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No love for UFTAA decision

Membership shift from national associations to agents meets with trade scepticism

By N. Nithiyananthan

KUALA LUMPUR Agents in the region are lukewarm towards the landmark decision of the United Federation of Travel Agents Association (UFTAA) to open its membership to individual travel agencies and not just national associations, with some even questioning UFTAA's relevance in today's Internet-driven world.

Mitra Kembara director and Malaysian Association of Tour & Travel Agents (MATTA) former president Tunku Iskandar said: "In the past, UFTAA had a common goal, which was to represent ticketing travel agents worldwide through national associations in achieving a common front in discussions with IATA."

"Those days are gone, and UFTAA cannot use that as its focal point for members to rally around."

Malaysia-based Asian Overland Travel and Hospitality group managing director Antho-

ny Wong added: "What all (similar) associations are facing today is relevance, and the solution cannot be one size fits all. Individuals join associations to get benefits."

Indonesia Ticketing Agents Association (ASTINDO) chairman Elly Hutabarat said the organisation would first have to address some pressing issues, although she noted that UFTAA would be financially stronger with more members, and that direct membership would give the global association more attention from agents.

She said: "UFTAA must have a strong legal department, permanent research and development section and strong secretariat. It can't be manned by only one person. But UFTAA must have enough funds to do this."

UFTAA made the decision to throw open its doors to individual travel agencies at its recent board meeting in Kuala

Lumpur. It only needs the official endorsement of the 45th UFTAA Congress – which is seen as a certainty – held in Italy from November 19-24.

UFTAA president Dr Mario Bevacqua said: "Opening up membership directly to agents will enable UFTAA to involve all travel agents. We can highlight what we are doing for them and

learn what we can do for them."

He added: "(It) will also enable us to harness the power of our network. With more than 100 national associations belonging to UFTAA, this covers up to 150,000 travel agencies. It can be the most important network to consumers in the world."

As part of its goal to serve

Continued on page 2

Viewpoint

Will UFTAA succeed?



"The Internet and low-cost carriers have further reduced UFTAA's influence with airlines. It depends what its focal point is today."

Tunku Iskandar

Director, Mitra Kembara and former president, Malaysian Association of Tour & Travel Agents



"How can UFTAA benefit me as an inbound tour operator? What can it teach me? It also cannot bring me business. I will not join."

Anthony Wong

Group managing director Asian Overland Travel and Hospitality

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Travel Expert to be listed on Hong Kong bourse

By Prudence Lui

HONG KONG Travel Expert's proposed listing on the Hong Kong stock exchange – said to be one of few local travel agents to do so – is expected to help the FIT specialist diversify its business and expand its reach beyond the SAR. Agents, however, do not anticipate that more of their peers will emulate this.

Having launched an initial public offering (IPO) of 100 million shares that would help net approximately HK\$49.5 million (US\$6.3 million), dealings in Travel Expert's shares are expected to commence on September 29 as of press time.

Founder Iras Ko said: "The IPO proves that we are a healthy agency. We aim to spend the



Ko: from FIT to corporate sales

proceeds on developing corporate travel and MICE business and expansion opportunities in Asia, particularly China.

In fact, we have applied to the Chinese government to set up a wholly foreign-owned enterprise in Shenzhen."

In a statement, Travel Expert said its overseas expansion would be through acquisition, franchise and joint ventures.

The company has also appointed industry veteran Alcuin Li to oversee its corporate/MICE

segment. It currently handles around 200 corporate accounts.

From about 235,000 travellers in 2009, 25-year-old Travel Expert recorded 320,000 clients in its 2011 fiscal year ending March 31. Revenue has also increased by 21.5 per cent, from HK\$168.5 million in 2010 to HK\$204.8 million in 2011.

Travel Expert currently holds 10 per cent of Hong Kong's total FIT sales, making it the biggest supplier for this segment. It has over 50 retail outlets.

While agents cited the IPO as a significant move for an agent, they did not see this as becoming an industry trend.

According to Jetour Holding chairman Ronnie Ho, no other Hong Kong agent has gone pub-

lic in a decade. He said: "It's not an easy path because the agency business is not attractive compared to other industries, and prospects are not often bright."

When asking if Jetour had any similar plans to do so, Ho declined to comment, pointing out that if any agent decided to take up the gauntlet, working with a partner would be advisable.

EGL Tours executive director Steve Huen said: "Thinning profit margins result in low price-earnings ratios...The only existing homegrown listed agent is Morning Star Travel."

"Still, the IPO is a positive move for (Travel Expert), proving itself as a strong and transparent operator when meeting stringent requirements by the Securities

and Futures Commission."

An agent who asked not to be named added: "It's tough because unlike industries like property, the agency business is service-oriented but not asset-based. Therefore, there are only a handful of homegrown brands that could potentially follow suit."

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2012: VIETRAVEL CONTINUE ITS FOCUSES FOR MICE AND GOLF TRAVEL INTO VIETNAM

"In accordance with the market trends, Vietravel will continue its focus on the upscale business segment of MICE and golf travel market from Asian and Southeast Asian countries to Vietnam. The company has been tighten up its business relationship with related service providers in Vietnam including the different airlines to Vietnam, various luxury world class resorts in Vietnam's coastal areas and golf courses in order to offer the best packages for MICE and golf market in Vietnam."

Bui Nguyen Tam Dang – Inbound Director.

It's no longer just Bali that's hot

More flights, hotels open up secondary destinations like Lombok and Labuan Bajo

By Mimi Hudoyo

JAKARTA Traffic to Indonesia is moving eastward beyond Bali to East Nusa Tenggara (NTT) and West Nusa Tenggara (NTB), where new tourism developments such as the Lombok International Airport are expected to fuel further growth.

Apart from the traditional Europe and US markets, Lombok (in NTB) is witnessing growing traffic from Australia and Malaysia, while Komodo (in NTT) is gaining popularity among South Koreans, Japanese and Chinese.

Pacto business development director Umberto Cadamuro said: "There has been growing interest to Nusa Tenggara islands such as Komodo and Flores (in NTT) in the last couple of years, although infrastructure is limiting growth."



Lombok's Kuta Beach

The growing demand has prompted Panorama Destination to open an office in Labuan Bajo, the gateway to Komodo, in November, said managing director Rocky Praputranto.

"Travel patterns have shifted. Travellers no longer just go to Bali; they want to see other destinations," he explained.

Floressa Bali Tours managing director Paul Talo agreed: "When Bali is doing well, other parts of the country feel the impact. Better accommodation facilities have also come up in these areas."

Santika Indonesia Hotels & Resorts, for example, will open a property in Mataram, Lombok, in 2012, and is looking for space in Kupang, Timor.

