



No.  $1630/April\ 1-7$ , 2011



# **Online launches** new offensive

Indonesia hotels won over by e-channels

### **By Mimi Hudoyo**

JAKARTA More hotels in Indonesia are switching to the online channel as their main source of business, and agents are responding either by jumping on the online bandwagon or sticking to their offline guns.

The online channel, already popular among boutique and small independent properties, is gaining converts among chain hotels. Hoteliers from chain properties said that online bookings – mainly from OTAs, GDSs and their own websites - accounted for eight to 50 per cent of their business, depending on their property's location. On the other hand, boutique hotels can get up to 90 per cent of their sales from online sources.

At the recent Indonesia E-Tourism Summit in Jakarta, Rini Wulandari, Tauzia Hotel Management's corporate director of marketing, said: "Our survey on customers' preferences when

booking a hotel shows that 33 per cent choose hotel websites; 17 per cent, third-party websites (OTAs); 12 per cent, (offline) travel agents, our sales team; and eight per cent, the call centre. So, 50 per cent of potential customers are online.

Tauzia Hotel Management's online bookings had grown from 5.99 per cent of the total in 2009 to 12.6 per cent last year. Citing the proliferation of online gadgets in Indonesia, Wulandari said: "We see (online bookings) becoming our bread and butter. Our target is (for online sales to account for) 50 per cent of business by 2013."

For Aston International Indonesia, 90 per cent of business for its villa properties come from electronic sources. "(The online share for) mainstream hotels in Bali is 40 to 50 per cent, while in the region, it is still five to eight

Continued on page 2

# PATA 60<sup>th</sup> **Anniversary & Conference**

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### TTG Asia e-Daily

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Fallout from Japan

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Where are the Expedias among traditional ASEAN agents?

Bali tourism irrepressible despite Japan crisis

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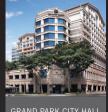
Frasers expansion gets into high gear

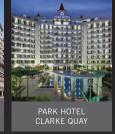
Indonesian hotels cash in on budget boom

To read these news, go to www.ttgasia.com

# $\overline{1}$ continent, $\overline{3}$ countries, $\overline{8}$ properties, $\overline{50}$ years of loving hospitality.





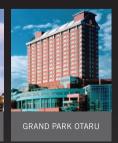












www.parkhotelgroup.com







Continued from page 1

# **Agencies vary** on online stance

per cent, said vice president sales and marketing Norbert Vas.

Acknowledging this trend, Incito Tours Makassar, Panorama Tours and Pacto all have online channels. Pacto director of business development Umberto Cadamuro said: "We have two different contracts with hotels. One gets allotments for our inbound tour wholesale partners; the other, for our online B2B channel." He added that hotels now base future allotments on the previous year's performance. All Seasons Legian Bali general manager Kahar Salamun agreed. "We maintain (allotments) for offline agents who perform but push the online business."

But Ayodya Resort Bali assistant director of sales Budi Susanta said bigger hotels needed to nurture other segments too. The online share of his 541-room property is below 20 per cent.

Stressing that "agents will not die", ASITA Jakarta chapter chairman Herna Danuningrat said: "Online bookings have limitations. It is not easy to alter bookings by 'talking' to machines."

# **Scoring in Europe**

Fillip for the Philippines as it gets into wholesale programmes

### By Ollie Quiniquini

**BERLIN** More European tour operators are putting the Philippines in their brochures this

Kuoni UK is featuring the Philippines for the first time in its brochure, which will be out this November. Alexander Stutely, CEO of Blue Horizons Travel & Tours that won the account, said the UK operator would focus mainly on midscale to highend beach resorts in Palawan, Boracay and Bohol, as well as northern Philippine roundtrips.

Stutely said: "With Kuoni UK selling the Philippines, more big UK players might feature the country. Right now, UK business comes mainly from smaller boutique-style operators."

Blue Horizons is also the groundhandler for Transorient Touristik's first-ever programme on the Philippines. The Hamburg-based operator devoted 12 to 15 pages on the Philippines in its brochure that was released in November last year.

### **Account numbers**

Transorient expected to match half of Meier's Weltreisen's production

Boracay resorts are the star attractions, though some properties in Bohol, Cebu and Palawan also made the cut.

Stutely expects Transorient's production to reach half of Meier's Weltreisen's – Blue Horizon's and the Philippines' biggest producer for Germany - in the next two to three years.

Transorient used to focus predominantly on Thailand, but they could see that their competitors - Meier's, Suntrips,

DERtour - were doing well with their Philippine programmes, so they've decided to come in," said Stutely, who noted that even more operators could be encouraged to add the Philippines to their brochures or expand their coverage of the country should the European Union ban on Philippine carriers be lifted.

Meanwhile, Marsman Drysdale Travel has convinced Paradise Reisen to run group series to the Philippines for the first time.

Paradise was to start its programme last year but cancelled due to the EU ban. Director of tourism services Pedro Young is expecting Paradise's first group for the Manila-Banaue-Bohol programme this October.

The Philippines' winning streak does not end with Europe. The Middle East market is also taking greater notice of the country. Blue Horizons' other big account win is Qatar Airways Holidays, which will feature the Philippines in its brochure for the first time this coming season.

# Okura ventures into Thailand

### **By Sirima Eamtako**

BANGKOK Japan's Okura Hotels & Resorts is making its debut in Thailand with a newly-created five-star Okura Prestige brand.

Thailand's TCC Hotels Group is investing three billion baht (US\$99 million) to develop the 242-room Okura Prestige Bangkok, which will occupy the 23rd through 34th floors of the mixeduse Park Ventures – The Ecoplex on Wireless Road. The complex's 22-storey office space is slated to open in September while its hotel will start welcoming guests from March next year.

Hotel Okura president Toshihiro Ogita said the hotel would be the launch property of the new Okura Prestige collection that would be positioned amid luxury international five-star brands. The aim is for 20 hotels worldwide within five years.

Hotel Okura Company Limited manages and operates 23 hotels globally, including three under development in Macau, Taipei and Bangkok. Together with its affiliate JAL Hotels, it has a portfolio of more than 80 properties.

# **Kuoni connects the Asian dots**

### By Ollie Quiniquini

**BERLIN** Asia is growing in significance for Kuoni Connect, both as a source market and a destination.

Frank Woller, head of sales and marketing of Kuoni's online B2B channel, said the company would add Japan

and South Korea as destinations early next year. "We're evaluating (the destinations) now and looking at when and how to integrate the product in our inventory.

Last year, Asia and the US produced the biggest growth rates for Kuoni Connect, which is striving to grow its global pres-



Woller: great expectations

ence. Europe currently accounts for 70 per cent of the business and the company believes Asia and India could fuel its global drive.

Demand for Asia stems mainly from European and Asian markets, said Woller, who double-digit expects

growth for the region this year.

Thailand, China and Hong Kong are Kuoni Connect's top destinations in the region, excluding India, but Woller believes Singapore will soon feature more prominently, as the company changes its structure for the city.

We will start to do our own

contracting for Singapore this year instead of relying on thirdparty contracts," Woller explained. "This will allow us to be more competitive in the market. Singapore was the only remaining destination where we didn't do our own contracting. Now, all markets in Asia are in our fold."

Kuoni Connect is also looking to strengthen its three-star offerings globally, as the majority of its inventory falls in the four- and five-star categories. Worldwide, it grew the number of hotels on its platform by 15 per cent.

As a source market, Asia produced strong bookings for Europe, Asia and "a little bit of India and the US", said Woller.

# Wego gets cracking on Southeastasia.org

### By Raini Hamdi

**BANGKOK** Wego is focusing on enhancing and driving traffic to Southeastasia.org, the engine of ASEANTA's Southeast Asia: Feel the Warmth campaign.

"Initially, we will do some work to optimise it better for search engine rankings, so if people are looking for South-east Asia travel information, they will come to the site through organic search. (Wego will) spend money - more in paid search, cost per click type, to kick this off," said Wego CEO, Martin Symes. "Like any web business, it all begins with traffic."

The site had been attracting "small but steady" traffic, the biggest now being the US market, followed by Europe and Australia. Offline agents are also in the loop. "At the moment, those looking to fulfil travel on the site are online travel agents, but we are also going to add a referral system to send enquiries to offline agents," Symes said.

Set up over a year ago, Southeastasia.org targets inbound tourists visiting multiple Southeast Asian destinations. In January, Wego was appointed to manage the site, and the contract was finalised last month.





**Featuring Week:** 11Apr - 17Apr





Featuring Week: 18Apr - 24Apr



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# **High-yield reservations**

Tourism players stress the importance of affordability to retain Singapore's popularity

### **By Gracia Chiang**

**SINGAPORE** While industry members agree that Singapore needs to move towards quality, high-yield tourism, they insist the city must keep rates competitive to retain its popularity.

At the recent annual Tourism Industry Conference, the Singapore-based trade was encouraged by Senior Minister of State for Trade and Industry and Education, S Iswaran, to shift from "sheer quantity to yield and value capture as the norm".

The Singapore Tourism Board (STB) this year is targeting between 12 million and 13 million visitor arrivals and between S\$22 billion (US\$17.4 billion) and S\$24 billion in tourism receipts. This represents an increase of at least three per cent in arrivals, but a minimum jump of 17 per cent in receipts.

Travcoach director Chew Chong Choon said about technology: "People are now doing their research online and approaching us for tailormade itineraries. There's a lot of manpower cost involved in customis-

# For STB, quality of tourists now priority

The Singapore Tourism Board (STB) is set on wooing more high net-worth tourists. Senior Minister of State for Trade and Industry and Education, S Iswaran, pointed out that shopping malls had launched concierge services to target high net-worth individuals; cross-selling was taking place between Suntec and Resorts World Sentosa to facilitate business events at the former and social functions at the latter; and hotels were about to implement an industry-wide productivity plan. He added that these were examples of each of the three strategies of innovation, integration and productivity, respectively.

STB chief executive Aw Kah Peng added that cultural precincts such as Chinatown and Little India were also planning to launch digital tours in an attempt to engage increasingly IT-savvy visitors.

### Viewpoint

## What of high-yield Singapore?



"China is an up-and-coming market for Singapore. They've started to arrive in

private jets and ask for hotels such as Capella."

### **Alex Chan** Director and general manager Hong Thai Travel Services (S)



adding value is to open offices in markets with potential. By having our own

"Our idea of

staff on ground, we can service clients better."

### **Samson Tan** CEO **GTMC** Travel

ing itineraries, so we have to look into ways to minimise that."

He added that the challenge was obtaining good rates from hotels and attractions.

Dorison Travel managing director Jimmy Sim said: "Even though we've tried to sell Singapore as a quality destination, prices are still a problem due to hotel supply. This means that tourists may not be staying as long as they should."

Darren Tan, managing director of World Express, said: "Everyone wants to go after high-yield, but the market remains very diversified, so Singapore needs diverse offerings to satisfy all segments. Clients are still very pricesensitive and they scrutinise rates, especially those from the Western countries."

Although Sim agreed that product innovation was important, technology, he felt, was still a very heavy investment that he was not ready to make. "This is a labour-intensive industry, so there's only so much you can automate. This business is about the human touch," he said.

# Tracker

An update on major issues and events from the past

# HKTB turns 10 THEN The Hong Kong Tourist

Association, established in

1957, was reconstituted as the Hong Kong Tourism Board (HKTB) in April 2001. In mid-1997, the association commissioned a consultancy to undertake a strategic organisation review, with the government later setting up a Tourism Commission under the Economic Services Bureau. **NOW** After a decade of operations, the Board has experienced some lows but has still proven its capacity to take tourism to the next level. Arrivals have tripled to reach 36 million last year. Mainland Chinese visitors make up more than half of inbound traffic today. HKTB has also strengthened deals with travelrelated industries.

**FUTURE** One of the long-term goals is to maintain a balanced portfolio of visitors so as to not rely on any single source market. In 2011 to 2012, HKTB will also expand its promotions to new markets Vietnam and the Netherlands, in addition to emerging markets India and the Middle East. - Prudence Lui







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Here's what you've missed

## **Tourism Data**



What is the No. 1 destination for Indian families? What are the trends for hotel bookings via mobile? How are room rates in Asia doing?

## Poll

Egypt Japan New Zealand Australia



Why is Japan coming out tops?

### Adam Tan

House cats, jungle rats and bats, anyone? Our irreverent scribe highlights the latest in culinary tours, anti-terrorist mice and bizarre customer requests.

# **Hot Jobs**

Melbourne Convention + Visitors Bureau and Sofitel hotels in Hanoi and Fiji seek talent. An F&B manager is also looking for an EAM or F&B director position in Asia.

# Ask the Expert



Column updated! James McBride, president YTL Hotels and Properties

Do you think a six-room Ayurvedic boutique resort in Kerala will take off?

Can you suggest some customer satisfaction surveys for travel agents?

> Log on to view answers and to post your own question

# Wanted: local online leader

Opportunities abound for traditional travel agents in ASEAN to be the online leader in their respective markets, but they need to change their approach, a panel during last week's inaugural ASEAN eTravel Mart in Bangkok discussed.

With travel e-commerce poised to increase in ASEAN as infrastructure that supports online transactions - from broadband to payment regulations improves, the space will remain fragmented and is not at all saturated despite appearances of it being so (according to a panelist, a Google estimate shows some some 12 trillion pages).

"No traditional agency has become a big online travel agency in ASEAN – not in Indonesia, not in the Philippines. In Singapore, there's ZUJI or Asiatravel (both did not emerge from traditional agencies), or in the hotel space, there's Agoda, Asiarooms, etc, but in the OTA space, there's nobody (from the traditional agencies). A lot of agents are dipping their toes into the water, but to me, the effort is half-hearted," observed Wego CEO, Martin Symes.

traditional agencies "Yet,

could leverage their product and supplier relationship, which is critical in this part of the world where it's not a free market and you can't get it all from the GDS.

"For God's sake, set up a separate team (to do the online business) because the metrics measured are completely different, the way you look at the business is completely different, the way you want to interact with your customers is completely different, so you just need to have dedicated as CAT (Malaysia) CEO, Vincent Kok, said: "It's a myth for agents to think that once you put up a product on the web, customers will flock in. It's a lot of hard work, otherwise it's just a waste of money, time and effort."

When asked what the ingredients are to be a leader in the online space, what the panelists singled out are a no-brainer, really. Among the ingredients:

- People, not technology: It's a "consumer approach" and not

and day out the Internet", and it needs a total focus on interacting with customers, said Wego's Symes.

Add to the above ingredients website speed, best pricing, website presentation, instant availability and easy payment, said Luzi Matzig, CEO of Asian Trails.

Of course, agents have first to do their maths and data-mining to see what gaps exist, as well as conduct A/B testing to test the waters among consumers.

All this might not be rocket science, but it does require the stamina, conviction and passion about the new business that the older generation in the region may not have.

But as these folks who set up the agencies begin to pass the baton to their sons and daughters, it will be interesting to see whether the new blood will be able to make a breakthrough in the online space.

It is however never about age, but the right attitude and the right approach to make anything work. That truth has not changed with time and is what traditional agents must squarely confront if they want to be the local leader in the online space.

# The online travel business is not a mere extension of the travel agency business.

people who are passionate about the Internet and live and breathe it," he said.

Symes is right, of course. The online travel business is not a mere extension of the travel agency business; it is a business in itself, requiring management and staff with a different mindset and skills set. It is not enough to just have a presence online.

