimed a Bollywood-type stage extravaganza like other and a culinary feast

through India's many regions. What passes off as "An Incredible Indian Experience"? I had to find out. So when SATTE

2011 organised a special viewing of the theme park's Zangoora, The Gypsy Prince production for international buyers and me-

dia attending the tradeshow in end-January, it was an opportunity I could not miss.

WHAT What a sense of arrival! The complex's entrance is flanked by massive stone elephants, standing guard as visitors file through intricately carved gates to the wonders within.

First up is Culture Gully, a cavernous building housing food stalls and specialty restaurants, giving visitors a thorough sampling of the country's culinary delights. Unfortunately for chilli-averse me, most of the dishes were beyond my gustatory comfort levels.

Soon enough, it was time for Zangoora, the fantasy tale of a gypsy prince told, at times, in song - Bollywood favourites over the years and elaborate dance numbers. Enjoyable, if a tad long at 2.5 hours. Tip: go along with the credit card swipe for Name Kingdom of Dreams Rates From Rs 600 (US\$13.17) Contact details

Email: info@kingdomofdreams.in

an English-translation headset. Many who didn't (this writer included) were left to devise their own storylines. One can only take so many song-and-dance numbers out of context without getting restless.

The occasional disconnect between the setting and the ultra-modern costumes of the performers was rather jarring, but I forgave that oversight, awed as I was by the two-storey 839seat Nautanki Mahal theatre: surround sound? More like surround visuals!

HOW Culture Gully accommodates product launches and corporate events. Zangoora runs everyday except Mondays. Translation sets are available in eight languages, including Chinese and Japanese. Open-air Showshaa Theatre opens in October.

VERDICT Worth a slot in a Delhi itinerary or MICE programme.

Checking in

The Westin Gurgaon



Starwood introduced its Westin brand to Gurgaon last October. Ollie

Quiniquini examines the property's value proposition

LOCATION Sitting on the Delhi-Jaipur National Highway, the modern chrome-and-glass hotel is just half an hour from the Indira Gandhi International Airport and right smack in the heart of Gurgaon's bustling commercial and business district.

Within walking distance is the MG Road Metro Station that connects passengers all the way to Connaught Place in downtown Delhi. Theme park Kingdom of Dreams is also nearby.

Be warned though – distance can be deceptive at first glance. The hotel may seem walking distance from Gurgaon's MG Road, but actually getting there entails a hair-raising dash across the busy thoroughfare and circling the entire complex to get to the hotel's entrance.

ROOMS The Westin Gurgaon has 313 rooms and suites, including seven 51m² Aura rooms for single lady travellers. All seven were occupied by long-staying guests at the time of my stay, testifying to the popularity of this relatively new concept among visitors to the Indian National Capital Region (NCR).

Though I wasn't able to revel in the dedicated makeup table and video doorbell option of an Aura haven, my 42m² poolview premier room suited me fine.

The clean crisp lines of spanking white linens against light wood and beige furnishings give the room a modern and vibrant feel that is conducive for both relaxing and working. Westin's apple green motif was ubiquitous from the three apples in the fruit platter to the bear stuffed toy on the bed and green-ink pens.

A solid glass door separates the bedroom from the toilet, shower and bath, and wardrobe. The latter's placement in the toilet and bath area is rather puzzling but storage space is more than ample, and the separation does keep the bedroom free from clutter.

An ergonomic workstation greets guests upon entry in the room and is both well-equipped and cleverly designed with plenty of drawers and counters that I could easily see myself setting up shop in this minioffice away from the office. I could have used brighter lights in this area and free Internet access but that would be asking for perfection in a near-perfect world.

After all, I had all the necessities for a working visit – a truly "heavenly" bed, an iron and ironing board to help me avoid that "living-out-of-a-suitcase" look, a 42-inch LCD TV to keep me abreast of world developments and an iPhone docking station to play my favourite tunes.

F&B Much of the activity takes place at Seasonal Tastes, which serves buffet and a la carte dishes for breakfast, lunch and dinner. I definitely did not go wanting after sampling all three spreads. Seasonal Tastes has separate sections for dessert, local, Chinese, Japanese and continental fare.



World music blares from the restaurant's speakers, a bit too enthusiastically at times, but it was entertaining to see suit-clad corporates grooving to the beat at the dessert station.

Pan-Asian restaurant Eest on the first floor is a worthy alternative for those seeking greater privacy and more intimate service. A la carte Chinese, Thai, Japanese and Korean dishes can be tucked into at the stylishly modern restaurant elegantly decked in black and red, with many nooks and crannies for a private meal.

For lighter bites, Westin Gurgaon obliges with lounge Mix and Daily Treats bakery-cumcafé. Italian restaurant Prego, in a dedicated building by the swimming pool, opens within

FACILITIES Road warriors can keep fit courtesy of the Westin-WORKOUT Gym. Heavenly Spa by Westin and the Westin Kid's Club are set to open this month.