Meanwhile, the trade has high hopes for the new Lombok airport, opening October 1. Seen as an alternative to Bali, it is poised to serve as a hub for eastern Indonesia. Lombok's Selaparang airport will cease operations.

Pacto's Umberto said: "Currently, travellers need to spend the night in Bali before heading east. We now have a choice to skip Bali."

So far, AirAsia has expressed

interest in mounting four-weekly services between Kuala Lumpur and Lombok, pending aircraft availability.

Domestic connections are also receiving a boost. Charter airline TransNusa Aviation Mandiri will begin to offer scheduled flights, focusing on developing routes within NTT and NTB such as Labuan Bajo, Sumbawa, Bima, Ende, Kupang, Maumere and Alor.

More infrastructure development is also on the cards for NTT and NTB, which have been grouped under the national tourism and food support corridor alongside Bali.

In addition, the Indonesian government has gazetted a 1,200-hectare area in Mandalika, Lombok, as a National Tourism Special Economic Territory.

Continued from page 1

A new era for UFTAA congress

agents better, UFTAA made the first move to compile a white book on the trade. "The white book will be released at the 45th Congress. It will cover all issues that are part of an agent's daily work, from visas and IATA to cruise ships and hotels, and experts will provide solutions," Bevacqua said.

While in Kuala Lumpur, UFTAA's board of directors had also approved MATTAA's bid to host the 46th UFTAA Congress in the city from November 17-22, 2012.

Scheduled to be its first congress under the new membership concept, target participation is 1,000 agents compared to about 200 representatives of national associations currently.

In order to reflect the change, a special programme will be lined up for agents, said Bevacqua.

LPTI goes shopping

By Raini Hamdi

NEW DELHI Le Passage to India (LPTI), which is half-owned by TUI, is on the hunt to acquire agents in India in a bid to grow regionally.

Managing director Arjun Sharma said both partners believed in India and felt that an acquisition strategy would help the company grow faster than growing organically.

Sharma said they would be on the lookout in the next six months for "a medium-sized agency with a turnover of US\$5-US\$6 million and producing some 10,000 tourists into India".

Agencies that fit the bill would be ones that could fill existing gaps, both in terms of geographical markets and products. Priorities are markets such as North America, China and Australia, and products such as adventure and pilgrimage tours.

LPTI would retain the com-

pany's management and branding, and would seek to buy up to 79 per cent of the agency, thereby ensuring that its "entrepreneurial spirit" remained after the buy-out, while it provided strengths such as central purchasing and operational expertise, he said.

But Sharma said expectations of sellers were currently high, as they wanted four to five times the earnings. "A price tag of US\$5-US\$10 million would probably be more realistic for the mid-sized agency and, once again, it's not for the sake of acquiring, it has to fit," he added.

LPTI operates 13 brands covering markets such as luxury and MICE. Asked if it was inspired by Cox & Kings India's takeover of Holidaybreak UK (*TTG Asia e-Daily*, July 29), which is expected to be completed by the end of this month, Sharma said: "They are showing us the way."

New Asian adventures for Australian operator

By Sirima Eamtako

BANGKOK A rise in demand for Asian destinations has compelled Adventure World, one of Australia and New Zealand's top five outbound tour companies, to consolidate its supplier base in the region. Exotissimo Travel has been appointed its groundhandler in Vietnam, Thailand, Cambodia, Laos, Myanmar, Indonesia and Japan.

Adventure World is expected to send about 7,000 to 8,000 clients to Exotissimo Travel's seven destinations in the first year, starting from November 1.

Exotissimo Travel CEO, Olivier Colomes, said: "(Adventure World) has ambitious expansion plans, and intends to increase this business (to South-east Asia and Japan) by 300 per cent over the next three years."

Adventure World general manager for product and marketing Neil Rodgers said: "Increased direct air access at extremely competitive rates has led to an increase in South-east Asia demand."



Colomes: triple-digit growth

Over the last few years, Indonesia, Thailand and Vietnam have been beneficiaries.

In June, Vietnam Airlines boosted its Hanoi-Ho Chi Minh City-Melbourne service from five-weekly to daily, and its Hanoi-Ho Chi Minh City-Melbourne service from six-weekly to daily.

Year-on-year growth and requests for more independent, off-the-beaten-track itineraries has led Adventure World to further diversify its South-east Asian product portfolio, which was previously limited, said Rodgers.

Indonesia is a new destina-

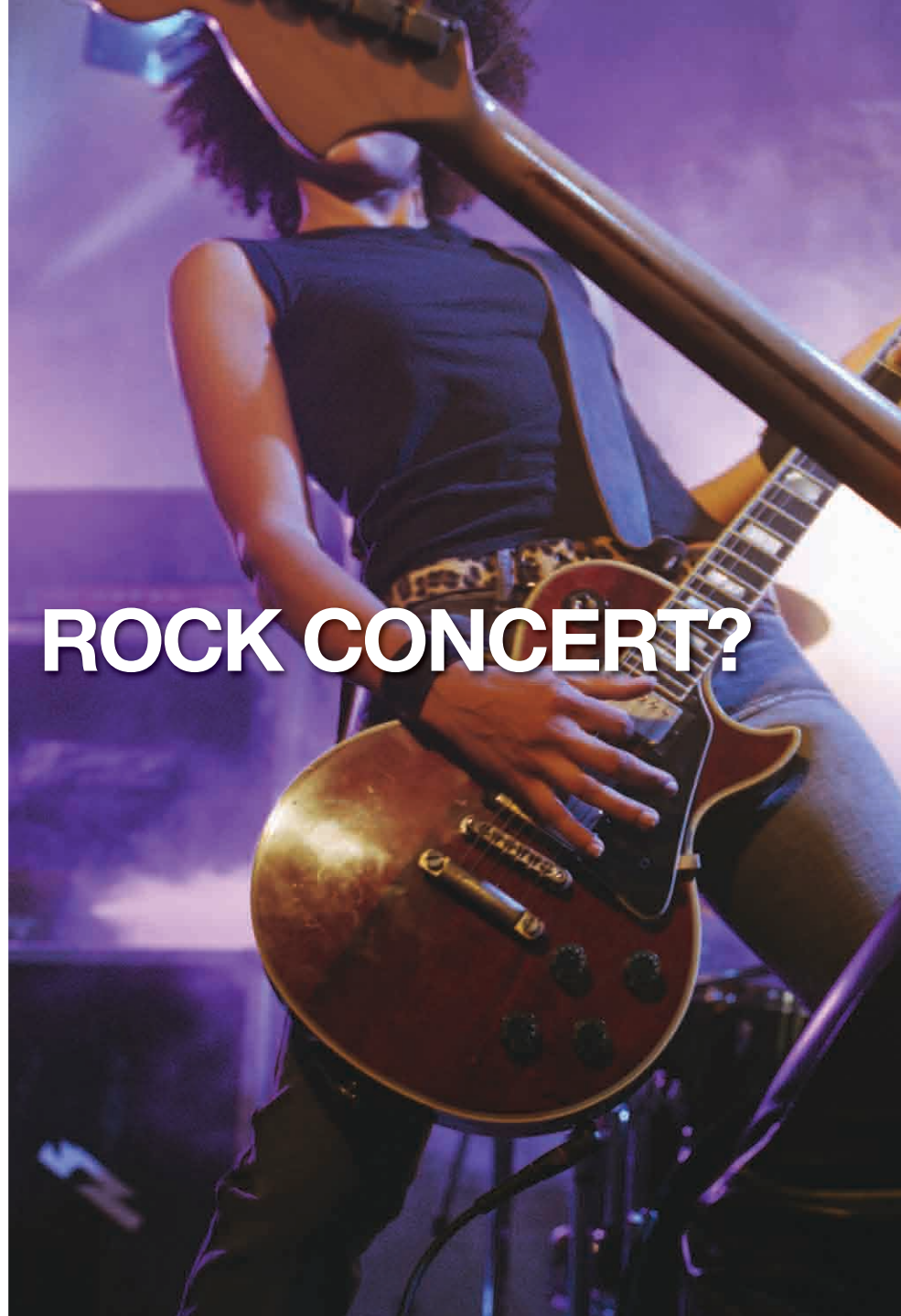
tion, while key ones are Phuket, Chiang Mai and Koh Samui in Thailand, as well as Hanoi, Ho Chi Minh City and Halong Bay in Vietnam, said Rodgers.