Today, it is so easy and cheap for agents to be e-enabled but, iust about content but interaction with consumers, said Web Sawasdee COO, Christian Lukey.

- Product: It is one thing to acquire customers, but to convert them into a buying traffic requires better product, direct relationship and 24-hour servicing, said Agoda's director partner development Franz Nitz.

- Different mindset and total focus: It requires a different mindset, one that "drinks day in

A wonderful job on

"JAPAN air passengers to Malay-

sia radiation-free" and "Cosslett:

Stepping down is a key part of

leadership" on March 17 were

of radiation scans being con-

ducted on Malaysia-bound pas-

sengers from Japan following the

Said Kuala Lumpur's Mu-

hammad Akhir B Zainal Abidin:

"Good first-hand information

The latter discussed the step-

ping down of InterContinental

Hotels Group's CEO of six years,

point. Good read," posted Shen-

zhen's Paul Hugentobler.

Short, complete and to the

The former was on the result

well-received by readers.

your news pieces

# **Sound bites**

"Like adventure tourism, there is adventure investment in India... That's why it's exciting."

Ratnesh Verma, senior vice president, real estate and development, Hyatt Hotels & Resorts, describing India's investment climate



"I think it is very unfair that people walk

around expecting India to be cheap. India is not a poor country."

Rajeev Kohli, joint managing director, Creative Travel India, on European pressure to get Indian tourism suppliers to lower their rates

## Most commented on www.ttgasia.com

# Would Dafam still be interested in Bali?

OUR March 22 article on the expansion plans of Indonesia-based Dafam Hotels & Resorts made at least one person sit up.

Maria Feliana from Pantai Saba, Gianyar said she had villas and resorts that could be branded into three-star accommodation. "If Dafam would still like to invest in Bali, I can be contacted at mfeliana@ yahoo.com for further details."

The homegrown chain, which focuses on three-star hotels, already has a clutch of properties in Bali and Jakarta. It plans to own and operate 20 hotels by 2015, concentrating its growth in secondary cities.

# Stop building ghost hotels with no guests!

CHIANG MAI-based reader Frank wrote in to offer his views on March 14's "Hua Hin gets more keys". The story was on the evergrowing room inventory of Hua Hin in spite of complaints from local hoteliers that the destination is facing oversupply.

Said Frank: "Same same here in Chiang Mai. Hotels are only 20 per cent filled. Please stop building hotels that will be empty if you don't build some new attractions for tourists."

The Thai Ministry of Tourism and Sports reported that Hua Hin had 233 hotels and 7,015 rooms last year, up from 169 hotels and 5,805 rooms the year before.

# TTG ASIA MEDIA

nuclear scare.

for the public."

Andrew Cosslett.

Darren Ng

Managing Director (darren.ng@ttgasia.com)

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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.

Travel Hall of Fame

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.

# Oh what a night!

The stars from the cast of the Broadway hit show "Jersey Boys" were flown from New York to make Accor's exclusive dinner at ITB Berlin a true night to remember.



The top brass of travel were at the Sofitel Berlin Gendarmenmarkt for the Accor VIP function: Reinhard Wick (hotel.de), Cyril Ranque (Expedia), Yann Caillere (Accor) and Jesper With-Fogstrup (GTA)



"The Bollinger is almost as good as kava!" says Eroni Puamau (Rosie's Holidays Fiji) to Pieter Sengers (QAS).



"Frankie Valli for Bollywood?" Yes! say Frah Khan (Kiwi Collection), Accor's Gopi lengar and Daniel Tannenbaum and Saltours' Bhanu Arvindaksahan and Rajesh Nambiar



Accor Asia Pacific's sales and marketing frontman, Graham Wilson, could easily have been the 5th Jersey Boy!



The Jersey Boys had the Accor Boys singing...the boys from New York with Accor's top executives from Paris: Yann Caillere  $\,$ , Jean-Luc Chretien and Gregoire Champetier



The night was young, but the champagne was vintage: Denis Pierce (ATS), Bruce McNamara & Elodie Douville (Thomas Cook), Neale Herridge (Accor) and Stuart Neels (ATS)



The Jersey Boys brought New York's Broadway to Berlin with a collection of the Four Seasons' greatest showstoppers including 'Oh what a night', 'Sherry' and 'Big girls don't cry'.



It was smiles all around at the Sofitel for: Accor's Markus Keller with Rhona Stewart (Tour East), Pieter Sengers (QAS), Leon Ellas (Tour East) and Katherine Droga (Tourism Australia)



"I wanted to be a Jersey Boy," admits AOT's Gary Paterson to his dinner colleagues: Claudia Ebbers (hotel.de), Michael Simon (HRS) and Accor's Patrick Mendes

# Finding regional synergies

# Malaysia-based operator strengthens inbound and intra-regional travel through M&As. By S Puvaneswary

**KUALA LUMPUR** Synergy Tours Malaysia is expanding into Thailand, Cambodia and the UK.

Under an MoU signed last November with Thailand's EasySmile travel agency, Synergy Tours will purchase a 49 per cent

stake in EasySmile with management rights by December this year, said Synergy CEO, Fabio Delisi. The deal also gives the Malaysian company a stake in EasySmile's office in Siem Reap.

overseas outlet in South-east Asia, after Synergy Panorama Tours Bali, a joint venture between Synergy Tours Malaysia and Panorama Destination Indonesia.

Europe is another region that the com-

developing new distribution channels on the continent through acquisitions. Synergy already has a sales office in Bologna, which produced around 60 per cent of the company's sales into South-east Asia.

In February, Synergy fully acquired an outbound agency in London. The previous owner will manage the company for at least five years and further develop its South-east Asian base.

At press time, Synergy had tied up with a French partner and was in talks with a German tour company on acquiring the agency and its dynamic packaging software, so Synergy could improve its online B2B and B2C distribution channels from Europe into South-east Asia.

Synergy also wants to grow its marketshare of inbound traffic to Malaysia from India, the Middle East and China, as well as emerging markets like Russia and CIS. "We're looking for opportunities to buy inbound tour companies in Malaysia, which have a strong base in these markets," said Delisi.

# Is this your agency?

TTG Asia's Kiwi dreams are dashed by Focal Travel, Singapore



TTG Hi. I'm looking for a trip to New Zealand for seven to 10 days.

FT For New Zealand, we only do selfdrive tours.

**TTG** Do you only have one itinerary? FT Two – one for the South Island and

one for the North Island. TTG Which one do you recommend for a first-timer to New Zealand?

**FT** The south.

**TTG** What do they have there?

FT I'm not sure. Can I email you the itinerary? What is your departure date?

TTG Actually, I'm not sure when is the best time to travel to New Zealand.

**FT** Wait a minute. (Puts me on hold.)

During autumn, March to May.

**TTG** Is autumn the cheapest season? FT I'm not sure. I only have prices until March. Price depends on seat availability.

TTG Let's say I want to depart on March 10. How much would it cost?

FT S\$3,479 (US\$2,645) per person, covering car rental, airfare and hotel.

**TTG** Which airline and accommodation would that be for?

**FT** Singapore Airlines and motels.

**TTG** Again, why is the south better?

**FT** Because of the glaciers. TTG What else do they have?

FT Hang on (riffles through papers). You can do a stargazing tour and a safari fourwheel drive Skippers Canyon tour.

ITG What is a Skippers Canyon tour? FT Hold on (asks colleague if she could explain it to me instead). I don't know how to explain it. Can you google it? I'll send you the itinerary.

**VERDICT** For a company listed on New Zealand's official tourism website, I expected more product knowledge from the consultant. Besides giving one-word answers, she was stumped by most of my questions and seemed to be in a rush to end the call. At least, she sent me the itinerary less than five minutes after our phone conversation. – Gracia Chiang



For 60 years, PATA has been a dynamic force driving responsible tourism growth across Asia and the Pacific. In this session high-profile

executives from each of the key travel industry sectors will discuss their relationship with PATA and how, looking forward, the Association

PATA 60th Anniversary and Conference Hosts

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# **MUSIC FESTIVALS**

# Let's rock



T in the Park: As Asians seek more experiential travel, music is a basic need waiting to be fulfilled

othing is more global and level-playing than music. We used to only listen to music on the radio. TV gives it visibility; cable and the Internet, immediacy. Add to that easy travel, which gives music legs. Asians can now fly anywhere to watch their idol perform. If not, the stars themselves are flying to them, such as Adam Lambert in Singapore and Hong Kong last year or Usher in Shanghai recently.

Usher's OMG World Tour on March 12 at AEG's Mercedes-Benz Arena – the first world-class Western concert in Shanghai in over three years – was a sell-out, packing in over 10,000 fans. In fact, most of them were Chinese.

"It was not just an expat audience," said Adam Wilkes, AEG's senior vice president, Music and Touring, Asia. "I'd say at least 80 per cent of the audience was Chinese."

Music unites people the way travel does. It is the shared experience and the equality of it all. In a rock concert or jazz festival, whether you are white, black or yellow, young or old, blue collar or white collar, you all rock together. And as Asians seek more experiential travel, music is one of their basic needs that is just waiting to be fulfilled.

"My feeling is Asians are now more likely to travel to music festivals in countries such as Europe, as they are getting more worldly. Asian TV channels are showing British festivals on an annual basis, so they have a better idea of what to expect. Or they think



Usher in Shanghai

they do, for nothing can really prepare you for the excitement of being part of the festival crowd," said John Sutherland, CEO of Dreamscape Journeys Singapore, a luxury travel specialist.

The former lead guitarist for bands in Scotland had organised a music festival in the mid-90s in Scotland, with Wet Wet Wet (of the famous hit Love is All Around) headlining one of the days. Sutherland now wants to create trips where small groups can sample the whole festival culture, including staying in tents on the campsite. "A major music festival is an unforgettable experience and can be very addictive," he said. "One festival organiser in the UK is keen to have overseas visitors and wants to spread the word about his event."

Contacting festival organisers to ascertain international demand is a good first step for Asian outbound agents interested in the market niche. Or work specialists like Sutherland, who may even be able to hold VIP trips where groups get to meet some of the acts involved. "Building connections with the

## Viewpoint

## What sort of demand exists for music festivals?



"As we stand today, I do not believe there is a room left in Pattaya for this weekend (March 18 to 20, when the Pattaya International Music Festival was held). Indeed, the music festival is one of many events we now clearly mark on our calendar as a weekend when we are ready to maximise the revenue."

### **David Cumming**

General manager Amari Orchid Resort Pattaya



"My feeling is Asians are now more likely to travel to music festivals in countries such as Europe, as they are getting more worldly. Asian TV channels are showing British festivals on an annual basis, so they have a better idea of what to expect. Or they think they do..."

It is only a matter of time before more Asians would want to travel to be part of a music festival crowd. Music can be big business for destinations and agents. Raini Hamdi tunes in



Festival culture can be "addictive"

relevant parties to make it happen is a challenge. Festival organisers are extremely busy people six months in the lead up to the event. Tickets usually sell out well in advance, which means people have to plan their trip a year out," said Sutherland.

Festivals such as Glastonbury and T in the Park in Perthshire in Scotland sell out hours within of tickets going on sale. "Glastonbury doesn't even release a line-up and 125,000 tickets are gone in a day or so," rued Sutherland. "It might be challenging for Asia to have 50,000-plus people in one area listening to their favourite acts due to the heat, but it's a culture in countries such as the UK and

> Katy Perry at T in the Park

something attendees look forward to every year."

The festival season in the UK is from June to September.

In Switzerland, the highlyacclaimed Montreux Jazz Festival attracts more than 230,000 visitors a year, according to Montreux Jazz Festival Foundation head of press office, Francesco Laratta, who advised Asian agents that special ticket packages for this year's event would be up on the website (www. montreuxjazz.com) from April 14 onwards. "The festival's history, the quality of the event and fans from all over the world enhance the 'touristic' impact of the festival," said Laratta.

But the market niche is not just about appealing to die-hard fans of jazz, rock or pop. For every genre, there is a big event somewhere that can just help agents clinch the client in today's world of numerous destination choices and value-added imperative.

A good time to be in Zermatt, for instance, is the second weekend of August each year, when the Folklore Festival is organised. The highlight is the main parade



4th Zermatt Unplugged rocks the Matterhorn

through the car-free Swiss town, with 50 different folklore groups from all over the country and more than 1,200 dancers, yoddlers and musicians performing. Imagine the spectacle and the infusion of culture for Asian visitors, whom Zermatt Tourism is now actively courting and seeing results (last year, Zermatt saw 135,653 overnighters from Asia, a jump from 2009's 119,070).



Zermatt's Folklore Festival: For every musical genre, there is a big event somewhere

And if you think it is all so very country and quaint, think again. The Matterhorn can rock: Zermatt has Europe's only festival featuring exclusively acoustic instruments. This year's Zermatt Unplugged (www.zermattunplugged.com) is the fourth

edition and will take place from April 12 to 16, with Seal as one of the performers.

Closer to home, Asian NTOs know the power of music to gain incremental numbers of visitors. Sarawak tourism authorities have been beating the drums for their exotic-sounding Rainforest Music Festival, while the Tourism Authority of Thailand said its Pattaya International Music Festival, which turned 10 last week, had helped reposition Pattaya as a family destination.

David Cumming, Amari Orchid Resort Pattaya general manager, said: "As we stand today, I do not believe there is a room left in Pattaya for this weekend (March 18 to 20, when the festival was held). Indeed, the music festival is one of many events we now clearly mark on our calendar as a weekend when we are ready to maximise the revenue.

"Over the last three years, I have experienced that when the festival is held, as with many other Pattaya events such as the fireworks displays, polo, regatta, concerts, cultural events, etc, the city is completely sold out.

"Going forward, there is now most certainly a need for the calendar of events to be firmed up and published in advance, thus allowing the local travel industry to capitalise on them with more packages to attract nearby Asian markets. This will help position Pattaya as a destination on its own, much the same way Phuket and Bali are, rather than as a part of Bangkok

But Asian NTOs are new to promoting music festivals to international markets. Tourism Australia admits it has only just begun. The country's three most-recognised music events - Woodford Folk Festival, Tamworth Country Music Festival and Big Day Out - draw a huge domestic crowd, although there is some international interest.

But as Sam Cooke's song goes, A change is gonna come.

# Thank you for the music By Raini Hamdi

Charles Lloyd Room In Montreux, the town of music less than an hour's drive from Geneva International, I checked into Best Western Eurotel Riviera Room 118. This is no ordinary room. It is a veritable time warp circa 1967

American jazz saxophonist Charles Lloyd was the first international artiste to sign a contract with Claude Nobs, founder of the famous Montreux Jazz Festival. The room was a fun and immersing journey back to 1967, the first time the festival, and Eurotel, were inaugurated in the city.

Clear signages in the room guided me along. "This kitchen was



in the original setting of 1967. It has never been used." Sure looks it. A cupboard full of Langenthal crockery had the sign that said: "Langenthal China factory supplied all Swiss Hotels since 1906.

'There's the Robert's radio (left) and the tiny box TV that was in my grandmother's room when I was five years old."

It was hilarious, but extremely educational and engaging.

A collection of photos taken during Charles Lloyd's performance at the festival in 1967 decorates the walls. A stereo system and an anthology of his works complete the experience.