Tel: (91-124) 497-7777

The hotel also has 820m² of garden space and more than 1,360m² of flexible indoor space for meetings and events. Up to 10 separate breakout rooms can be created for conferences. The lobby itself has plenty of comfortable seating areas that easily transform into meeting lounges.

SERVICE Professional yet warm. Staff are courteous, helpful and go about their tasks diligently. Kudos to the restaurant staff for being helpful and efficient, without being oversolicitous.

VERDICT A comfortable and convenient option for business travellers to Delhi NCR.



Tracker

An update on major issues and events from the past

UNESCO World Heritage package languishes

THEN Two consortiums comprising Malaysian and Indonesian travel agencies and their respective NTOs launched the UNESCO World Heritage 1-2-3 package promoting Borobudur, Malacca and Penang at ATF 2010. The full board 7D/6N package targets culture and heritage lovers from China, Japan, Hong Kong, Germany, France, the UK, Italy and Holland. **NOW** Overseas demand for the product is poor, agents reveal. The general feedback is that the package is too long, costly and niche. Promotions were also left to individual agents, with no concerted effort between the two

FUTURE Malaysian consortium coordinator Jessica Koh suggested adding new elements to make the package more relevant to the mass market. But the package is likely a die a natural death, with consortium members seemingly uninterested in resuscitating it.

– S Puvaneswary

consortiums.

Licence to operate

Bangkok hotels stave off grim market outlook and competition

Bv Sirima Eamtako

BANGKOK Hotels in the Thai capital are coming up with new strategies to survive an oversupply, exacerbated by competition

from unlicensed accommodation establishments.

Coming off a year when room rates fell to their lowest level ever (TTG Asia e-Daily, February 1), Bangkok hotels are adjusting their market mix and seeking stronger enforcement of licensing regulations.

All Seasons Sathorn Bangkok has diversified its clientele from a mainly corporate base in 2009 to a 70:30 corporate:leisure ratio to-date. Rates for wholesalers were pegged to volume, said the hotel's general manager Preecha Yarangwong.

Meanwhile, the Thai Hotels

Association (THA) is calling for stricter licensing regulations as Bangkok hotels, already reeling from a room oversupply, are also seeing unlicensed properties siphoning away precious business.

According to THA president

Prakit Chinamourphong, of Bangkok's 102,483 rooms in 698 properties, only 63,879 rooms in 325 hotels had a licence to operate. The rest were either

still waiting for their licence to be issued or simply operating without one.

Twelve more hotels and 2,362 rooms are coming onstream this year, with eight more properties and 1,929 rooms following in 2012, said THA.

Preecha noted that the entire stretch of Sathorn Road housed more than 40 properties, including apartments selling at daily room rates.

Century Park Hotel Bangkok general manager Danai Wansom, however, said: "At the end of the day, it is up to the end-consumer whether they want a licensed hotel or cheap rates."

In a February 1 letter to hotel general managers, THA blamed official data showing arrivals to have hit 15.5 million last year for the room oversupply situation. Saying that the official figures did not quite tally with hotels' experience of a 15 to 20 per cent drop last year, the THA said the over-optimistic results misled developers into seeing the hospitality industry as a lucrative investment when it was actually struggling to stay afloat.

Prakit thus urged THA members to share guest data and performance indicators with the government so the latter would get a more accurate picture of the industry.

THA figures already show average occupancy rate (AOR) in Bangkok falling to 50 to 55 per cent last year, from 60 to 65 in 2009. Average daily rate (ADR) also slipped 12 per cent, from 2,850 baht (US\$92.45).

Performance indicators are expected to improve this year on the back of an upswing since November. Prakit said Bangkok hotels were poised for a 10 to 15 per cent hike in occupancy and a three to five per cent increase in ADR this year.

Horwath International's Regional Outlook had Bangkok AOR and ADR as among the lowest in South-east Asia.

Accor enters Sihanoukville

By Raini Hamdi

PHNOM PENH The Accor Group will be present in Sihanoukville, the port city of southern Cambodia, with the opening of a new-built 54-room Ream Resort in 2013, which will be part of its MGallery portfolio.

MGallery's footprint is growing in the Mekong region, with four other management contracts secured – 107-room Hotel de l'Opera Hanoi, 69-room Veranda High Resort Chiangmai, 118-room Veranda Resort & Spa Hua Hin and 75-room Songtsam Retreat at Shangri-La, the first MGallery hotel in China. With eight MGallery hotels in operation in Asia, and the 174-room Hotel Muse Bangkok announced earlier, the collection has grown to 14 to-date in Asia.

Accor's senior vice president sales and marketing Graham Wilson said the chain was also enjoying rapid growth with its Pullman and Novotel brands in ASEAN. A Pullman will open in Bali and Danang by mid-2011 while three Novotels will open in Bangkok this year. "We remain heavily committed to Bangkok and see growth opportunities across destinations in Thailand."

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