Adventure World sends more than 60,000 outbound clients annually from Australia and New Zealand.

Its top destinations are North and South America, Africa and South Pacific.

It is part of NRMA Tourism and Leisure, which consolidated its travel products offered through Value Tours, Coral Seas, and Creative Cruising under its Adventure World brand in July.

Exotissimo Travel is already handling Adventure World in Myanmar, and will take over all Adventure World's existing bookings and new bookings for Vietnam, Cambodia and Laos from November. Thailand, Indonesia and Japan will come online by year-end.



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This summit gathers like-minded leaders of Asia's travel and tourism sectors to discuss tangible ideas and solutions that will positively impact the industry.



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Cornell Hotel Society Asia Pacific Regional Conference

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Web in Travel Conference

Now in its seventh year, the conference features the largest, most diverse and highest-level gathering of travel industry professionals from the Asian travel distribution, marketing and technology sectors.



UNWTO Half-Day Strategic Meeting

The World Tourism Organization's first high-level tourism retreat in Asia where selected representatives from the private and public sectors discuss global challenges facing tourism. Discussions will focus on the need for the various travel sectors to unite as a collective voice to improve the industry's global political and economic positioning.



Condé Nast Traveler World Savers Congress

This annual global thought-leader summit aims to foster discussions on initiatives to limit the environmental impact of tourism, and to improve the health, education and economic well-being of communities worldwide. In its fifth year, this is the second time it's being held outside of the United States.

TRAVE! 2011
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Enter the design airline

Finnair wants to be the most desired choice of customers travelling between Asia and Europe. The key is not just geographic advantage, but design, both visual and service.

Raini Hamdi takes a look

Finnair CEO Mika Vehviläinen loves being an underdog and believes every dog has its day

Finnair's CEO, Mika Vehviläinen, is the first to admit the airline is not "the automatic choice to anybody, except to corporates out of Finland".

From a nobody, he wants Finnair to be somebody. Indeed, by 2020, it should be "the most desired" choice of passengers planning a trip between Asia and Europe.

He is up against bigger players such as Lufthansa German Airlines and Air France-KLM, but has one card that is not easily copied: the geographic advantage of Finnair's home base, Helsinki, which cuts short travel time between the airline's Asian points and most of its European destinations. The other advantage he will invent: reshaping the airline as a boutique, service-minded, design carrier, a multi-million dollar investment Vehviläinen is prepared to take even as he unleashes a 140 million euro (US\$192 million) cost-cutting exercise to stay fit.

The identity renewal programme comprises visual and

service design, an ongoing process that will be completed by March 2013.

"I'd like to benchmark us with the best of the Asian carriers rather than the European carriers in terms of service levels. Similar profit levels would be lovely, but market conditions are more favourable in Asia than Europe unfortunately," he said, in an interview with *TTG Asia*.

Design airline

A key aspect of the identity renewal is design, a veritable Finnish heritage with qualities such as simplicity, elegance, practicality and functionality.

Hotels have capitalised on design to gain competitive edge and, in aviation, Finnair wants bragging rights as the first fully branded design carrier.

Jarkko Konttinen, Finnair's vice president global brand and marketing communications, told *TTG Asia* that the airline was finalising a partnership with a design house in Finland, which boasts many of the country's fa-

mous designers, to jointly craft experiences onboard.

Said Konttinen: "We're looking for great partners with whom we can co-create experiences for all senses – sight, sound, smell, etc – onboard. Customers will experience extraordinary things. We believe we will be the first fully branded airline."

"We want to cooperate with a design house in Finland as this is where our roots are and we share the same values. It will also result in a unique edge which no other airline can copy."

He said a lack of awareness of Finnair among consumers meant the airline had to be "extra appealing" to win new customers. Airlines too had become "grey", he said, and Finnair could stand out by bringing back the fun, style and innovation in flying.

Just last week on September 20, the airline flew fans of the mobile device game, Angry Birds, developed by Finnish company Rovio, for an Asian challenge on board. A real live Angry Bird was also present on the flight.

Asked what other zany ideas it might have, Konttinen said: "We could, for instance, work with the design house to paint an aircraft with special design or have fashion shows on certain flights. There could also be a special collection designed for Finnair available only on Finnair flights."

Finnair's design emphasis comes even as Helsinki has been awarded World Design Capital 2012 by the International Council of Societies of Industrial Design.

As well, Finnair's service design has been rebooted, with staff being retrained to deliver a peace-of-mind promise to customers. A designed-for-you motto backs the customer experience journey from booking the flight to reaching the final destination.

The airline is also renewing its fleet with 18 Airbus A350s in 2014, with Vehviläinen being a firm believer of the two-class configuration, business and economy, and delivering these well. By then, it will offer fully flat beds in business in all its planes.

Asian strength

Vehviläinen believes Asian corporate travellers will buy all these improvements at Finnair and has set a target to double Asian revenue – already 60-65 per cent of Finnair's revenue – by 2020.

By then, the number of departures to Asia will also double to 140 per week, from 74 now (*TTG Asia e-Daily*, September 15, 2011).