## Sunway City Ipoh, Malaysia

Sunway City has lined up new attractions at its Sunway City Ipoh integrated resort township in Tambun, Perak.

Opening in May next to the Lost World of Tambun theme park is the Lost World Hotel, which will have 130 rooms. The property comes on the heels of several new attractions introduced last year.

The 24,384m<sup>2</sup> Lost World Hot Springs & Spa opened last September with an infinity pool, Steam Cave, Foot Spa, Crystal Spa, Top of the World pool and The Geyser of Tambun.

Earlier last year, in March, the Banjaran Hotsprings Retreat & Spa joined the Sunway City Ipoh portfolio, with 25 luxury garden and water villas with private plunge pools and geothermal Jacuzzis. - S Puvaneswary



## **Resorts World Manila, Philippines**

The integrated resort launched its very own stage production last November at the complex's Newport Performing Arts Theater. Kaos highlights Filipino musicality along with stunning acrobatic acts from the world over.

Resorts World Manila is just getting started though. This year will see 700-room budget property Remington Hotel join the resort's 342-room Marriott Hotel and 172-suite Maxims Hotel. Coming up next year is the 540-room deluxe Hamilton Hotel. A convention and exhibition centre is also on the drawing

Resorts World Manila soft opened in 2009 across the road from the Ninoy Aquino International Airport's Terminal 3 and had its grand launch last November. – Ollie Quiniquini



### City of Dreams, Macau

The three-hotel complex on Macau's Cotai Strip will launch Club CUBIC this month.

Touted as the largest and most prestigious club in the enclave, this new lifestyle icon will further enhance Macau's vibrant nightlife and clubbing experience with some 9,000m<sup>2</sup> of entertainment. Designer Bosco Lam borrows from surrealism in decking the two-storey club with 3D innovations and state-ofthe-art technology

On top of this, City of Dreams' 360-degree multimedia experience, Dragon's Treasure, recently launched a new special fortune edition that celebrates the Year of the Rabbit. The new sequence at the beginning of the attraction features a Fortune Rabbit that is approximately 9m tall and 12m long. - Prudence Lui

# Piling on the diversions

Integrated resorts in the region are not resting on their laurels as upcoming projects threaten to challenge their entertainment crown. TTG Asia looks at what's new in the stalwarts' backyards

## **Marina Bay Sands, Singapore**

Since its grand opening in February, a number of new attractions have injected fresh interest into the downtown integrated resort, which started welcoming visitors last April.

The lotus-shaped ArtScience Museum has 21 gallery spaces. A multimedia extravaganza featuring dancing fountains, giant water screens, multicoloured high-powered lasers and pyrotechnics has likewise started playing at the outdoor event plaza every night.

Last month, the award-winning Broadway musical *The Lion King* began enthralling audiences at the Sands Theatre with eight shows a week.

Next on the cards this year are the two "floating" crystal pavilions – one housing a Louis Vuitton boutique and the other, hip nightlife joints Pangaea and Avalon. Singapore's first Banyan Tree Spa will also open on the 55th floor with 15 treatment rooms. The spa, together with the just-opened Banyan Tree Fitness Club, will span 1,858m<sup>2</sup>. – Gracia Chiang

### Venetian Macao-Resort-Hotel

Las Vegas Sands Corporation is not done yet with its Macau flagship as it now moves to develop parcels 5 and 6 of the mammoth complex.

The new hotels poised to make their entry on the integrated resort's extension will inject more than 6,000 rooms into Macau's room inventory.

Sheraton Macau takes the cake with 4,000 rooms, with Traders Hotel coming in a far second with 1,200 rooms. Rounding up the new entrants are the 460room St Regis Macau and the 600-room Shangri-La.

The Sheraton, Shangri-La and Traders properties are scheduled for fourth-quarter openings, with the St Regis coming up at a later stage.

Parcels 5 and 6 will give the Venetian a wider range of accommodation options, allowing the Cotai Strip to cater to various market segments and their respective budgets. - Prudence Lui

# **Resorts World Sentosa, Singapore**

Yet to make their debut at Resorts World Sentosa are west zone developments, including the Maritime Xperiential Museum, The Marine Life Park, destination spa ESPA and two hotels with 450 rooms.

The Maritime Xperiential Museum will make its entry by mid-year. Among its highlights are a 360-degree multimedia theatre and its collection that covers the history of the Maritime Silk Route navigated by renowned Chinese explorer Cheng Ho. Event planners will also be able to rent spaces in the museum for private functions after office hours. The zone's other attractions will open throughout the second half of

Celebrity chef Joel Robuchon, who boasts 26 Michelin stars, will open his three restaurants from the second quarter.

Universal Studios Singapore will also get a fresh spin with two new rides - Madagascar: A Crate Adventure kicks off mid-year and Transformers follows by year-end. – Karen Yue









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### avour

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# Aside from the established players, a number of new projects in the region are out to herald their own version of the "total entertainment" IR concept

### The masterminds

## **Galaxy Macau** Resort

By Prudence Lui

## The HK\$14.9 billion (US\$1.9 billion) project is being developed by Hong Kong-listed Galaxy Entertainment Group (GEG), the leisure and entertainment arm of K

neur Dr Lui Che Woo. The opening of the 550,000m<sup>2</sup> project was postponed a number of times due to the financial crisis, but Macau's latest integrated resort is now set to open

Wah Group, which is owned by hotelier and entrepre-

Galaxy brings with it more than 1,700 rooms, a fact that has not gone unnoticed by industry players.

Hotel Royal deputy general manager Kevin Chan said: "I think Galaxy will bring up Macau's ARR, simply because luxury hotels comprise a big portion of the overall supply. But the increase in supply should drive demand (or arrivals) up."

# The project

Galaxy Macau Resort intends to differentiate itself from the competition by emphasising Asian service and flavour, as evident in its tagline, World Class, Asian Heart.

The glitzy establishment will house three Asian hotel brands - Banyan Tree Macau, with 250 suites and 10 floating villas; Hotel Okura Macau and its 500 rooms; and GEG's Cotai flagship Galaxy Hotel, which will boast 1,500 rooms.

Aside from 450 gaming tables, entertainment at Galaxy will come in the form of the 52,000m<sup>2</sup> Grand Resort Deck, which features a 350-tonne white-sand beach within the 4,000m<sup>2</sup> Skytop Wave Pool that generates waves as high as 1.5m. The area will also have several pools, tropical and Japanese gardens, a traditional Japanese tea pavilion and private cabanas.

Galaxy will have 50 international dining outlets, more than half of which will feature Asian cuisine. For retail therapy, the integrated resort will have a shopping boulevard offering Asian and international brands.

A nine-screen, 3D, multifunctional cinema theatre will open later in the year.

### Lagoi Bay, Bintan, Indonesia

By Karen Yue

This massive project is being undertaken by Gallant Venture, an investment holding company listed on the Singapore Stock Exchange.

The company specialises in the commercial development and management of the Indonesian Riau archipelago and is an integrated master planner for industrial parks and resorts in Batam and Bintan.

Its four core areas of focus are utilities, industrial parks, resort operations and property development. It is also the parent company of Bintan Resorts International, which markets a collection of resorts on the island, including Bintan Lagoon Resorts and Indra Maya Villas

Gallant Venture will also take on the construction of Bintan's second airport, which is expected to offer quicker and more convenient access to the island's existing and upcoming tourism facilities, compared to Kijang Airport in the south.

The Lagoi Bay integrated resort spreads over 1,300 hectares of land on the northern coast of Indonesia's Bintan island. It will add residences, hotels and resorts, commercial spaces, a golf course, a water theme park and a second airport to the island over 10 years.

When completed, Lagoi Bay is expected to raise the island's hotel room count from the present 1,300 keys to more than 5,000. To-date, resorts confirmed for Lagoi Bay include Alila Bintan, which is slated to open mid-2012, and a 70-room resort on a 9.2 hectare seafront plot owned by a Russian investor. The plot can optimally accommodate 250 rooms.

The development will unveil its first product by the end of this year. Lagoi Beach Village will be a dedicated entertainment hub, with the highest concentration of commercial, leisure and recreational activities on the island.

## **Treasure Bay,** Bintan, Indonesia

By Karen Yue

Treasure Bay is the latest project of Malaysian-listed developer Landmarks, which is also behind The Andaman Langkawi in Malaysia.

The company owns 18 per cent of the Eastern & Oriental Express company, known for its luxury trains that ply Singapore, Malaysia, Laos and Thailand.

Landmarks executive director and COO, Gabriel Teo, said the new developments on Bintan would encourage travellers to see the island as a stand-alone destination and not just an extension from Singapore.

Treasure Bay spans 835 acres on Bintan's northern coast, near the Lagoi Bay integrated resort development. The project consists of four phases, to be built over 20 years.

Slated for completion in 2015 is the first phase, which comprises a multi-modal transportation terminal and marina that will be used by ferries and possibly sea planes, an iconic resort with 150 to 180 keys, a cluster of serviced villas with potentially 200 units, F&B outlets, entertainment options, and a wedding hall and an underwater banquet hall extending from the resort into an artificial lagoon.

Teo describes phase one as a high-end destination. Hotels, resorts and attractions of other categories will be planned for the rest of Treasure Bay to offer products of different price points for visitors

Teo added that space had been set aside for a cruise terminal, "should demand emerge" for cruises to neighbouring islands.

# Medini Lifestyle, Johor Bahru, Malaysia

By S Puvaneswary

The first LEGOLAND theme park in Asia, opening in the last quarter of 2012, will be the centrepiece of Medini Lifestyle, a leisure hotspot within the new township of Iskandar Malaysia in Johor Bahru.

IDR Resorts, a member of the Iskandar Investment Group, is responsible for the development of LEGOLAND Malaysia, in partnership with Merlin Entertainments.

The theme park is expected to boost tourism to both the Iskandar development and Johor Bahru, and allow the area to tap visitors from and to Singapore.

Aside from LEGOLAND Malaysia, Medini Lifestyle will include a lifestyle retail mall and Medini Square, which will house retail shops and offices, among others. The developers are also looking to attract hotel investments to the area.

In the meantime, LEGOLAND Malaysia, which is expected to attract a million visitors in its first year of operation, will feature more than 40 rides and attractions designed to offer interactive experiences for families with children between the ages of two and 12.



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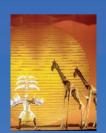
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# Plotting the future

# Beijing reassesses tourism strategy after slew of mega events, reports Maggie Rauch

Arrivals Beijing saw an 18.8 per cent increase in international arrivals, including Hong Kong, Taiwan and Macau, in 2010 compared to 2009. Much of the growth can be attributed to visits by attendees of the 2010 Asian Games in Guangzhou and the World Expo in Shanghai.

The rise in international visits followed a slow 2009. "After the Olympics, we really lost business during the financial crisis because foreign companies would not travel anymore, but the local market remained steady," said Roland Steiner, regional general manager of the InterContinental Hotels Group, which has 22 properties in Beijing.

Overall visits to the Chinese capital grew by 12 per cent, according to data from the Beijing Statistics Bureau.

NTO The China National Tourism Administration (CNTA) is focusing on improving Beijing's tourism product.

Modernising service standards, developing hotel stock and transport links and improving overall coordination have been identified as priorities.

As it is, the Chinese capi-

tal is seeing an echo of its pre-Olympics development boom, with infrastructure enhancements and a number of major hotel projects on the books.

Hotels Despite what was seen by many as a hotel glut two years ago, following bullish development ahead of the 2008 Olympics, Beijing's hotel market is still seeing rapid development.

There are still quite a few major projects entering the market over the next few years," said Michael Schwarz, the Beijingbased associate director of HVS Hospitality Services.

Notable openings between late-2011 and 2014 include the 422-room Langham Place Beijing, 320-room InterContinental longying Centre Hotel, 106-room Taj Hotel Beijing, 334-room Four Seasons Hotel Beijing, 300-room Conrad Beijing, 180-room Waldorf Astoria Beijing and the Mandarin Oriental Beijing, the opening of which was delayed by a massive construction site fire in 2009.

International star-rated hotels are performing well in Beijing, according to HVS. After experiencing a drop in 2009, occupancy recovered last year, but room



"Visitation is up, occupancy is up, rates are roughly stable with supply and there have been high-calibre and high-profile additions."

> **Michael Schwarz** Associate director, Beijing **HVS Hospitality Services**

rates have yet to return to their

According to the Beijing Statistics Bureau, ARR at five-star hotels in 2010 was RMB822 (US\$125), a nine per cent uptick over 2009. Rates at four- and three-stars remained steady.

HVS projects that room rates will go up this year, as arrivals are expected to grow and new rooms will only come online towards year-end.

Access The CNTA's call for infrastructure enhancements has certainly been heard in Beijing, where rail links are rapidly improving, the subway system is expanding and a new airport will likely be built within the next few years.

The Beijing South Railway Station, which opened in August 2008 as the city's high-speed rail hub with service to Tianjin, is nearly doubling the number of its platforms. The increased capacity will be needed when service begins in June on the Beijing-Shanghai high-speed line, which will reduce rail travel time between the two major cities from 10 hours to four.

On the heels of the 2008 expansion of the Beijing Capital International Airport, construction of a new airport is in the works, awaiting government approval that could come as early as year-end. Completion is expected four to five years after groundbreaking.

Meanwhile, new subway lines crisscrossing the city are making it increasingly convenient for travellers to lodge outside the city centre. "The segment should get more balanced geographically, said Schwarz. "This would affect midmarket hotels more."

MICE As there are no major international events on the horizon at present, convention space in the Chinese capital has been freed up for meetings and corporate activities.

Steiner said: "Beijing has been quite strong with meetings. With the World Expo being in Shanghai, events wanted to come here. In the near future, I am sure some of the meetings and conferences will go to Shanghai."

Groups that bring their meetings to Beijing will find ample space. Schwarz noted that international hotels averaged 7m<sup>2</sup> to 8m2 of meeting space per guestroom, compared to the usual ratio of 4m<sup>2</sup> to 5m<sup>2</sup>.

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# Where The MICE Industry Comes Together In Shanghai. In An Exciting Week Of Business, Education and Networking Events.

For the first time ever, China unveils its biggest MICE extravaganza!

Shanghai Business Events Week features 6 industry business, education and networking events brought to you by leading international MICE players. Be part of this week-long unique experience. All happening in cosmopolitan Shanghai!

# **Shanghai Business Events Week 2011 Highlights**



### China (Shanghai) Internation d Meetings & Conferences Forum

www.cimcf.org 12 to 13 April | Kerry Hotel Pud ang

A one-and-a-half day forum with key-note speeches, panel discussions, edu cational presentations and case studies. Learn how to organize and manage international and domestic association meetings, and corporate meetings successfully and professionally in China



# Corporate Travel Expert<sup>SM</sup> Certification Course

12 to 13 April | Shanghai Mart Expo

Offered for the first time in China, this internationally recognised certification programme is ideal for all executives involved in Corporate Travel planning, decision-making, and purchasing. Tailored specially for Asian professionals, participants will learn the concepts, tools and skills required to optimise your company's travel spending, ROI and enhance Corporate Travel results. Grab this opportunity to earn your Corporate Travel Expert<sup>SM</sup> (CTE) designation today!