"I strongly believe that if today the key customers are Europeans travelling to Asia, down the road it will be Asians heading somewhere in Europe, and they make choices and have choices on how they travel and with whom. This is why we are investing quite heavily on our identity renewal," he said.

"Finnair's story, of course, is very much about Asia. Without Asia, I'm not sure frankly if this airline would exist. Most of the smaller national airlines in Europe have ceased to exist. We certainly would not be the size, scale or network we are today without Asia."

TTG Publishing
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EDITORIAL

Raini Hamdi

Group Editor (raini.hamdi@ttgasia.com)

Gracia Chiang

Editor, TTG Asia (gracia.chiang@ttgasia.com)

Karen Yue

Editor, TTGmice (karen.yue@ttgasia.com)

Brian Higgs

Assistant Editor, TTG Asia Online (brian.higgs@ttgasia.com)

Linda Haden

Assistant Editor (linda.haden@ttgasia.com)

Ameé Enriquez

Senior Sub-editor (amee.enriquez@ttgasia.com)

Sirima Eamtako

Editor, Thailand, Vietnam, Cambodia, Myanmar and Laos (sirima.eamtako@ttgasia.com)

Mimi Hudoyo

Editor, Indonesia (idmfasia@cbn.net.id)

Sim Kok Chwee

Correspondent-at-large (aviasian.images@gmail.com)

N. Nithiyananthan

Chief Correspondent, Malaysia (nithi.nesadurai@ttgasia.com)

Marianne Carandang

Correspondent, The Philippines (mcarandang@gmail.com)

Prudence Lui

Correspondent, Hong Kong (prului@yahoo.com)

Glenn Smith

Correspondent, Taiwan (glenn.smith@ttgasia.com)

Shekhar Niyogi

Chief Correspondent, Kolkata, India (shekhar.niyogi@ttgasia.com)

Anand and Madhura Katti

Correspondent, Mumbai, India (anmkatti@mtnl.net.in)

Feizal Samath

Correspondent, Sri Lanka (feizalsam@gmail.com)

Vivian Lee

Correspondent, South Korea (wei_wei_cheng@hotmail.com)

Faith Chang

Correspondent, Australia (faithchang26@yahoo.com)

Redmond Sia, Haze Loh

Creative Designers

Lina Tan

Editorial Assistant

SALES & MARKETING

Michael Chow

Publisher (michael.chow@ttgasia.com)

Katherine Ng, Marisa Chen

Senior Business Managers (katherine.ng@ttgasia.com, marisa.chen@hk.china.com)

Jonathan Yap

Business Manager (jonathan.yap@ttgasia.com)

Cheryl Tan

Corporate Marketing Manager (cheryl.tan@ttgasia.com)

Tan Ee Hiang

Marketing Executive (tan.ee.hiang@ttgasia.com)

Cheryl Lim

Advertisement Administration Manager (cheryl.lim@ttgasia.com)

Carol Cheng

Assistant Manager Administration and Marketing (carol.cheng@hk.china.com)

PUBLISHING SERVICES

Tony Yeo

Division Manager (tony.yeo@ttgasia.com)

Agnes Loy

Senior Production Executive (agnes.loy@ttgasia.com)

Nancy Lee

Desktop Publishing Executive (nancy.lee@ttgasia.com)

Carol Wong

Circulation Executive (carol.wong@ttgasia.com)

TTG ASIA MEDIA

Darren Ng

Managing Director (darren.ng@ttgasia.com)

OFFICES

SINGAPORE 1 Science Park Road

#04-07 The Capricorn, Singapore Science Park II Singapore 117528

Tel: (65) 6395-7575 Fax: (65) 6536-2972 contact@ttgasia.com; www.ttgasia.com

HONG KONG 11/F ING Tower

308-320 Des Voeux Road, Central, Hong Kong Tel: (852) 2571-9333 Fax: (852) 2806-0646



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Q What should the Philippines do to enhance its image as a cultural heritage destination?

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Hot Moves

Travelocity appoints Andrew Cox as director of partner marketing, Asia-Pacific, with specific focus on Zuiji Asia-Pacific; Ahmad Jauhari Yahya takes over the reigns at Malaysia Airlines as managing director

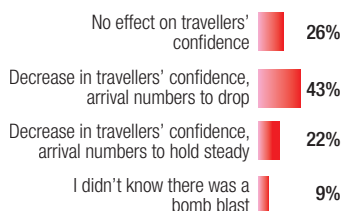
Hot Deals



Hong Kong Disneyland offers Travel Industry Salute promotion; SIA and SilkAir introduce stopover packages for passengers transiting through Singapore; Le Meridien Koh Samui launches introductory rates

Poll

How do you think India inbound will be affected by the recent terrorist bomb blast in New Delhi?



Useless or useful?

What does the 'U' in UFTAA stand for? Some say 'Useless' Federation of Travel Agents Association, not 'United'. Cruel as it may be, it does ring a lot of truth. UFTAA must reinvent itself, or else.

Its proposal to open membership to individual travel agencies worldwide, rather than just national travel agency associations, begs the question: What can UFTAA do for travel agents that is truly effective and beneficial for them? While it is clear UFTAA will benefit from enhanced membership numbers, with increased subscriptions and a potentially influential network to harness, it is not clear at all how agents will benefit from joining UFTAA.

If in the last 10 years since the advent of the Internet and the rise of Asian travel and tourism UFTAA has failed to evolve, why would this change just because UFTAA is changing its constitution to take in individual members?

So far, UFTAA has not given a clear vision of its new role in a changing world. Its reference points continue to be IATA, vi-

sas, ships and hotels. These are so far removed from today's turning points, among them, re-inventing how agencies operate as a result of opportunities and threats from the Internet; shifting its focus from its home base in Europe to Asia, which is the

If in the last 10 years UFTAA has failed to evolve, why would this change just because it is changing its constitution to take in individual members?

fastest-growing region for travel and tourism; turning training and education for agents on its head, so that a crop of new-generation leaders can lead a super-competitive business and bring back dynamism to the industry; having a strong legal department to fight for agents' rights; and instituting a permanent research and development department to

track changes in business practices and identify new opportunities for the trade.

With the Internet and low-cost carriers further reducing UFTAA's influence with airlines, the days when UFTAA was a focal point for ticketing travel agents worldwide, through national associations, to forge a common front in discussions with IATA are long gone.

UFTAA's white book project, a compilation of issues faced by agents with responses to them, too, seems too little too late. It will be released at the association's 45th Congress in Venice in November. But the challenges facing agents today cannot be resolved merely by documenting their issues and the responses needed. For agents to survive evolutionary and revolutionary measures are needed.

Given the battlefield agents face today, UFTAA actually has a huge opportunity to be a most useful association. But it is also a climate that can easily render it impotent. It's up to UFTAA to choose its destiny. Let's hope the 'U' in UFTAA will turn out to be 'Useful' in the future after all.

Most commented on
www.ttgasia.com

Indonesia needs more promotion

According to Visit Indonesia Tourist Officers (VITOs) in 10 countries, overseas tour operators believe current initiatives to raise awareness and product knowledge are insufficient.

Bali's Gerald van Amerongen said: "Don't expect the regional tourism offices in the country to be proactive in promoting new products and destinations. They are 'non-existent', so if the VITOs want to receive info about new products, they should get in direct contact with the private sector."

Kudos for bringing IT&CM to India

News that TTG Asia Media will be launching its Incentive Travel & Conventions, Meetings (IT&CM) show in India next year has met with positivity.

Motaz Othman, area manager, Jordan of Islamic Tourism Media, said: "India deserves an IT&CM. I believe the event will be very special and fruitful for India and its people."

Technology needs people, people need technology



David Brett (left), president, Amadeus Asia-Pacific, contributes this opinion:

A Taiwanese manufacturing firm recently announced plans to increase its workforce by one million by the year 2014. But not one million people. Rather, a million robots to the payroll. The robots will take over some of the manual processing work in its factories, increasing consistency and reducing human resource costs.

It is stories like this that make us wonder if this is the way of the future, and whether the travel industry will follow the same path. Will we someday book travel through interactive vending machines rather than our local travel agent? It begs the question: What is more valued in our industry – people or technology?

If you ask a group of travel agencies, you would probably get conflicting responses. Some believe it is people that have kept traditional travel agencies relevant by providing personal service that cannot be matched by an online booking engine. However, other agencies would argue that it is technology that has allowed them to remain competitive with those same online operators.

Given that I'm the president of Amadeus Asia-Pacific, a leading travel technology company, you might think that my allegiance will lie with technology. And certainly, I know the value of good technology. Having the right technology can no doubt give you a competitive edge and put more money in your pocket. But having the right people in a travel agency can also make a huge difference to profits and business longevity, and further enhance the benefits of technology. So what are the key areas which come out on top in terms of business value?

Round 1: Differentiation

Quite often, one travel agency offers products that are not vastly different from its competitors in the same city. This creates a unique challenge – how can you differentiate your business if everyone is essentially selling the same thing?

Technology can help a travel agency to set itself apart from competitors. An agency with cutting-edge technology can offer faster service, more options

and, perhaps, even better prices.

But people can also differentiate a business by delivering the kind of above-and-beyond service that is memorable for a traveller in a world where the personal touch is increasingly rare. So there is no clear winner in this area – both technology and people can help a travel agency to differentiate its business.

(Technology - 1 People - 1)

Round 2: Fail-safe systems

Having the right technology in place at the point of sale and connected to the back office systems can mean the difference between a satisfied or frustrated customer. One thing that a customer does not want when booking travel is mistakes. There is nothing worse than arriving at the airport only to find that the airline has no record of your reservation or has booked you on a different flight. The reality is that human error can be a thing of the past if an agency uses technology to cross-check data. It is clear that technology wins this one.

(Technology - 1)

Round 3: Marketing

Sometimes it is the human touch that really takes the value of technology to the next level. Let's look again at a situation where technology automatically creates and updates customer records, such as with Amadeus' Customer Profiles tool. This information can act as a marketing database, allowing an agent to contact his customer when he has an offer

that fits the customer profile. But it is up to the agent to upsell the right items. Knowing the customer and being intuitive to his needs is something that people still do best.

(People - 1)

Round 4: Productivity

The simple decision to introduce technology to take care of manual processes can help a travel agency to maximise profits. When an agent can reduce his administrative workload, he can focus on what people do best – selling to customers and providing the best service possible.

Amadeus offers travel agency tools to automate basic tasks, such as Amadeus Ticket Changer, which helps an agent quickly make changes to an existing booking, reducing what used to be a 14-step process to just four or five steps. However, an agency needs people who are motivated to use the time saved to create more sales. So it is a combination of having the right technology and the right people to achieve a truly productive business.

(Technology - 1 People - 1)

Conclusion

The scores are even – people and technology come out with equal points. I guess that confirms what I've always known: Technology alone will help a travel agency to become more efficient and productive, and differentiate its service, but when combined with the right people its true value will emerge.

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Explore Vietnam in 29 days

Travel from north to south by road



BANGKOK Hanoi-based Luxury Travel is offering travel agents a 15 per cent commission for a new Vietnam programme designed for travellers game for a bit of adventure.

Launched in August, the 29-day Discover the Hidden Treasures of Vietnam by Road promises a unique experience along the legendary Ho Chi Minh Trail from north to south.

The new programme will cover Vietnam's popular highlights and off-the-beaten-track attractions, including UNESCO World Heritage sites – the citadels of Thang Long-Hanoi and Ho,

Hue monuments, Hoi An Ancient Town, My Son Sanctuary, Ha Long Bay and Phong Nha-Ke Bang National Park.

Also part of the programme are a number of steep mountain passes – most notably the famous Hai Van Pass at 496m high – lush rice paddies along the road, stretches of the valley, turquoise sea waters, rural scenery, as well as the opportunity to interact with locals in cities, towns and hamlets.

Travel distance from one destination to another is less than 250km each time, while accommodation highlighted in the trip include the Ana Mandara Ninh Binh and Sun Spas Resort in Quang Binh.

Guests have the option to stay

in each destination for two or three nights.

The tour costs US\$6,054 per person based on a private group of six people and double occupancy accommodation. It includes private transfers, pick-up and drop-off services, half-board meals, English-, French- or German-speaking guides, and entrance fees.

The trip can also be tailored for a group, couple or single traveller.

Luxury Travel CEO, Pham Ha, said the 15 per cent commission would be extended to travel agents booking online, as well as for all tour packages on the company's website. Last-minute bookings will also be accepted.

– **Sirima Eamtako**

COLUMNIST Hui-Wan Chua

Moving ahead with retailing trends

In the last year, a digital wave has swept in and made a huge mark on the travel industry, forcing businesses to rethink their approach to retail. Group buying, mobile marketing and social media are no longer buzzwords, but represent serious marketing and retailing opportunities. As industry names all climb onboard, the question remains – what can agents do to keep up?

We have all witnessed the tremendous rise of group buying sites such as Groupon and Deal.com.sg, offering products and services at significantly reduced prices. Agents face competition for consumer's wallets, as

it's hard to ignore the exposure these sites can provide. The good news is that agents need not feel threatened – it could be a clever opportunity for them to expand their marketing reach and put themselves in front of a wide spectrum of potential travellers.