### IT&CM Chin a 2011

www.itcmchina.com
13 to 15 April | ShanghaiMart Expo

This is China's leading professional Meetings, Incentives, Conventions and Exhibitions (MICE) business and networking event, dedicated

to "Promoting China to the World and the World to China". Featuring 3-days of exhibition, business appointments, seminars and networking events, IT&CM China brings together Chinese and International MICE exhibitors and buyers in one dyna mic marketplace. IT&CM China 2011 is orga rised by TTG A sa Media and MP International.



# ICCA Association Database Workshop

During this 3-hour workshop, ICCA members will learn a variety of database skills including the use of the ICCA Association Database, how to locate business leads and the use of other ICCA business tools. The training will be conducted in Mandarin and is suitable for all level of database users.



### **Future Leade is Fo ium** 14 April | ShanghaiMart Expo

A imed to nurture the future lea ders of the MICE industry, this full-day prog a mme is catered to stud ents pursuing d agrees in

meetings and events management, tourism or related business or administration studies. It offers the best and brig Itest students a chance to experience real-life industry challeng & and an insightful glimpse into a dynamic MICE career. This event is jointly organised by IMEX, MPI and IT&CM China.



### TTG China Trave | Awards

www.ttgchina.com/ttg-awards/en
14 April | Shanghai World Financial Centre

Respected as one of the travel industry's most prestigious travel award s this event celebra as the best in China's travel and tourism industry. Ba

and honours the best in China's travel and tourism industry. Back for the fourth yearTTG China Travel Awards applauds exemplary industry partners that strive to maintain quality standad stoensure a stellar experience for all.

### Test drive

# **History of** a nation



China's political and military history museum reopens on Tiananmen Square

after six years. *Maggie Rauch* visits for a history lesson

WHY For the three years I have lived in Beijing, I have known that the huge Soviet-era building on the north-eastern corner of Tiananmen Square houses a history museum, closed for repairs.

When the National Museum of China reopened last month after six years of renovation, I knew I had to drop by for an introduction to modern Chinese history, a welcome addition to the already bustling tourist hub.

WHAT The journey begins in the late Qing Dynasty, going through the founding of the Republic of China, the Japanese occupation and subsequent revolution and civil war that ended in 1949 with Mao Zedong establishing



the People's Republic of China. It then focuses on the first four generations of leaders - Mao, Deng Xiaoping, Jiang Zemin and Hu Jintao – with an emphasis on China's economic development and gradual opening to the outside world.

Wall-mounted photographs dominate the permanent exhibition, but glass cases house fascinating artefacts, such as old weapons and handwritten war orders. A number of diplomatic gifts are also on display.

The closer the exhibits get to present-day, the more emphasis is put on economic development through graphs depicting growth in everything.

English explanations are plen-

Name National Museum of China Hours of operation 9am to 5pm, closed on Mondays Contact details Tel: (86-10) 6511-6400

tiful enough to satisfy most casual visitors. Time-pressed groups, however, should head straight to the Forbidden City.

**HOW** Admission is free, but entry entails presenting one's passport. Groups can reserve tickets ahead of time by calling the mu-

VERDICT An easy stop at Tiananmen Square, with some interesting artefacts. A must-see for students of Chinese history.

### Silver spoon

# **Black Sesame Kitchen**



At a popular private kitchen celebrating Chinese cuisine, Maggie Rauch

whips up some dumplings

MENU American food writer Jen Liu Opened Black Sesame shortly after she finished her first book, Serve the People: A Stir-Fried Journey Through China.

Hosts share meals with wine for 20 on Friday nights and run pre-scheduled cooking classes on Thursday and Saturday afternoons. Private events, from RMB300 (US\$45) per person, are held weeknights.

We tried our hand at jiaozi, dumplings traditionally prepared for Chinese New Year. Two of Liu's first cooking teachers were on hand to fry and boil our creations, which came in three different varieties.

The most popular were stuffed with pumpkin and lamb. The pork and lotus root dumplings had a satisfying crunch, while the egg and leek ones also went down easy. Green beans with

minced pork and Sichuan peppers rounded out the meal.

**AMBIENCE** A room offers cozy dining room seating while another has an eight-pax table with high wooden chairs, perfect for cooking classes or peeking into the open kitchen. Those opting for open scheduled affairs sit together at one of two large tables.

**SERVICE** Intimate and helpful throughout the class and dinner.

**PRICING** RMB250 for Friday meals; RMB250 for Thursday classes; RMB300 on Saturdays.



Name Black Sesame Kitchen

Number of seats 20

Contact details

Blacksesamekitchen@gmail.com

Verdict ;;;



# At the Garden

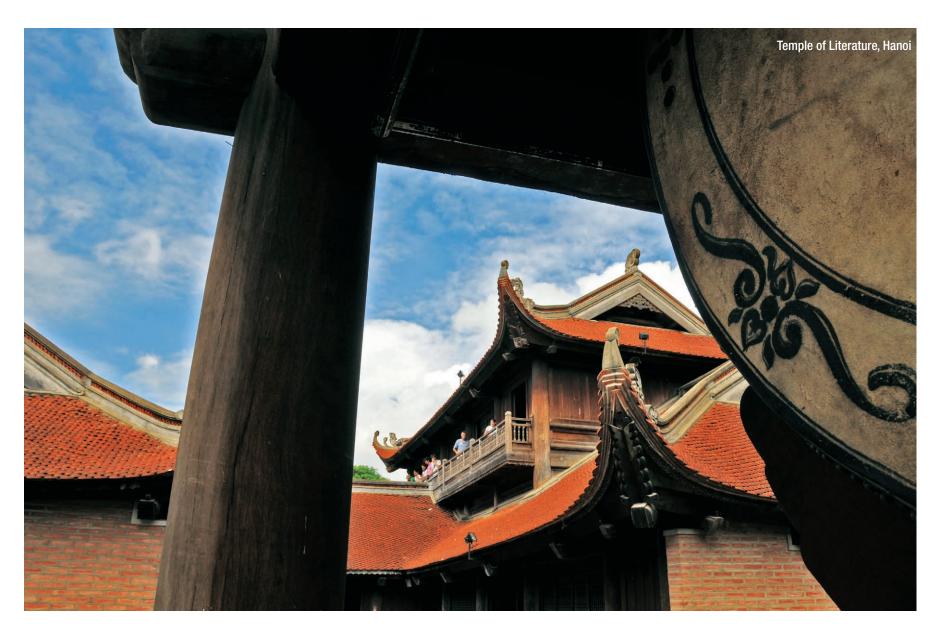
Come, luxuriate at The Garden Hotel Guangzhou, where everything, from tension-banishing massages at our renowned Angsana Spa to perfectly appointed bedrooms, all exist for only one thing: your comfort in an elegant, 5-Star garden setting. Come and experience South China's famed "lingnan" hospitality on a truly higher scale. At The Garden.











# Netting tourism gains

# The Vietnamese capital is seeing an upswing in arrivals, flights and hotels. By Luat Tran

NTO The Vietnam National Administration of Tourism (VNAT) had big plans for Hanoi last year, starting with its declaration of the city as the centre of the 2010 National Tourism Year, which was part of VNAT's efforts to expand the range of tourist products throughout Vietnam beyond the traditional destinations of Halong, Sapa, the central coast and Mekong Delta.

The National Tourism Year campaign featured some 40 different international cultural events, including the Hanoi Culinary Festival. On top of this, the Thang Long-Hanoi International Tourism Festival comprised a major part of the programme, celebrating the 1,000<sup>th</sup> anniversary of Hanoi's founding. The festival cost US\$60 million and showcased a wide range of cultural performances.

It was also in 2010 that UNES-CO recognised Thang Long Royal Citadel, Temple of Literature and the Giong Festival at Phu Dong and Soc Temple as World Heritage Sites.

**Arrivals** In 2010, Hanoi welcomed over 1.7 million tourists, a rise of 62 per cent

compared to 2009, according to Ngo Thi Thanh Hang, vice chairperson of Hanoi's People's Committee. The Vietnamese capital also saw 10.6 million domestic travellers, a 10 per cent year-on-year increase. Much of the growth is attributed to the National Tourism Year and Hanoi's 1,000th anniversary, when 1.2 million domestic and 30,000 foreign tourists visited the city.

VNAT reported that Vietnam received five million foreign travellers and 28 million domestic visitors last year, generating a total revenue of 96 trillion dong (US\$4.6 billion). The average length of stay of visitors from Japan, South Korea, France, Australia and other major markets was two days.

Access Air Mekong, Vietnam's new domestic carrier which began operations in 2010, flies leased Bombardier CRJ-900 aircraft between Hanoi, Ho Chi Minh City, Dalat, Danang and Nha Trang.

The airline plans to fly daily between Hanoi and Phu Quoc from April 28 and aims to have fares similar to that of national carrier Vietnam Airlines (VNA), as it is not a budget carrier.



"Vietnam is riding a wave of impressive growth and many international and local companies want a piece of the pie. With so many new entrants...keeping prices competitive while maintaining service quality is a challenge."

**David Mannix** General manager Intrepid Travel Vietnam For its part, VNA began flying between Hanoi and Yangon last year on Fokker 70 aircraft. It also reopened the Nagoya-Hanoi route and raised the frequency of flights between Hanoi and Shanghai from four to seven.

Last year, Qatar Airways launched flights between Doha and Hanoi using Airbus A330 aircraft, while LOT Polish Airlines introduced new direct flights between Hanoi and Warsaw in November. Meanwhile, Dragonair raised the frequency of its Hanoi-Hong Kong flights from seven to 10.

Last month, China's Sichuan Airlines started bi-weekly flights between Hanoi and Chongqing.

There were rumours that Lufthansa planned to fly direct from Berlin to Hanoi and Ho Chi Minh City, but no official announcement had been made yet.

**Hotels** At present, Hanoi has 213 hotels with nearly 10,000 rooms.

Five new hotels are expected to provide some 1,200 hotel rooms this year. These are the Oriental Pearl, Hotel De Opera Hanoi, Grand Plaza Hanoi and the Keangnam Hanoi Landmark Tower, with the Crowne Plaza

West Hanoi already providing 393 of these guestrooms.

Last year, Accor began renovations on the 250-room Pullman Hanoi Horison, which aims to accommodate 1,000 guests.

Rates According to Horwath International's regional outlook report, hotels in Hanoi/ Ho Chi Minh City ran at 64 per cent AOR and US\$126 ARR last year, compared to 2009's 54 per cent and US\$126 respectively.

Horwath forecast that AOR this year would remain stable in both cities, while ADR would drop due to the supply increase.

Nationwide though, rates have risen by five to 15 per cent this year, but the hikes are not expected to affect demand from high-yield markets such as Germany, said Pantanida Jantsakool, general manager of Exotissimo Germany. She said the strength of the euro against the local currency would ensure that the increases remained small.

Threeland Travel product manager Dawn Nghiem Thuy Ha and Luxury Travel CEO, Pham Ha, were nevertheless concerned that the rate increases would cause traffic to divert to other South-east Asian nations.



# **New portfolios**

# Latest programmes get a dash of pizzazz

### By Ngoc Phuong

Tour operators are spicing up their Vietnam itineraries with new activities and extensions to lesser-known beach retreats in order to encourage repeat visits, particularly from Europeans.

Special-interest tours incorporating private jet or helicopter transfers, archeological thrusts, pilgrimages, medical tourism, art, golf and spas feature prominently in 2011 programmes.

Buffalo Tours is partnering with two Swiss agents on cycling tours, photography tours and adventure programmes. Also on its 2011 menu are active-relaxation trips that combine adventure activities and beach holidays.

Diethelm Travel Vietnam and Luxury Travel Vietnam are padding beach-extension options like Muine, Nha Trang and Danang, with emerging sites Quy Nhon, Tuy Hoa and Con Dao.

Tour operators are also offering exploratory programmes with active components and homestays in the north from Hanoi to Sapa and Mai Chau, and in the south from Ho Chi Minh City to the Mekong River Delta. Also on offer are bespoke packages, multi-country and/or multi-destination tours.

Exotissimo Travel Vietnam

has an itinerary that combines northern Vietnam with Myanmar, leveraging on Vietnam Airlines' new Hanoi-Yangon flight.

with a 12-day culinary tour of Vietnam from September 24. Led by long-time Hanoi resident and published food author Daniel Hoyer, the tour features a diverse cross-section of Vietnam's culinary treats, ranging from top tables to street food and homecooked meals. More than just a "food tour", the programme includes sightseeing, soft adventure and cultural immersion with an educational twist, highlighting how Vietnamese culture is inextricably linked with cuisine.

Asian Trails has a six-day "explore" tour of northern Vietnam, covering significant vestiges of the country's colonial past. The Colonial Roots of Tonkin tour includes Hanoi, a homestay in the countryside and a private junk experience in Halong Bay.

Meanwhile, Trails of Indochina has introduced a new cruise on 26-berth The Jahan, the sister boat to the company's existing day/seven-night cruise from Ho Chi Minh City to Phnom Penh

# Exotissimo has also come up

Jayavarman vessel. The sevenexplores the intricate backwaters of the Mekong Delta.

# Europe keeps up with Luxury

### By Ollie Quiniquini

Luxury Travel is gunning for a 30 per cent increase in business out of Europe this year, even though the continent has yet to completely shrug off the cautious ways it adopted during the economic downturn.

The agency's CEO, Pham Ha, is however banking on his new arsenal of upscale products and the opening of Luxury Travel's second office in Europe – in Paris – this May to keep European growth plausible.

The Hanoi-based company is tapping various niche segments – from art tours and honeymoons to gay and lesbian holidays - in traditional markets such as Germany and France, as well as new sources like Denmark and the Netherlands.

Pham said: "Vietnam may be more expensive due to recent increases in hotel rates, but the luxury market can absorb it. More people want private and tailormade holidays, so we should be able to meet our target."

### **Products**

# **Rooms pour into Vietnam as demand grows**



Artist's impression of the new Phu Quoc Airport

### Phu Quoc Airport

What The new Phu Quoc Airport, occupying around 25,500m<sup>2</sup>, will be able to handle seven million passengers per year. A project of the Southern Airports Corporation, the airport in southern Vietnam's Kien Giang province is slated for completion by October this year. Contact

www.vietnamtourism.gov.vn

# Ten Ibis hotels by 2012

What Accor, together with investment firm Benthanh Group, will develop at least eight Ibis properties in key cities such as Hanoi and Danang.

The 300-room İbis Saigon Centre, a current project, is expected to open in 2012. Also in the pipeline is the 170-room Ibis Saigon South, which is being developed by Viethan Hotel Joint Stock.

The new properties will give Accor a portfolio of 10 Ibis hotels in Vietnam by 2012. Ten other hotels under Accor brands Pullman, Novotel, Mercure and MGallery Collection will open over this year and next.

### Contact

www.accorhotels.com

### Laguna Hue

What The US\$200 million Laguna Hue development will include two resorts – Banyan Tree Hue and Angsana Hue with a combined 350 rooms, an 18-hole golf course designed by Nick Faldo, and residences.

Occupying 280 hectares of beachfront land, the integrated development is located about an hour by car from both Hue and Danang international airports.