With more than half of consumers using their mobile phones to access travel (ComScore study 2010), our thirst for information has never been greater. Consumers are embracing the freedom to shop any time, any place, anywhere, as retailers move aggressively into the mobile space.

For agents, the explosive growth of smartphones comes



as a wake-up call as to whether they're doing enough to capture this technology and possibly missing out on the potential benefits. Just having a smartphone-

“For agents, the explosive growth of smartphones comes as a wake-up call as to whether they're doing enough.”

friendly website could be a start!

Social media sites such as Facebook and Twitter are no longer just for connecting with our social circles, they can be an

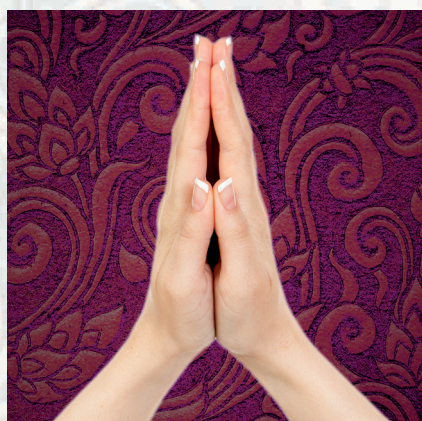
effective way to acquire and retain customers through regular dialogue, engaging content and exclusive offers. There is also potential for agents to use social media as an opportunity to engage with online communities in sharing their travel expertise.

While it may not translate into sales straight away, having the trust and attention of a captive ready-to-travel audience is something much more powerful. Best of all, it's absolutely free.

Hui-Wan Chua is Travelport's senior regional director, Asia. She engages travel agency customers on a daily basis.



This column is the third of a three-part series leading up to the TTG Travel Agent Conference in October. Learn more about how to retail travel, as well as other tips for your business at the three-hour programme. Go to www.ttgasia.com/tac to register.



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Enthralling Indians

Three theme parks share how they are targeting the thriving outbound market

	Hong Kong Disneyland Resort, Hong Kong Aliana Ho, vice president, sales and distribution marketing	Sunway Lagoon, Malaysia Aaron Soo, CEO	Universal Studios Singapore, Resorts World Sentosa Robin Goh, spokesperson
How many Indian visitors are there to your resort? What kind of growth does this represent in the past two years? How does their volume compare to other nationalities?	Two-thirds of our guests are foreign, and India is the fastest-growing segment among them. Hong Kong Disneyland Resort experienced an exceptional year in 2010 for the Indian market, having achieved over 80 per cent growth in park attendance compared to the previous year. This has been predominantly during the peak outbound travel season in India, which is May and June.	In 2008, some three per cent of visitors to Sunway Lagoon were Indian. This grew to five per cent in 2009 and six per cent in 2010. International traffic comprises 40 per cent of our visitors, coming from Europe, America, the Middle East and Asia-Pacific. Overseas guest arrivals are highly seasonal, typically between June-August and November-December.	Universal Studios Singapore has been extremely popular with Indian guests, and they are among our top 10 markets. Resorts World Sentosa and Universal Studios Singapore opened in the first quarter of 2010, and currently, we are still closely monitoring the growth from this market.
Are you specifically targeting the Indian market?	Yes. More affluent middle-class and business travellers are emerging in India due to its booming economy, fuelling outbound travel. Greater ease of travel and aviation capacity from India to Hong Kong are also key. Moreover, Indians don't require a visa.	Yes, a specially designated sales manager for the Indian market is assigned to service locally-based Indian tour agents. Other plans include an Indian food and beverage outlet in Sunway Lagoon.	India remains one of our main targets.
What promotional activities do you have for the Indian market?	Since 2009, we've appointed dedicated sales and marketing representation to work with travel trade partners in order to understand needs and identify opportunities. We intend to reach out to more Indian wholesalers and expand our sales distribution network. 	There are regional and global promotions for all markets and not just India. We serve agents by providing information on activities, promotional materials and ground arrival coordination. There are plans to participate in more roadshows and tradeshow. We also have an active online presence.	We work closely with in-market colleagues and partners like travel agencies to promote Universal Studios Singapore, and to a larger extent, Resorts World Sentosa, as must-see destinations. We also work with the Singapore Tourism Board in highlighting Singapore as the preferred country to visit.
What are the latest attractions that have opened?	The highlight is our new Flights of Fantasy Parade. Asia-exclusive Toy Story Land is scheduled to open in November, and two other world-exclusive themed areas Grizzly Gulch and Mystic Point, are expected to be completed by 2012 and 2013 respectively.	Last year, a bungee jump and the Flowrider, a surf simulator, were added. Both were firsts for Malaysia. The Tornado, a giant slide, is also new to the water park. A 5D theatre at the amusement park with an emphasis on smell and touch is in the works.	The indoor flume ride, Madagascar: A Crate Adventure, opened on May 16. The new attraction, aimed at adults and children, was inspired by Dreamworks Animation SKG's <i>Madagascar</i> film series. The attraction is the first of its kind in the world.
Do you have incentives for agents who book Indian tour groups to your theme park? What are these?	Shopping discount coupons are offered to convention delegates or incentive groups through our partnership with the Hong Kong Tourism Board. – Prudence Lui	The accompanying tour leader will be given complimentary entry. We also have dedicated tour agent counters to ease the process of purchasing entrance tickets and for the collection of entry wristbands if they have been pre-arranged. – Ellen Chen	As with all our partnerships, we strive for this to be a win-win situation for both Resorts World Sentosa and our partners. – Karen Yue 



Test drive

One day I'll fly away

 Sentosa's iFly Singapore lets anyone fly – and who does not dream of that? The problem is, flying is hard, as **Raini Hamdi** discovers

WHY I wouldn't dream of jumping off a mountain or a plane. I think people who do that are mad and marvellous. I never thought I would get the chance to feel the sensation of flying in my lifetime – until iFly Singapore opened.

WHAT The world's largest wind tunnel for indoor skydiving dispelled any qualms I had of flying in open spaces. I fly – i.e. if I can actually take off – in an enclosed vertical tunnel measur-

ing 5m wide and 17m high, with acrylic glass walls all around so people outside can gawk at the ridiculous and extremely hilarious spectacle of a human's first attempt at flying.

HOW Flying is not easy, as I discovered. First, I had to check in 1.5 hours earlier. I did not understand the long wait for what turned out to be the most basic rudiments, taking no more than about 20 minutes learning how to position the body correctly and the hand signals the instructor would use in the tunnel.

Each member of our 12-member group took turns to lie flat on our stomachs on a bench, lifting our legs, then our hands, while keeping our chin straight. This was similar to stretching exercis-

Name iFly Singapore
Rate S\$79 (US\$63) for two skydives during super off-peak periods
Contact details
Tel: (65) 6571-0000
www.iflysingapore.com

es for strengthening the back.

Then, we were given our skydiving gear and goggles before being herded into the waiting room. When my turn came, I was in the wind tunnel before I knew it. The instructor held my body in the position we practised. Was the wind strong and cool!

The instructor hovered around me, his arms keeping me down in check, as he frantically signalled to me to adjust my body position. Then for a precious 10 seconds or so, his hands were off and I flew on my own – it was wonderful.

For the remaining 35 seconds, I was going in circles, bumping into the glass walls. But this did not hurt at all. Just as quickly, I was out of the wind tunnel.

VERDICT I got to go into the wind tunnel twice, each for 45 seconds. If you know how to fly, it is worth going for the super off-peak package for two skydives. If not, it's more satisfying and cheaper to take up the four-skydive package, costing S\$135 (US\$107) during super off-peak.

Silver spoon

Life's a beach, so eat and be merry

 Tanjong Beach Club Dining Room & Bar on Sentosa is one of **Raini Hamdi's** best discoveries to date this year

MENU Coastal dining, with an emphasis on fresh seafood and quality produce. Executive chef Craig Schantz shows off his experience, honed from working in famed kitchens such as Oceana in New York.

The four-course dinner menu encompassed all my favourites. I finally settled on Tanjong salad as my first course. I chose seared bay scallops for my second course, red snapper fillet with prawns and clams for my main; and chocolate ganache tart as dessert. Each was utterly delicious, and I vowed to return to try the other choices on the menu.

AMBIENCE Simple, fresh, clean lines, reminiscent of retro beach clubs. The Dining Room, comprising a mezzanine area and a ground floor, looks out to an alfresco terrace, pool and the surroundings of Tanjong Beach. I

hear the sunset here is something to behold. It was a rainy day, so I just have to come back.

SERVICE Cheerful and efficient. The service staff assigned to my table, Abigail, has a real passion for food and chatted without awkwardness. Just appropriate for elegant beach club dining.

PRICING My set dinner cost S\$70++ (US\$56). Considering the ingredients used and the decent portions, it was excellent value for money.



Name Tanjong Beach Club Dining Room & Bar, Sentosa, Singapore
No. of seats 90 (ground floor)
Contact details
Tel: (65) 6270-1355
www.tanjongbeachclub.com
Verdict    Legend  must recommend to clients  good  recommend @ your own risk

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Checking in

Mövenpick makes a stylish entry

 Mövenpick Hotels & Resorts enters Singapore with a stunning hotel in Sentosa that packs a lot of flair, writes *Raini Hamdi*



LOCATION Excellent location. Minutes to Resorts World Sentosa and practically at the doorstep of Sentosa Express’ Imbiah Station, making it convenient to explore the island’s various attractions, or to transfer to Harbourfront MRT station to zip into town or the CBD. This makes the hotel viable, not just for leisure travellers, but the corporates it also wants to attract.

I was upgraded to an Executive Suite, one of three in the Contemporary wing of the hotel (the Heritage wing has not yet opened). The creature comforts in the room are first-rate: heated toilet seat, Ferragamo toiletries, comfy bathroom slippers, Nespresso coffee machine – you get the drift. The welcome fruit is not the usual fare, but a neat tray of three glasses filled with different types of berries. Great idea.

ROOMS The sleekest I have seen in a long time, with a lovely jasmine scent in the air. Japanese interior designer Super Potato masterfully blends wood and stone to create a warm, modern-looking room that makes me want to stay in all day. You can tell that a real designer was at work.

F&B The future walkway between the two wings serves as a restaurant where breakfast and international fare are served. But no one will go hungry, as there is a surfeit of dining places on the island to suit any budget. When the Heritage wing opens, there will be more dining options.

Name Mövenpick Heritage Hotel Sentosa
No. of rooms Initially 105
Rack rate From S\$750 (US\$595)
Contact details
Tel: (65) 6818-3388
Fax: (65) 6818-3399
www.moevenpick-sentosa.com

SERVICE Courteous and efficient.

FACILITIES I love its column-free Grand Ballroom, which uniquely offers views of the pool. MICE planners, check it out.

VERDICT A grand entry by Mövenpick, giving the chain the right perception as an upscale brand with lots of taste, panache and style.

Amara stays competitive

Amara Sanctuary Resort Sentosa is opening a new wing (Larkhill Terrace) with 18 private suites, bringing the total number of rooms, suites and villas at the resort to 158.

Located behind the main resort, the wing was formerly a World War II British army barracks. The green and peaceful surroundings – much like the main resort – make it ideal for clients who want to escape the maddening theme park crowd.

The barracks have been beautifully restored, with the 18 luxurious suites occupying its two levels. On Level 1 are 12 suites, 58m² in size, while Level 2 fields another six, 63m² in size.

Each suite has contemporary decor, with hints of historic charm. Suites on Level 1 boast direct access to a 45m infinity pool and a spacious courtyard with frameless outdoor bathtub and daybed, irresistible for lounging and tanning.

Level 2 suites have floor-to-ceiling glass windows in the bathroom that look out to the infinity pool and the lush vegetation of the resort.

The new wing, scheduled to open in October, has a promotional offer of S\$800++ (US\$634) onwards for Level 1



The resort will add 18 suites

suites and from S\$1,000++ for Level 2 suites.

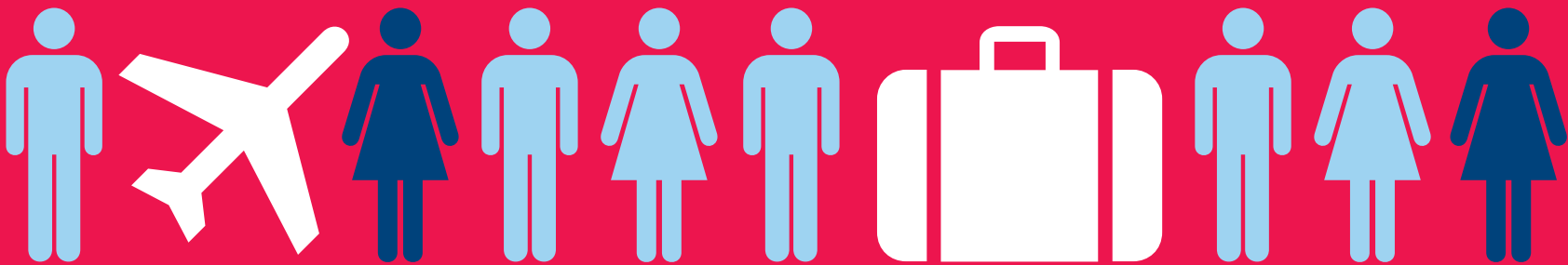
As more hotels open on Sentosa, Amara is sharpening its positioning as a ‘lifestyle resort’ through additional activities such as art workshops and Thai cooking lessons for guests.