Once completed, it will be one of Vietnam's first integrated resorts, said to be a replica of Banyan Tree's flagship Laguna Phuket in Thailand. The first phase of Laguna Hue is expected to be ready by 2012. Contact

www.banyantree.com

### Starwood projects

What Starwood Hotels and Resorts will open at least four properties in Vietnam within the next four years. These projects follow the March 2010 opening of the 284-room Sheraton Nha Trang Hotel and Spa, which makes it three for Starwood in the country. In the pipeline are 242-room Sheraton Hoi An Resort and Spa opening this year, 330-room Westin Resort and Spa, Cam Ranh in 2012 and 349-room Le Meridien Danang Resort and Spa in 2013. **Contact** 

www.starwoodhotels.com

### Outrigger Vinh Hoi Bay Resort and Spa

What The Outrigger Vinh Hoi Bay Resort and Spa, opening in 2013, will have 210 guestrooms and 47 villas. Facilities include six F&B outlets, a cooking school, a wellness centre, an amusement zone for kids and teenagers, a fitness centre, a library, an adventure centre and retail outlets.

Co-designed and managed by Outrigger Hotels and Resorts Asia and developer Vietnamese American Hotel and Resort, the property will be part of the integrated Vinh Hoi Bay Golf Resort, which comprises four hotels and covers 325 hectares of beachfront land. Located on Vietnam's central coast, the resort is 29km north of Ouv Nhon in Binh Dinh province.

### Contact

laguna@outrigger.co.th



Sheraton Nha Trang Hotel & Spa

### Checking in

# The Nam Hai, Hoi An



They say it reinvents luxury in Vietnam. Raini Hamdi checks into The Nam Hai

and says, absolutely

LOCATION On Hoi An Beach in the central coast of Vietnam, with UNESCO World Heritage Site Hoi An just 10km away.

I arrived from Danang airport and passed the China Beach strip, where the sight of one new hotel development after another was dizzying. When we reached the Hoi An Beach strip and the car turned into The Nam Hai's driveway, I felt I had entered a different world altogether. It was so verdant, neat and serene around here.

The weather at the time of my visit in late January was rather cold, about 20 degrees Celsius, and gray. Lifting my spirits were a genteel and warm welcome by the hotel's executive assistant manager Eckart Pfannkuchen and pool villas manager Ateeb Shrestha, as well as the sight of the resort, which managed to look so beautiful even in wintry weather conditions.

A play with space, water features, symmetry and split-level architecture formed a dramatic centrepiece for this GHM resort, effecting a stunning view of its three swimming pools virtually "flowing" into the ocean. The design simply speaks to me about GHM's signature as "A style to remember" and practically seals The Nam Hai as a destination,

**VILLA** Mine was a one-bedroom pool villa which, at 250m<sup>2</sup> in size, really is a house and felt like one with its *koi* pond in the courtyard at the entrance, living room with a dining table that seats eight comfortably, a sleek bedroom suite with all the luxurious trappings and a butler's room with a kitchenette. Handpicked art, discerning audio and video on demand selection and generous Acqua di Parma toiletries also lend an air of individuality and private residency, rather than a hotel stay.

There is so much space in the entire resort, a 35-hectare devel-



opment, that villas were built in a layout that enables each to have views of the South China Sea and the offshore Cham islands. And true to GHM's form of doing things in style, my villa pool and the resort's swimming pools were perfectly heated all day and night so the cold weather could not stop me from having a splashing time. Now that's a first for me in seeing a resort defying the weather and giving its guests a beach holiday any time!

F&B Dining is an experience at GHM hotels and happily this is no exception at The Nam Hai, where the open-kitchen Main Restaurant was my favourite. The tandoori and Vietnamese sections were bustling each night and it was appetising to watch a team of enthusiastic young chefs going about preparing food. And how delicious the meals were.

The Beach Restaurant and The Bar were also such inviting places to dine.

**FACILITIES** The Spa at Nam Hai enhances the beauty of the natural surroundings. There is also a full fitness centre, four tennis courts, one badminton court, one basketball court, an airconditioned kids' club, a large library and a shop. The resort can also arrange golf at a nearby world-class semi-private club,

Name The Nam Hai No. of villas 100 Rates From US\$550 Contact details

Tel: (84-510) 394-0000 Fax: (84-510) 394-0999 Email: namhai@ghmhotels.com Website: www.thenamhai.com

Montgomerie Links Vietnam.

**SERVICE** The staff, many of them young Vietnamese, are so eager to serve, curious to learn, and are fun and friendly. Very uplifting indeed.

VERDICT I'll return any day, come sunny days or cold spells that's how good it is.

# EXPERIENCE MACAU!





# PATA 60<sup>th</sup> Anniversary & Conference

# China World Hotel Beijing, China • April 9-12, 2011

# Return of the PATA Annual Conference 24-25

A travel agent walks the same ground as the Tourism Minister. the airline CEO and the hotelier - PATA Annual Conference holds many memories for many people. It was where the spirit of volunteerism - a pillar of PATA – was most visible. Over the years, keynote speeches by the likes of Casper Weinberger, Lady Margaret Thatcher and astronaut Buzz Aldrin gave the conference a buzz. The generosity of the host country often meant the best facilities, dining and entertainment. In 1998, the curtains were closed on the conference. This year marks its return, in conjunction with the 60th anniversary. PATA Life Members celebrate its





# Distribution 26

Brick-and-mortar travel agents, who have previously defied predictions of their demise when video-conferencing services first emerged, once again are avoiding the extinction that was supposed to have happened with the wider variety of distribution channels today. As suppliers juggle the balance between all the distribution options, agents are moving on to find creative ways to be remunerated for services rendered. But newer technologies, applications on mobile devices and social media continue to fragment distribution and impact heavily on the cost of selling travel products and services to the end-user.

# Technology 26

In the early decades of travel and tourism, the way forward was driven by product development. Today, technology has given the industry the ability to reach out to consumers wherever they are - and engage them. Given the dynamic nature of technology and the speed at which new mobile devices are being rolled out, the prospects are exciting for newer ways to interact with techsavvy consumers. Experts share their views on the prospects for exciting applications of newer technology in the travel and tourism industry.

# **Aviation 28**

The glam-factor accorded to the aviation sector often masks the harsh realities of over-regulation, low profit margins, high taxation and sensitivity to security considerations. Profitability in the aviation sector is elusive for some, a distinct certain for a select few and, at best, thin for most. TTG Asia speaks to some of the best minds in aviation for insights into issues that continue to impact the industry and extracts their thoughts on how this sector could take-off and reach a higher plane.

# Responsible tourism 30

The travel and tourism industry has earned the dubious honour of diluting cultures, trampling on the very environment on which the business of travel is founded. The discovery of a new exotic destination often spells the beginning of the end of that label. While the industry has made progress on responsible tourism, it needs to do more. Professionals share their insights on how future commitments to responsible tourism can be more progressive, meaningful, measurable and accountable.



# Marketing to changing demographics 30

Marketing gurus have lovingly clung on to demographic profiles of their target markets, but today, that approach is not enough. Here's what you should know about marketing to changing demographics.



# Faces of the Future 31

Meet the winner of this year's PATA Face of the Future and spare a thought for the aspirations of the industry's future leaders.



RETURN OF THE PATA ANNUAL CONFERENCE Featuring PATA Life Members Andrew Drysdale, Australia • Chuck Gee, regent, School of Travel Industry Management, University of Hawaii, USA • Neil Plimmer, principal, Strategy Consultants, New Zealand • Tunku Iskandar, group president, Mitra Malaysia • Joseph McInerney, president & CEO, American Hotel & Lodging Association, USA • Joao M. Costa Antunes, director, Macau Government Tourist Office • Michael Paulin, chairman & president, Agua Hotels & Resorts, USA • John Rowe, Australia DISTRIBUTION Featuring Mark Simmons, area managing director Asia, Preferred Hotels Group, Hong Kong • Wong Soon Hwa, vice president, Asia & Japan, HERTZ Asia-Pacific, Singapore • Danai Wansom, general manager, Century Park Hotel, Bangkok, Thailand • Hans Belle, vice president - general manager, Asia-Pacific, Sabre Travel Network, Australia • Deep Kalra, founder and CEO, MakeMyTrip.com, India TECHNOLOGY Featuring Joe Nguyen, vice president of sales - South-east Asia, comScore, Inc, Singapore • David Brett, president, Amadeus Asia-Pacific, Thailand • David Chambers, regional vice president Asia-Pacific, Sabre Airline Solutions, Singapore AVIATION Featuring Giovanni Bisignani, CEO and director-general, IATA, Switzerland • Michael Maple, director, Business Strategy and Marketing, The Boeing Company, USA • Peter Hartman, president and CEO, KLM, The Netherlands • Peter Harbison, executive chairman and founder, Centre for Asia Pacific Aviation, Australia RESPONSIBLE TOURISM Featuring Geoff Manchester, managing director, Intrepid Travel, Australia • Michael Kwee, co-ordinating director, Banyan Tree Global Foundation, Singapore • Anthony Wong, managing director, Asian Overland Services Tours & Travel, Malaysia MARKETING TO CHANGING DEMOGRAPHICS Featuring John Koldowski, deputy CEO & Head, Office of Strategy Management, PATA, Thailand FUTURE LEADERS Featuring Tavalea Nilon, PATA Face of the Future 2011 • Darren Tan, managing director, World Express Group, Singapore



# The way forward Foreword







Organised by the Taiwan Visitors Association with direction from the Ministry of Transportation and Communications and support from the Tourism Bureau, the Taipei International Travel Fair (ITF) is poised for yet another success in 2011 when the show will be held for the 19th time since its inaugural event 25 years ago.

### WHY PARTICIPATE IN TAIPEI ITF?

- You will be part of one of the finest exhibitions in Taipei. The Taipei ITF is one of the most successful shows in Asia with a rich history, exceptionally experienced organisers, the liveliest visitors, the most direct communication channels and the widest media coverage, all of which guarantee you excellent business results.
- · You will be able to leverage on and market vour tourism products to Taiwan's massive population of 23.16 million, which boasts an exceptionally high average of 40.67% outbound travelers per year. The Tainei ITE is Taiwan's biggest travel show and one of the highlights of the year for the travel-loving Taiwan public on the hunt for premium consumer travel products.

### WHEN IS IT HAPPENING?

Taipei ITF 2011 is scheduled for four days from November 11 (Friday) to 14 (Monday), and will take place at Exhibition Halls 1 and 3 of the Taipei World Trade Exhibition Center.

### WHAT CAN YOU EXPECT?

Taipei ITF 2011 is expecting 800 companies from 60 countries, 1,500 booths, as well as 200,000 visitors. Some highlights of the fair include a press conference ahead of the event, a travel fair, a travel mart, product presentations, travel seminars, center stage performances and numerous lucky draws, all of which will boost attendance levels.

### WHO SHOULD APPLY?

All legally established organizations from the travel and tourism industry looking to effectively market their products to the Taiwan public and the world. All hotels / homestays / B&Bs with a government-issued license.

### **HOW TO APPLY?**

Online: At ITF website: www.taipeiitf.org.tw Registration Date: From March 1 onwards. Early-Bird Discount: For applicants who make payments before May 31.

Organizations which attended the fair previously may use their existing Taipei ITF account number and identification code to

For more details, feel free to contact: Organizing Committee of Taipei ITF, Taiwan Visitors Association Tel: (02) 2597-9691 Fax: (02) 2597-5836 Email: contact@www.taipeiitf.org.tw

> Raini Hamdi Group editor

ixty years ago, in 1952, the seeds were sown in sunny Hawaii for the establishment of PATA, which has blossomed into what is today the only travel and tourism industry association that bridges both the public and

Longhaul travel in those early days was predominantly from North America to nations in the western and south Pacific – ironically, names of places made familiar through the ravages of the Second World War. It took advantage of piston engine-powered aircraft that were able to traverse the huge ocean at higher speeds than the "flying boats" that airlines such as Pan American World Airways earlier deployed.

While 60 years hardly represents a blip in the evolution of our universe, it spans the careers of two, perhaps even three, generations of tourism professionals, a quantum leap in the evolution of technology and a total shift in the way travel is undertaken. In this time, the tides of tourism have gone from a westerly flow to a multi-directional one; the region has gone beyond building tourism to fine-tuning its skills at managing it; three generations of jet airliners have grown air travel from a trickle to a torrent; and travel is no longer a luxury but a birthright for many.

Nations and territories in the Pacific Asia have progressively mastered the skills of tourism development, destination marketing and promotion and growth management. In many instances, neighbouring competing destinations have cooperated in specific markets to field themselves as dual-destinations. Nations mired in extended periods of political challenges continue to fly the flags of their tourism industry at PATA events and some, including Sri Lanka and Myanmar, are today on the threshold of a new growth trajectory.

Technology, the Internet, low-cost carriers, unbundled airline services, online travel agents have all become buzzwords and each has had an impact on the way travel has evolved. Many have predicted the demise of the traditional travel agent but this has not happened. Instead, the call is for travel agents to harness all the tools that customers have and use these to make themselves better travel consultants.

PATA, too, is on a trajectory of change, and as it celebrates its 60th anniversary, needs a new course – a 60-year-old who keeps an inner circle of loyal friends and who ponders relevance in a world where friends can be made by pressing a few buttons. There is such a veritable chest of all the great things that PATA has done, the real value that it has brought to travel and tourism in Pacific Asia, that it will be a pity if a new course eludes the association.

But why should that happen? As this special edition – deliberately themed The Way Forward - shows, there is a lot that confronts travel and tourism today. Just hear the cries of the aviation industry (page 28) in wanting to be treated just like any normal, commercial player, or the calls by responsible tourism operators for a greater sharing of best practices in order to lower costs of being sustainable (page 30), or the eagerness of travel suppliers to harness ever-changing technology for effective distribution (page 26). There is much to be done and there is a place for a public-private sector association such as PATA to pull it all together in order for travel and tourism in the region – the fastest-growing in the world – to prosper well.

There is a way forward for PATA. It lies in the leadership and the membership to make it happen.

Here's wishing PATA many happy returns – and a watershed 60th Anniversary and Conference in Beijing.



Sim Kok Chwee Project editor



# MAIKHAO RESORTS

# show great confidence in Thai beach tourism

Maikhao Dream Hotels and Resorts, a new company established in 2009, is so confident that Thailand can maintain its position as Asia's premier beach destination, that it has recently opened two resorts simultaneously in Phuket and Phang Nga: The Maikhao Dream Villa Resort & Spa, Maikhao, Phuket and the Maikhao Dream Resort & Spa, Natai, Phang Nga.

Mr. Jimmy Kwan, Director of Sales & Marketing of Maikhao Dream Hotels & Resorts, says the group is definitely looking at the long term. "In fact, we are already in the process of developing a third property, another beach resort on Phuket, which is expected to open within the next two years, he says. "But we're not limiting ourselves to Phuket and the Andaman. We're already looking for openings in other parts of Thailand and beyond."



**Jimmy Kwan**Director of Sales & Marketing
Maikhao Dream Hotels & Resorts

Maikhao Dream Hotels and Resorts offer sophisticated, welcoming resorts with five-star facilities but it's the traditional aspects of Thai hospitality and friendly service that the company sees as its main selling point.

# Maikhao Dream Villa Resort & Spa

Maikhao Dream Villa Resort & Spa is a beach-front property with 22 pool-villas on the quiet beach of Maikhao, in the island's northwest, some 15 minutes from the airport.

The uniquely private pool-villas have been designed with a nod to traditional Thai architecture and are generously sized, with the entry level accommodation being the 5,000 sq ft (465 sq m) two-bedroom pool villas. The internal decor includes large-scale frescos of scenes from Thai mythology; a nice touch in Phuket where so many hotels are blandly international.

Maikhao Dream Hotels and Resort's emphasis on attracting families is reflected by the company's decision to build 11 three-bedroom villas. These family villas have dining and kitchen areas complete with ovens, fridges and even fine china, enabling guests to prepare their own food when convenient: an arrangement often preferred by guests with children.



Mr. Kwan says the design of this all-pool villa resort demonstrates the group's confidence in Phuket as a destination for traditional holidaymakers at a time when most hotels are increasing their MICE capacity.

Maikhao Dream Villa Resort & Spa also has many recreational activities on offer for children and adults, with boat rides on Maikhao Dream Yacht being popular, while the resort's Maikhao Dream Spa offers traditional treatments alongside cutting-edge therapies like lipo-sculpture.

"The main focus in Maikhao's Phuket is on hospitality, with discrete but prompt and friendly staff care alongside butler services to cater for guests' every need," says Mr. Kwan.



# Maikhao Dream Resort & Spa

The sister hotel, Maikhao Dream Resort & Spa, Natai, is in Phang Nga province on Natai beach and offers 56 rooms in three categories: deluxe pool or sea view rooms or two-story duplexes. In line with the group's philosophy of offering the best of Thailand, the resort's architecture is local in essence.

Mr. Kwan says the resort will be marketed towards honey-mooners and families, though it also has the capacity to hold MICE events and team-building exercises.

But he feels people will come attracted by the region's natural beauty, "Phang Nga Bay and Natai Beach have great potential, with un-spoilt beaches on the Andaman Sea. In addition, Phang Nga province boasts some of Thailand's best nature reserves and diving spots."

With Phang Nga being further away from the bustle of Phuket and its restaurant scene, Maikhao Dream Resort & Spa, Natai has placed extra emphasis on fine-dining options.

The *Leelavadee Restaurant* offers all day dining, specialising in Mediterranean food and a huge selection of local and imported wines while *Natai Restaurant* gives guests a taste of genuine Thai food and even arranges Thai cooking lessons. In the evenings, the roof-top bar, *Firefly* allows guests to enjoy the stars and a range of cocktails, as well as hookah water-pipes; a popular feature that always adds an element of the exotic.

For relaxation at Natai, the three-storey spa, cooled by moving water flowing though the building to create a relaxing ambience, has two single and three double treatment rooms and two romantic spa suites for couples.

Great emphasis has been placed on providing a wide range of treatments, from traditional massages and body-wraps to a weight-management clinic which gives



**Daniel D. Chua** General Manager Maikhao Dream Villa Resort & Spa, Maikhao, Phuket



**Teera Jamleangnakorn**General Manager
Maikhao Dream Resort & Spa,
Natai Phang Nag



consultations and diet advice from nutritionists. Facial care comes courtesy of Margy's cosmetics from Monaco while the gym offers personally tailored training, with yoga, pilates and aerobics classes held daily.

Mr. Kwan said although the resort is targeting the leisure market,

"Maikhao Dream Resort & Spa, Natai does offer meeting room facilities, and the stunning gardens are also a splendid place to host parties and teambuilding programmes."

Though it is still early days, Maikhao Dream Hotels and Resorts is confident that it will become a game-changer in Phuket's resort scene as the group embraces its Thai roots and puts the emphasis back on service, something Thailand still excels in.



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PATA Life Members reflect on PATA's role and — with the PATA Annual Conference being a key manifestation of that role — how glad they are that the event is back

# Raise the red curtains

# Andrew Drysdale Australia

When in 1951 PATA's founders began to build the organisational structure behind their new association, they recognised the need for any organisation, be it religious, political or commercial, to have a central point of communication and focus. A place for like-minded people to meet, exchange ideas and information and become friends. They also knew there had to be a preeminent need for an organisation spread across the vastness of the Pacific, where travel still involved days on a ship and aviation was in its infancy. That need is just as important today.

The PATA Annual Conference is that central point for the association. But it is more than just that. It provides the host community a remarkable opportunity to engage the travel and tourism community in an effective way. Yes, it costs a great deal, but to use the expression, they get big bang for those bucks. And it provides a wide spectrum of learning opportunities for the delegates. It also has the ability to impact and change our industry. The very first PATA conference held in China in 1997 proved that point.

In the years leading to 1997, it had become obvious China

was building momentum as a new tourism focal point. Small groups of Chinese tourists were beginning to appear around the world and inbound tourism to China had begun to grow. But it was in its infancy, and the broad vision was not clear. It was in this environment that the Chinese government, under the able leadership of China National Tourism Administration chairman He Guangwei, issued an invitation to PATA to hold its 1997 conference in Beijing. This was enthusiastically accepted by the Board as it marked the first significant entry



by PATA into China.

The event was spectacular, meaningful and memorable. The conference was held at the China World Hotel and interestingly, even for that time, focused on environment, sustainable tourism, distribution technology, Internet marketing and the emergence of Generation X as a new tourism source market.

There is no doubt though that the highlight was the night our hosts took all 1,200 delegates to a formal banquet dinner in the Great Hall of the People as guests of the Mayor of Beijing. Afterwards, we were escorted across Tiananmen Square to visit Chairman Mao's offices above the Gate of Heavenly Peace, entrance to the Forbidden City, and we looked down on the square, specially floodlit for us. I recall one very well-travelled lady, CEO of a large tour company, saying with tears in her eyes: "I will never forget this evening - only China and PATA could do this."

It was a strong message of the power that travel and tourism has to bring peace to this world. And it was the conference that made the evening and its opportunities for the future possible — opportunities that have now come to fruition.

Neil Plimmer Principal, Strategy Consultants, New Zealand

My first PATA conference in Los Angeles in 1980 left an indelible imprint. It was not only the quality of speakers and discussion – that have been of the highest order at many conferences – but for a newcomer, there were two other strong features.

One was the scale of it all – the organisation, transport, hospitality, etc. A particularly demanding feature was the President's dinner, the requirement being that the host country must provide a full, sit-down dinner/entertainment for the 2,000 or more delegates and spouses. Los Angeles did this without blinking. I well recall four years later when New Zealand hosted the conference in Auckland - we simply could not find a venue and resources for this. We told PATA that we would take all delegates to a halfday race meeting with lunch at the race course instead. The delegates loved it.

The second memorable feature was the networking. As a new-comer to the industry, I found it intriguingly complex: the tourism distribution chain was not as straightforward as if one was

selling furniture or clothing. By bringing together NTO heads, airlines, cruise lines, tour companies, hotel chains, developers and investors, and training institutes, I was able to get a better fix on how they all inter-related and contributed to tourism.

I see tourism in two broad sectors. One hinges around marketing and getting people to visit your destination. That leads to conference sessions on market research, PR, advertising, booking systems and transport modes. The other hinges around developing destinations and the tourism products, many of which are public facilities like temples and beaches. This leads to destination management, conservation of nature and culture, investment policies and building controls.

Great conferences of the future will give equal time to both these issues of tourism and, flashing back to my first conference, not be too demanding on the host. The media have been outstanding – I hope *TTG Asia's* coverage will continue to be an outstanding feature of the way forward for PATA conferences.

"Great conferences of the future will give equal time to both these issues of tourism ..."

# Chuck Gee Regent, School of Travel Industry Management, University of Hawaii, USA

I am among the majority who believe that the loss of the PATA Annual Conference under Peter de Jong's watch was a significant factor in contributing to the waning membership interest.

As an educational member within the Industry Council, I rank the conference as a key factor for my holding an institutional membership in PATA. While theories are inherent in higher education coursework,



professionals in travel & tourism, even law and medicine, look to industry practices for curriculum development. Some of my most meaningful exposures came from the conference, and in its earlier format, workshops held before the conference.

One of my most treasured memories was the 1973 PATA workshop in Kyoto addressing conservation and preservation of environment and heritage. I played a small role in developing five case studies for audience participation. Then there was the Seoul conference in 1979 when the late Dr Herman Kahn of the Hudson Institute spoke on The Great Transition, which provided PATA members a sweeping view of the future, from the industrial revolution towards the new "golden age" of travel in the postindustrial era, much of which has proven true.

I also remember the annual conference in Bali, themed *Enrich the Environment*, when a dynamic young Canadian speaker of Japanese ancestry touched a raw nerve in the audience when he demanded to know why we were not acting more responsibly for reducing the carbon waste of products we sell in tourism — leading to PATA's exploration of sustainable tourism.

And who can forget the formidable Lady Margaret Thatcher, the keynote speaker of the Honolulu conference in 1993, speaking of *Waves of Change* and the sweeping changes of world history in our time? As one who shaped some of that history, she held PATA delegates spellbound with her rhetoric and insights of world events, while occasionally mentioning tourism to appease the audience. I had the honour of chairing the Hawaii programme.

# TTG Asia at PATA conferences

I would be remiss if I did not mention the important role played by *TTG Asia* at the annual conference. The on-the-spot reporting of topics explored at the conference, the "intrigues" of PATA Board closed-door debates, the tough questioning by *TTG Asia* reporters when interviewing speakers and PATA leaders, the amusing anecdotes and the "foibles" of delegates laid bare — all contributed to the value and excitement of the conference and provided a human face to conference dynamics.

I often took umpteen spare issues of *TTG Asia*'s supplemental publications, especially those with insightful editorial content, home to share with students studying Travel Industry Management at the University of Hawaii. Considering one's limited suitcase space, that is no small compliment to *TTG Asia*!



"And who can forget the formidable Lady Margaret Thatcher, the keynote speaker of the Honolulu conference in 1993, speaking of the sweeping changes of world history in our time?"







# Tunku Iskandar Group president, Mitra Malaysia

# "I felt sad when it was decided it would be 'the last conference'. The conference had been THE travel industry's annual event – it was as if the wind had been taken from our sails."

My involvement with PATA has been the most fulfilling I have had among travel industry organisations.

A number of PATA conferences have been significant for me, starting from the first one I ever attended in 1975 in Sydney. I was in awe of the high level of people attending! Little did I imagine that at another PATA conference in Australia, 1988 in Melbourne, I would be president-elect (and chairman of PATA's Task Force on Directions 2000), and subsequently preside at the 1990 conference in Vancouver.

The PATA conference 1992 in Hong Kong will always be memorable, as I was honoured with the Life Membership Award there. As well, Bangkok 1996, where I was presented with the President's Award. I am very proud of these two awards as they are the highest recognition that have been conferred on me in the travel and tourism industry since my involvement in 1972.

PATA's 50th anniversary conference in 2001 was a proud event for all Malaysians when it was celebrated in Kuala Lumpur. A few years later, I was the chairman of the programme committee of the 2006 conference in Pattaya, where both PATA and the Thailand hosts went all out and made it a memorable and successful conference. I felt sad when it was decided it would be "the last conference". The conference had been THE Pacific Asia travel and tourism industry's annual event – it was as if the wind had been taken from our sails.

Bringing back the conference for the 60th anniversary is a crucial decision, which will reinstil the PATA spirit that used to be inherent in the association. We just need to take the conference into the 21st century, ride on social media, take on a new style and bring out the electronic bells and whistles, as it were, and strive to make it a new-wave conference.

Joseph McInerney President & CEO, American Hotel & Lodging Association, USA

In November 1997, I was appointed CEO of PATA and served during four annual conferences in Manila, Nagoya, Hong Kong and Kuala Lumpur. All were exceptional - chaired by the head of the NTO, opened in most cases by the head of state - and provided PATA members with significant educational and networking opportunities.

Two of the conferences were special to me: my first, the 47th in Manila, and my last, the 50<sup>th</sup> anniversary in Kuala Lumpur.

The opening and closing cultural events, the meeting with Philippine President Fidel Ramos, meeting speakers such as Dr Kenichi Ohmae, author of the End of the Nation State: The

Rise of Regional Economies, were all unique and motivating. In addition, the programme committee realised we were at the height of the Asian financial crisis and the event could be a significant



financial burden to many PATA members. It created a new series of business-oriented workshops on how to position a product and destination and ways to motivate employees in a declining market to ensure attendees could return home with a deliverable. It was also the conference where the move of the operational headquarters from San Francisco to Bangkok was approved.

The 50<sup>th</sup> anniversary in Kuala Lumpur, chaired by Tourism Minister Dato Abdul Kadir, was over the top - the pomp and pageantry of the opening, the remarks by Prime Minister Mahathir Mohamad and the cultural performance depicting a multi-racial heritage.

## Joao M. Costa Antunes Director, Macau Government Tourist Office

In 2005, Macau had the honour of hosting its first PATA conference. It was just five years after Macau returned to her motherland, a time when new tourism industry developments in the SAR attracted world attention.

Hosting such a prestigious event served as a platform for industry stakeholders to exchange best practices, but also

showcased Macau's potential as a global centre for tourism and leisure.

I'm thrilled to see its return, especially in the year when PATA celebrates its 60th anniversary. Numerous issues posing opportunities or challenges to travel and tourism were discussed in past conferences. For instance, in the 2005 edition, in view of the

rising importance of the China market, PATA arranged a panel discussion, Windows on China, giving attendees valuable insights in tapping the market.

I believe the resumed conference will only reinforce its role in gathering tourism stakeholders to address industry and market changes in a timely and proactive way.

# Missed opportunities...



# Michael Paulin

Chairman & president, Aqua Hotels & Resorts, USA

Over the past 60 years, PATA has reinvented itself numerous times, holding on to the past while morphing into the future.

At its birth, PATA was divined as having a marketing mission, and I seriously doubt that our founders had any idea as to the later roles

PATA would play. These roles became evident because the founders had the foresight to enlist both government and private enterprise under the same roof with a 50-50 vote. The PATA Task Forces, which began emerging in the mid-60s advising destination governments on tourism development, spelled the end of PATA being a purely marketing organisation. PATA began inching into a tourism lobbyist role as a sounding board for governments, which were beginning to see the distinct advantages of "foreign invasion" by visitors and how to better provide for their experience.

As destinations and countries matured, the demand for task forces was mitigated and PATA sought to find other valuable uses. In the 70s, PATA's research capabilities became highly sought after at a time when most regional tourism initiatives were ineffective. This morphed into its Intelligence Centre and remains one of PATA's crowning achievements and the metric to which other regional tourism organisations aspire.

Consistent with the massive growth in Pacific Asia tourism during the 80s, PATA logically found itself involved in the issue of sustainability and environmental protection. Conferences in Bali (1991), Hawaii (1993) and Bangkok (1996) confirmed its leadership role in bringing these issues to the forefront. The 90s also recognised the value of twoway tourism: no longer was the North American market central, but travel within the region, so receiving destinations of the past are vibrant outbound markets today.

The 90s further brought something PATA was unwilling to accept: a de-personalisation of the tourism industry as the result of its own massive expansion and the digital age.

While Nicholas Negroponte challenged us in Auckland at the 1995 conference, PATA's old guard membership fell into denial and carried on business-as-usual, resulting in very little "new blood" entering the organisation. And like countries suffering from negative population growth, PATA entered a withering phase from which it has not emerged.

The words of Canadian Life Member Doug Fyfe ring truer with time. Doug had wished for PATA in the early 90s to take on the role of industry spokesperson and exert itself in lobbying, consumer awareness, research, which would be useful and available and, most of all, establish a replacement mechanism for its self-tenured leadership, opening these roles for the "digital" generation. Had this not fallen on deaf ears, PATA would be a more relevant and viable organisation.

There are many ways to a bright future. PATA leadership in Beijing is at a momentous crossroads. Think of all the barriers existing in 1951, think how many have been eliminated and think about what the barriers are today and work from there.

# ...second chances

### John Rowe Australia

Now is clearly the time to launch a new PATA using key ingredients that have brought about this unique international body:

- Reinforce the membership mix the key to success
- Rejuvenate the management and staff with the aim of becoming once again a driving force. Letting individual members dominate is not the way to go
- Review long-term objectives and modernise to remain relevant in the light of technology and ensure that the human factor of communication is included
- Continue to rejuvenate the PATA Foundation, which suffered a setback in the 1990s. It is key to PATA's future image and achievement
  - Ensure the continuance of the conference and de-link it from the PATA Travel Mart
  - Nurture a new generation of young 30-something leaders to meet the new needs
- Rejuvenate PATA's official song *People of the Pacific* with improvements and inject a fun element



Mobile, social network, group buying will be ways of the future, along with – yes – the travel agent. So say these experts

# The way forward **Distribution**

## Mark Simmons

Area managing director, Asia, Preferred Hotels Group, Hong Kong

We do not see a decline of the GDSs, OTAs or traditional booking channels such as travel agents and voice. But as technology evolves with the popularity of smartphones, tablets and increased mobility of travellers, we foresee the mobile booking platform as taking a larger share of the pie.

It is now essential for hotels and resorts to consider their own app, which links to CRS for real-time bookings. In addition, social media is fast becoming an important channel and not only with the younger generation. Currently, hotels and resorts use social media for publicity and to develop loyalty. However, this is changing. For instance, Facebook is starting to facilitate booking capability for hotels.

There is room for all channels of distribution, but there will be shifts in marketshare.

# Wong Soon Hwa

Vice president, Asia & Japan, Hertz Asia-Pacific, Singapore

Travel has become much more complex. Consider inbound,

outbound, domestic, local, regional, air, non-air, MICE, FIT, group, VFR, corporate, leisure, meetings, incentives, etc. Think of the number and types of players involved. The good news is such complexity offers opportunities to those who can identify which market segments they can best serve profitably through leveraging on their domain expertise. No one company or player can offer a complete solution to meet the diverse needs.

With such a landscape, the distribution game will inevitably be dictated by pure economics. In the face of diminishing margins, everyone is seeking ways to reduce costs. And distribution cost is significant. In the ideal world, one would like to sell directly to the end-user at the lowest possible cost. We all know that but the truth is, you can only do so for some, but not all of your customers. The "gap" is where you need others to help you.

This is where the middlemen or intermediaries such as wholesalers, brokers, agents and GSAs compete to showcase their value proposition to travel suppliers. GDSs and OTAs are no different. They have to show it is cheaper and better than going directly to certain segments of the market.

The role of the middleman will always come under scrutiny. This has been the case since commerce started. Many had wrongly predicted the demise of travel agents. Travel agents or any middleman would be around for a long time PROVIDED they can offer a true value proposition to both the seller and the buyer.

# Danai Wansom

General manager, Century Park Hotel, Bangkok, Thailand

Consumers' choice and demand online will be the key. On the other hand, I believe there are groups of people who still want travel agents to make an all-inone holiday package including meals and sightseeing. The tour group with a fixed itinerary of the '60s is still popular today. Travel agent usage will continue to rise and will never die. We cannot argue which distribution channel is better.

Mobile booking is on the rise and hotel reservations are made closer to the travel date while flight bookings are made in advance. Real-time monitoring and response communication in social media plays an increasingly important role to engage customers. Everyday there is another new and exciting social media story for travellers to review prior to making a choice. No matter how distribution develops in future, the classic strategy of product, price and promotion are still the key factors for a buying decision.

## Hans Belle

Vice president – general manager Asia-Pacific, Sabre Travel Network, Australia

We have all seen the growth of airline bundling/unbundling and this trend will continue. So the future for the travel trade is to figure out how to accommodate this. With increasing complexity of supplier merchandising, coupled with demographic changes in the agent workforce, Sabre is moving to a fully-graphical workflow that will ensure the efficiency of the agency.

Mobile will be another key feature in the future of the distribution landscape, as travellers increasingly rely on mobile products and services to navigate their way through cities and airports around the world. Traditional paper tickets and formal travel documents have given way to digital boarding passes and mobile itineraries.

Mobile commerce is growing exponentially with mobile shoppers expected to spend US\$119 billion globally on goods and

services in 2015, up from US\$12 billion in 2009. Continued advancements in mobile payment will make it easier to electronically transact via mobile devices regardless of a traveller's location or destination.

# Deep Kalra

Founder and CEO, MakeMyTrip. com, India

Smartphones, tablets and other handheld devices, powered by 3G and GPRS, hold great promise as an exciting distribution channel. More and more players are realising the potential of this medium to empower customers. Recently, MakeMyTrip launched a travel application for BlackBerry smartphones that allows users to plan and book travel while on the go.

In addition, factors such as increased penetration of technologically-enhanced handsets, security of mobile transactions through Interactive Voice Response and, more recently, the introduction of the One Time Password have nurtured the growth of the mobile platform. It is imperative for all online players in travel to develop a comprehensive mobile strategy as a novel distribution channel in the travel industry.









# The way forward **Technology**

# Joe Nguyen

Vice president of sales - Southeast Asia, comScore, Inc, Singapore

What technology is 'hot' for tourism players? These come to mind:

• Augmented reality In the iPhone app Layars, information is overlaid on what you see. So if you are at a museum and put your phone up to a painting or sculpture, it will give the background,

artists and other information as sociated with that piece of art. Location can also be tied in using GPS and compass. This data can be overlaid on anything – street maps, tour guides, audio, art in hotels, where to find the hotel shuttle, etc. Tourism will be more interesting and informative than ever.

• Triplt and travel apps Travel planning, saving itineraries and keeping track of your loyalty points will be integrated and at your fingertips. Frequent travellers will

Know exactly now many points they have and how much they need to redeem a free ticket.

 Social network This makes travel companies transparent in terms of quality of services. Companies will need to monitor what is being said about them and their products. Companies like AirAsia use social network as a CRM solution. For a company, social network will be the primary interface between the brand and consumers.

**Group buying** We saw the rise of Groupon last year and similar start-ups in the region. Thus far, it has been about getting a great promotional deal on dinners, spas and retail products and services. What about travel? It's a natural extension. Could this be the new OTA or affiliate marketing?

# David Brett

President, Amadeus Asia-Pacific, Thailand

It is not just about reaching out to customers, but engaging them.

Let me give you an example. Having access to so many sources of information eventually results in something we have all experienced: information overload. It doesn't matter how long we spend fixated with our screens, surfing through hyperspace, there is always more information to be had.

As individuals, we need to

Continued on page 28

# Manila welcomes the world to **PATA Travel Mart 2012**

The Pacific Asia Travel Association (PATA) Travel Mart returns to the Philippines where it began, and Manila is gearing up to welcome its participants from all over the world.

At least 4,681 new luxury hotel rooms and many other high-end tourism facilities constituting some US\$5-billion worth of fresh investments await the participants of the PATA Travel Mart (PTM) in September next year.

These investments include the 3,539 rooms to open this year and 1,142 next year from the 57 new accommodation facilities that shall have commenced operations by the time the PTM 2012 participants flock to Manila.

Philippine Tourism Secretary Alberto Lim said Manila's well-deserved selection last December to host the PTM 2012 indicates the world's recognition of the country's vigorous effort in developing tourism and the Meetings, Incentive Travel, Conventions and Exhibitions (MICE) industry as a public-private partnership and national priority.

"This event will bring global attention to our many new tourism facilities and infrastructure that give Manila and the rest of the country a new look to sustain the continued increase in foreign visitor arrivals," Lim said.

Only last year, inbound visitors to the Philippines reached 3.52 million, exceeding the government target of 3.3 million.

The increased visitor arrivals are projected to continue, with the PTM 2012 alone expected to bring in over 1,500 buyers and sellers of tour packages and other travel products and services.

"Thus, the Philippines hails the decision of the PATA Executive Board to grant us the privilege to host the PTM 2012. This is virtually a vote of confidence for what we have achieved

In announcing the decision of the PATA Executive Board at the general membership meeting and induction of Philippine chapter officers in Manila last December 17, former chief executive officer Greg Duffel said:

"PATA is delighted to bring our signature event back to Manila, Philippines. We received tremendous support from the Philippine Department of Tourism and the Tourism Promotions Board to host our event. I strongly believe that the PTM 2012 will showcase the Philippines' capacity in hosting major international events and highlight its re-emergence as a leading tourism destination hub in Asia Pacific.

This would be only the second time for the PTM to be held in Manila where it was first held in 1978.

To promote Manila's hosting of the PTM 2012, the Philippine Department of Tourism will have a "Philippine Night" at the closing of the PTM 2011 in New Delhi, India on September 9, according to Tourism Undersecretary for Planning and Promotions Daniel G. Corpuz.

### New and upcoming MICE Facilities

The PTM 2012 will be held at the SMX Convention Center, the Philippines' largest private venue and one of the flagship establishments of the country's MICE industry.

The SMX is near Manila's key public transportation systems and prestigious hotels that include such new properties as the SM Bay City, H2O Hotel, and the Resorts World Manila that houses the Marriot Hotel Manila, the Newport the 1,500-seat Newport Mall, Performing Arts Theater and the soon-to-open Remington Hotel and the

all-suites Maxims Hotel. Not far from the SMX is The Fort Bonifacio Global City, which will be home to the Shangri-La at The Fort, a 60-storey structure with more than 500 guestrooms and over

Grand Hyatt Hotel and the 240-room F1 City Center of Best Western International, both to open this year.

Likewise near the SMX are Manila's new international airport terminals that can bring guests to Cebu, Boracay and many other island destinations.

Dubbed as the "Queen City of the South," Cebu has its share of the country's new accommodation facilities such as the 290-room Crimson Hotel, 400-room Radisson Blu Hotel, 557-room Imperial Palace Cebu Waterpark, and 90-room Harolds Hotel.

On the other hand, the world-famous Boracay is now home to the new 219-room Shangri-La Boracay Resort and Spa.

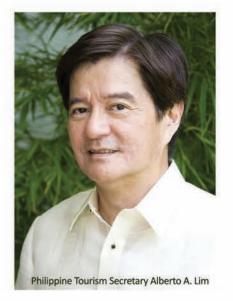
Other future developments include 15,000-capacity multipurpose entertainment complex SM Bay City Arena opening in 2012, the 279-room Fairmont Makati, the 30-suite Raffles Hotel and the 236 Raffles-branded private residences in 2012, and the 500-room Radisson Hotel and 1.300-hectare business and tourism hub Aseana Business Park in 2013.

All these new facilities and many others add up to make the Philippines a MICE destination in the Pacific region.

### **Pushing for MICE**

The Philippines' reemergence as a MICE destination is marked by other won bids that include the 9th Asian and Oceanian Epilepsy Congress slated at the SMX Convention Center on March 22-25, 2012. This biennial event is participated in by some 800 to 1,200 delegates from all over the world.

The other big events are the Junior Chamber International (JCI)



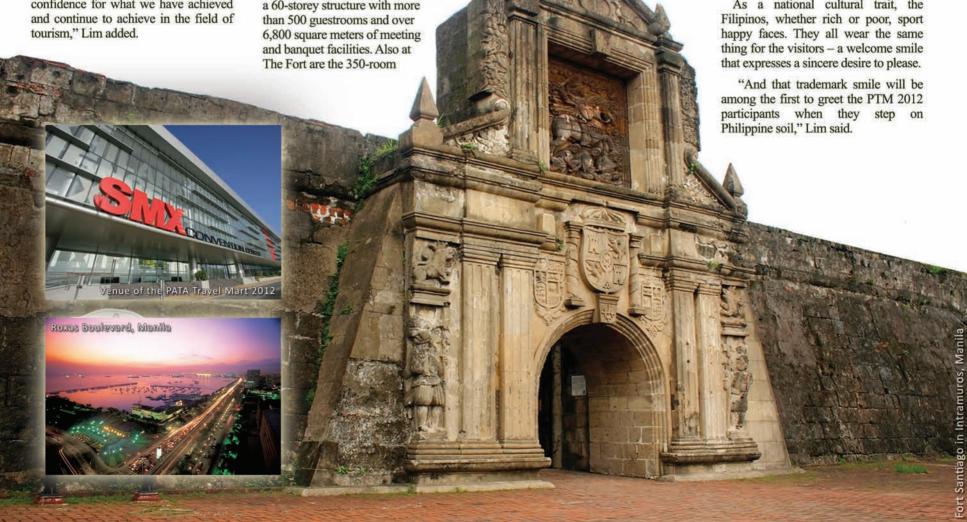
Asia-Pacific Conference on May 26-29, 2011; 50th Orient and Southeast Asia Lions (OSEAL) Forum on November 24-27, 2011 at the SMX Convention Center; 32nd World Universities Debate Championship on December 27, 2011 to January 4, 2012; and the 45th Annual Meeting of the ADB Board of Governors on May 2-5, 2012 at the Philippine International Convention Center (PICC).

"In fact, the Department of Tourism and the Tourism Promotions Board are developing strategic programs and incentive schemes to attract the global MICE market and industry to the Philippines. We can, therefore, assure you of the full support of our government and private sector," Lim stressed in referring to the PATA members and all other MICE organizers.

The Philippines also has vast freeports like the former American military bases Clark and Subic, either of which can be developed further into a masterplanned version of Hong Kong and Singapore put together to serve as another international MICE destination.

The same can be said of the megacities of Davao and Cebu in Central Philippines, both emerging as popular international gateways to the rest of the 7,107 exciting islands and activities, and straight into the heart of the ever-smiling Filipino nation.

As a national cultural trait, the





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# The way forward **Technology**

decide where our cut-off point lies. How do we address this duality of fragmentation and overload?

Our role is to connect the dots and put it all together for the industry players – travel providers, travel agents, travel companies and, ultimately, the end-traveller. Fragmentation, indeed, makes our roles more challenging but also more exciting because it is crucial that the multiple platforms, channels and travel touchpoints are integrated to make travelling as seamless as possible.

We address the information overload question by providing greater abilities to define individual requirements. We have to explore the potential of the new technologies and ensure they integrate into the overall travel ecosystem.

"Early mobile technologies pushed out basic content to customers. Now, we are seeing more players moving into the realm of transactions..."

## **David Chambers**

Regional vice president Asia-Pacific, Sabre Airline Solutions, Singapore

Technology has always been the driver of revolutions and evolutions in the travel industry. Consider the advent of the CRS in the 1960s, introduced by IBM and American Airlines, and how that changed the entire face of travel.

Today, mobile is positioned to be another disruptive technology. Through it, content suppliers can now reach travellers anywhere, anytime. Early mobile technologies pushed out basic content to customers. Now, we are seeing more players moving into the realm of transactions and complex communication. In fact, mobile technology has created yet another sales channel that is now one of the fastest-growing for airlines. Airlines have also found that mobile/tablet technology can be used to further streamline operations and provide immediate communications and collaboration among employees.

Social media is another technological phenomenon we are all watching. Smart airlines and other travel suppliers will monitor social media channels and leverage what they learn to improve customer service and adapt their products and services to the changing desires of travellers.

The future of aviation lies in liberalisation, deregulation, consolidation and – of course – Asia

# The way forward **Aviation**



Giovanni Bisignani CEO and director-general IATA, Switzerland



**Michael Maple** Director, business strategy and marketing The Boeing Company, USA



**Peter Hartman** President and CEO KLM, The Netherlands

The situation of the industry today perfectly illustrates one of its structural weaknesses. The historical profit margin is just 0.1 per cent. Last year, we made a 2.9 per cent margin. This year, it will be 1.4 per cent. We are constantly walking on a tight rope of very thin margins. And there is no buffer against

The oil price situation this time is somewhat buffered by strong economies. But even a 1.5 per cent fall in revenues could change the situation completely. So we have an industry that stumbles from crisis to shock with the margins of a charity association.

This is not sustainable. I launched Vision 2050 at our last AGM. In February, I was joined by 35 strategic thinkers under the inspirational leadership of Singapore's Minister Mentor Lee Kuan Yew and the competitiveness expertise of Harvard University's Professor Michael Porter. We looked at the state of the industry and suggested ways to make it stronger.

We will present the results at our upcoming AGM (June 5 to 7, Singapore), but two key themes emerged: The first is the need to turn airlines into a normal business with normal commercial freedoms of access to markets and capital and with the ability to merge. Today, we are caught in a completely crazy situation. Half-liberalised and halfregulated. Unable to merge and only able to exit the market with great difficulty.

The second is the eastward shift of the industry's centre of gravity. By 2014, the Asia-Pacific region will account for 30 per cent of all passengers. The next largest market would be North America at 23 per cent. Four of the top five airlines by market capital are in Asia-Pacific.

The future of this industry is being built in Asia. We will be looking to airlines in this wonderful and growing part of the world to play a much bigger role in shaping a more profitable future for this industry.

Last year, over 2.5 billion people travelled by air. Aviation arguably provides the fundamental infrastructure for global, social and economic growth. The commercial aviation industry contributes over one trillion dollars to the world's GDP. This highly complex system employs over 15 million people. Over the next 20 years, airlines plan on adding over 1,000 planes each year to their fleets. This future world requires sound planning on the part of governments.

The aviation sector is highly capitalintensive and vulnerable to sudden shocks such as the rise in price of jet fuel. Future growth will require the training of tens of thousands of new pilots, mechanics and airport staff.

If it is to be successful, government regulators, airports and manufacturers must work together to ensure that the travelling public's needs are satisfied, recognising that passengers want safe and efficient point-topoint travel.

Governments must move away from the restrictions of bilateral agreements and allow for normal commercial freedoms since access to markets and global capital should evolve naturally. Overall taxation policies should be fair, equitable and uniformly applied. Governments should not view aviation as a source of revenue to cover their deficits and should promote the advancement of this sector. When travel is restricted, social and economic progress is constrained. Travel for tourism is price-sensitive and lower taxes will induce greater travel, which in turn generates greater revenue.

Aviation liberalisation and fair taxation stimulate competition and provide passengers with more choices, resulting in lower ticket prices. This increased overall demand for air travel will contribute to the creation of global wealth.

The global situation is very challenging and aviation is important to the global economy. The average margins in the airline industry, however, are poor. Continuing this way would not be sustainable.

We need to create solutions ourselves. We need to be prepared for the future by maintaining our leadership positions, further investing in network, customers and partners. With regard to market developments, it will not come as a surprise that the Asia-Pacific region will become increasingly more important in the industry. The expected growth for passenger business and cargo is dominated by Asian markets such as China, Vietnam, Malaysia and Indonesia.

Being successful in this competitive industry is not possible on our own. We need to cooperate with partners in order to strengthen our position in the "value chain". Being part of an alliance is the key to developing these partnerships and maintaining our leadership in terms of network, destinations and fleet renewal. Further consolidation will become more and more important in the future, as well as the liberalisation process and open-market principles such as open skies and single European sky. Another important development for the industry, as a whole and especially in Europe, is creating a level-playing field on a regulatory level.

For our customers, the use of social media, biometrics and IT solutions and etechnology or, in other words, innovative technologies focused on security, interaction, connectivity and simplifications of the groundhandling processes at airports, will contribute in a positive way to their travel

Last but not least, the airline industry needs to be committed to sustainable dayto-day operations. I urge governments to put in place fiscal and legal incentives to seduce companies to invest in the development and commercialisation of biofuels. The increasing oil prices these days underline that thought.

## Peter Harbison

Executive chairman and founder, Centre for Asia Pacific Aviation, Australia

If facilities cannot keep pace with the explosive demand for air travel, much of the potential for regional economic and social improvement will be lost. In this lies PATA's biggest opportunity as a facilitator and instigator of change – if only because there is no other body remotely capable of doing it.

By renewing its thought leadership role and putting political infighting behind it, PATA has a unique opportunity to (1) help shape the rapid liberalisation of airline access and (2) map out the resulting infrastructure needs so that timely investment can be made. If this is possible, PATA's great past will be eclipsed by an even more remarkable future.

We at the Centre for Asia Pacific Aviation wish PATA a very happy – and thoughtful – 60th birthday. The best may be yet to come!







Industry needs to go deeper, wider, say these experts

# The way forward **Responsible tourism**



**Geoff Manchester** 



**Michael Kwee** 

# Geoff Manchester

Managing director, Intrepid Travel,

The travel industry has grown by leaps and bounds with respect to responsible tourism over the last few decades. It is now generally accepted that travel companies have a responsibility, not just to provide travellers with exceptional holidays, but to respect the communities that welcome their travellers. Regardless, I don't think it's time for us to rest on our laurels.

There is one big hurdle the industry has yet to clear. We need to spread the wealth beyond tourist hotspots. Generally speaking, it is the communities and environments immediately surrounding iconic tourist sites that benefit from tourism. We need to work out a way to extend this benefit more widely so that cultural heritage can be preserved.

For example, Intrepid Travel takes travellers on a trek to visit remote hill tribe villages in Thailand. The porters we use on the trek are former opium addicts. Through tourism, they have found an alternative lifestyle that provides income for their village and allows them to educate their children at home rather than sending them away to school. Tourism also provides employment opportunities for their children so that they stay in their community when they get older, preserving their cultural traditions.

Getting travellers away from just the key iconic sites also helps educate travellers and spreads peace. Being welcomed into a rural village in Egypt and enjoying a home-cooked meal with a family is one of my travel highlights. It also struck me as a missed opportunity: if only every Western child could have the same experience, they would learn in a heartbeat that locals are people first and foremost, regardless of creed or religion. As soon as we embrace the concept that people are looking for authentic travel moments that

they can share at dinner parties, we'll embrace the concept of showing people more than the iconic sites. In turn, this will extend the benefit of responsible tourism to more communities.

## Michael Kwee

Co-ordinating director, Banyan Tree Global Foundation, Singapore

Two ways forward:

**Co-opetition** Practitioners must cooperate in a co-opetition model to achieve overall shared gains rather than cling to outdated territorial and proprietary practices. For example, an innovative and sustainable waste management solution that may be too large an investment for a single property or brand would be immensely more affordable through a shared investment among neighbouring operators. It will also have a significant impact on the local host community by reducing the impact of the waste from the hospitality cluster supported by that community.

Wider parameters for risk management Sustainability should be inspired by the leadership at the Board level and practised throughout an enterprise. Boards and companies need to direct management to establish wider parameters for risk management. Beyond the standard occupational health and safety issues, such considerations should include climate change, labour relations, corporate reputation amid the enhanced global interconnectivity of social media, and local licence to operate. At the same time, both institutional and individual investors need to re-evaluate the standard practice for enterprise valuation to hinge on intangibles such as human capital, reputational goodwill, healthy environment and community connection and support.

Global considerations, local perspectives Sustainability strategies conceived in North America and Europe may not be practical or implementable within Asia, for example.

# PATA's role in responsible tourism

# **Anthony Wong**

Managing director, Asian Overland Services Tours & Travel, Malaysia

I feel we are still embracing responsible tourism only as a marketing tool and putting in a lukewarm effort just to look good. Companies often look only at short-term profitability - the two-year term of many Boards is shorter than the time it takes for green efforts to bear fruit. The abundance of green awards and certification do little to educate how to preserve local culture, conserve energy and water, and reduce and recycle waste. Therein lies the problem of NATO: No Action, Talk Only.

PATA can take the lead once again and educate the industry, government, academia and consumer on how to go green. And it has to achieve this with less. PATA has launched a more interactive website, but it needs more stakeholders to log in to share their best practices. Wikipedia and Linux have an open system that allows the whole world to contribute their experiences and learn how to achieve more with less. You will be surprised how more developed nations can learn from so-called Third World nations. Poorer people are masters of frugality and are consequently less wasteful.

As a start, I can show that it is possible to harness a variety of tropical plants in man-made wetlands to treat human waste: A-grade drinking water that costs 40 per cent less than mechanical methods. If all of us can share such findings and just charge a minimal cost, more can be done for the environment and communities.

# The way forward **Changing demographics**

# John Koldowski

Deputy CEO, head of Office of Strategy Management, PATA, Bangkok

We must go beyond the traditionally-accepted variables of age, income, marital status, ethnicity and other statistical characteristics that define populations and begin to look at other significant elements within the demographic domain, including urbanisation, the role of IT and the rise of "Generation C".

There is much, much more to understanding and using demographics to drive successful marketing campaigns than

recognising that the twin factors of declining fertility and increasing longevity may be transforming the face of the global population. There are intricacies at work that can viela significant results to those that understand how to best leverage them in populations of interest and potential.

Take the C-generation, for example. While they may be classified, in one sense, as those born after 1990, they are so different in the way they now live, work and communicate that unless you are one of them, you may not really "get it".

And get it you must. According to a report published by Booz & Co,

this is "the first generation that has never known any reality other than that defined and enabled by the Internet, mobile devices and social networking".

And turther: "By 2020, Generation C will make up 40 per cent of the population in the US, Europe and the BRIC countries (Brazil, Russia, India and China) and 10 per cent of the rest of the world. By then, they will constitute the largest single cohort of consumers worldwide."

The largest single cohort of consumers worldwide - now that's worth knowing. But how do you get to this constantly clicking demographic segment?



# The way forward **Future leaders**



# The face of future

Tavalea Nilon of Samoa is PATA's Face of the Future 2011. She was selected from a group of six finalists, with Sitpasu Thongsuk of Thailand and Hsu Htet Hlaing of Myanmar as runners-up.

Each finalist was required to put forward their views on the future of the tourism industry via a five-minute video presentation. The videos were judged by members of the PATA Executive Board during a meeting in Hawaii at the end of February.

This followed the first round of the



## Darren Tan

Managing director, World Express Group, Singapore

"What I would like to experience in my lifetime are space tourism, hopefully at a price I can afford; deep sea exploration by submarine; supersonic flights that go from Asia to the US in three hours (why is it that flying time has not shortened dramatically with technology?); and much faster clearance at airports (technology should allow faster checking in and security clearance, after all these are just processes)."

competition, where nominated candidates were voted for online by PATA members.

Nilon's video excelled in both presentation and content. Focusing on some of the key challenges facing Samoa's tourism industry in the future, she highlighted the need for renewable energy options, better waste disposal methods and promoting the country as a culturally rich destination.

Nilon is also Miss Samoa 2010 and has worked hard to promote the island nation nationally and internationally through tourism exchanges and festivals. She is in-

volved with various community projects and is currently studying for a masters' degree in engineering.

Each year, Face of the Future spotlights an individual, 35 years old or younger, who has worked to change or advance travel and tourism in Asia-Pacific.



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# Hong Kong counts losses on Japan

Outbound operators eye resumption of tours in mid- to end-April, say demand for destination has returned

### **By Prudence Lui**

HONG KONG The one-month suspension of outbound tours from Hong Kong to Japan will cost more than HK\$100 million (US\$12.83 million), based on industry estimates.

According to the Travel Industry Coun-

cil, outbound tours that were halted between March 15 to April 15 impacted 560 groups and about 10,000 travellers. With a Japan tour costing an average of HK\$6,000 per person, losses from group tours alone already come up to some HK\$60 million. Add to that the FIT cancellations, and the cost to the industry is staggering.

The Japan crisis impacted 7,000 FIT and group tour clients of market leader EGL Tours. Executive director Steve Huen said: "Not the whole country is dangerous and the demand is still there, as we receive bookings everyday. We will therefore resume tours to Japan from April 16 onwards. Of course, Tokyo and affected areas will be avoided, while alternative destinations like Okinawa are still safe to go to given their distance from disaster areas.

"After talking to our hotel partners, we are able to lower the rates and return HK\$300 to each traveller if they continue with their journey. If the situation remains under control, we may stimulate traffic by rolling out discount tours in May.'

On the other hand, five big operators Hong Thai Travel Services, Morning Star Travel Services, Sunflower Travel Service, Miramar Travel and Wing On Travel are extending the suspension of outbound tours to Japan until the end of April due to safety concerns.

Morning Star Travel Services general manager Dannia Cheung said: "Though our business volume to Japan is small, the prices of the tours are high. So far, we have 600 affected clients and the upcoming Easter was supposed to be another good year, as we had secured 1,000 bookings in early March."

Meanwhile, the Hong Kong Japanese Tour Operators Association estimates inbound losses at HK\$30 million.



### Plenary Three: New Realities of Travel - April 12, 2011

A decade into the 21st century and we have witnessed phenomenal change to the travel and tourism industry – change that is likely to continue. In this quick-fire session, experts from the fields of distribution, demographics, responsible tourism, technology and aviation will articulate their views on how these key trends are re-shaping our industry.



PATA's premier media partner CNN has generously sponsored anchor and correspondent Richard Quest, host of Quest Means Business and CNN Business Traveller, to moderate. Bringing his famously inimitable style to the conference stage, this promises to be an exciting and dynamic session.

The plenary session will commence with an overview of today's travel and tourism industry from lead presenter Amitabh Kant, Managing Director, Delhi Mumbai Industrial Corridor (former Joint Secretary, Ministry of Tourism, Government of India).

Plenary Panelists include:



















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# Search on for TIC's new chief

## By Prudence Lui

**HONG KONG** The Travel Industry Council's (TIC) board of directors is looking for potential candidates to replace executive director (ED) Joseph Tung, whose contract will expire in December.

According to former TIC chairman Ronnie Yuen, the ability to handle pressure, as well as a "good and close relationship with the industry is key" for the candidate. "Frankly, the ED post is a thankless job, as it follows and executes decisions from the board and the chairman. He has to ensure harmonious relations with 1,500 members and in the meantime, tackle criticism/enquiries externally," Yuen said.

Vai Vai Travel director Sef Lam said the ED would have to be transparent, have more interaction with, and be responsive to the needs of, ordinary travel agents. "More fundamentally, I wonder if the TIC is needed...TIC to me seems to be a redundant layer we can easily get rid of. This will save the travel industry a huge amount of money!"

# **Hotel of the year**

**SINGAPORE** The Royal Plaza on Scotts in Singapore was recognised as Hotel of the Year by the Preferred Hotel Group during the company's annual conference in February.

Winners of the various awards were selected based on excellent customer service. guest satisfaction and the embodiment of Preferred Hotel Group's values.

"All of this year's award recipients are the embodiment of Preferred's Standards of Excellence, which is the defining element of our brands," said president Lindsey Ueberroth. "We applaud their continued commitment to excellence in hotel keeping and their ongoing leadership with the industry."