The art workshops, for example, are run in conjunction with Singapore’s new artists. The artist in residence at Amara also has his or her own private gallery in which art pieces are displayed for a limited time.

In addition, the hotel has come up with interesting guides such as the resort’s *Walking Guide*. With 3.2 hectares of landscaped gardens and tropical rainforest, not to mention historical treasures, there is much to explore within Amara’s compound, and the guide lists the points of interest with a dash of humour.

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Mid-market brands



West Coast Village Residences

Singapore-based

Far East Hospitality

Mid-market brand:
Village Residences

Description:
There are four Village Residences in key areas across central and suburban Singapore, with designs that reflect the local flavour of each location.
Facilities include gyms, swimming pools, tennis courts and barbecue pits. A range of configurations are available, from studio to three-bedroom layouts.

Aside from Village Residences, the company has six other premium properties in the city and one in Malaysia.

Target market:
Village Residences are aimed at expatriates relocating to Singapore, as well as project teams and leisure tourists travelling with their families. About 80 per cent of clients are expatriates of multinational companies.
The remaining guests are in the Lion City for leisure, medical visits or education, and stay for two to three months on average. Most are Americans, Europeans, Japanese

and Indonesians. There is also an increasing number of guests coming from India, China and the UAE.

Rates:
Current rates start from S\$7,600 per month (US\$5,990) for a studio/one-bedroom suite, about 30 per cent lower than Far East's up-scale residences.

Expansion plans:
The company is currently developing the 200-room West Coast Link to add to its existing 11 residences. – **Linda Haden**



Modena Putuo Shanghai

Frasers Hospitality

Mid-market brand:
Modena

Description:
Fraser's boutique-style hotel residences were introduced in 2009. Three Modena properties are currently in operation – in Heping Tianjin, Putuo Shanghai and Jinjihu Suzhou.
The apartments are geared towards technology-savvy corporate travellers, with in-room amenities like iPod docks, LCD TVs and DVD players. Even the laundry area of-

fers wireless Internet, flat-panel screens and vending machines.
Modena properties have a state-of-the-art 24-hour gym and restaurants serving international cuisine. Apartments come in three configurations – studio, one-bedroom and two-bedroom.

Target market:
The brand caters to mid-level business executives travelling for an extended period.

Rates:
Room rates are 25-30 per cent lower than

other brands in Fraser's portfolio – Fraser Suites, Fraser Place and Fraser Residence. Rates start from RMB500 (US\$78) per night for a studio, although this varies, depending on the length of stay and season.

Expansion plans:
Five more properties are in the pipeline. Modena Changzhou Xinbei, Modena Wuxi New District, Modena Wuhan Zhuankou and Modena Changi Business Park Singapore are scheduled for completion in 2012, while Modena Shanghai Pudong will open in the second quarter of 2014. – **Linda Haden**

“We use (serviced apartments) for stays exceeding seven nights, but I would not consider them as substitutes for hotels due to their high prices, even compared with midscale hotels.”

Andy Michaels Lim, general manager, Bonvo Travel, Singapore



Citadines on Bourke Melbourne

The Ascott Limited

Mid-market brand:
Citadines

Description:
Citadines Aparthotels are located in city centres, providing travellers with efficient, clean and flexible spaces for daily living, coupled with all the conveniences of a modern hotel. Broadband Internet access, fully-equipped kitchens and home entertainment systems feature across 71 apartments in 15 countries worldwide.

Citadines apartments come in three layouts – studio as well as one-bedroom and two-bedroom. Services offered include babysitting, dry-cleaning and business corners.

Target market:
The brand caters to corporate as well as independent leisure travellers.

Rates:
Rates vary according to the occupancy of respective properties. The best available rate for a studio at Mount Sophia Singapore was S\$290 (US\$225) per night at the time of

publication, 30 per cent lower than the rate charged by Ascott Raffles Place Singapore, one of the firm's premium residences.

Expansion plans:
The Ascott Limited has a target of 40,000 units by 2014, from 28,000 today.
Eight Citadines-branded serviced residences are in the pipeline. Three – in Bali, Kuching and Jakarta – will open in 2012. Two are scheduled to open in 2014 – one in Manila and the other in Bangalore. Three more will open in 2015 in Hyderabad, Chennai and Ahmedabad. – **Linda Haden**



Oakwood Residence Hangzhou

Oakwood Asia-Pacific

Mid-market brands:
Oakwood Residence and Oakwood Apartments

Description:
Limited-service Oakwood Apartments are located in key city centres and come in studio, one-bedroom, two-bedroom and three-bedroom configurations.
Oakwood Residence properties, conversely, provide extensive services, including a 24-hour front desk, airport pick-up, regular housekeeping and an on-site restaurant. Five layouts are available: studio, one-bedroom, two-bedroom, three-

bedroom and four-bedroom.
Oakwood Asia-Pacific has 13 properties that belong to the Oakwood Residence brand – five in China, one in India, four in Japan and three in Thailand – and four are under the Oakwood Apartments label – one each in Hong Kong and Thailand and two in Japan.

Target market:
Oakwood Apartments are targeted at single professionals and couples, while Oakwood Residence is designed for families and business and leisure travellers.

Rates:
Current promotional weekend rates start

from 1,496 baht (US\$50) per night for a junior studio at an Oakwood Residence in Bangkok to RMB1,510 (US\$237) per night for a two-bedroom deluxe at Oakwood Residence Shanghai.

Rates for both the Residence and Apartments brands are approximately 30-50 per cent lower than Oakwood's upscale brand, Premier.

Expansion plans:
Properties in Jakarta and Mumbai are in the pipeline for both brands. Ahmedabad, Lavasa and Hyderabad have also been designated as locations for new Oakwood properties, although information on which brands they will come under is unavailable. – **Linda Haden**

Asia's serviced apartment stock is fast multiplying. *TTG Asia* reporters look at the take-up among travellers seeking mid-tier accommodation

Hong Kong

Ovolo Group

Mid-market brand:
Ovolo

Description:

Ovolo Group, established in 2002, brings together intelligent design, comfort and state-of-the-art technology in its mid-market-to-luxury brand. It operates five serviced residences on Hong Kong Island, offering studio to two-bedroom configurations, as well as an all-suite business hotel in Kowloon, which has two- and three-bedroom apartments.

The recently renovated 222 Hollywood Road, Sheung Wan, for example, has designer furnishings and conveniences like the new Apple TVs, Bose surround sound systems, towel warmers, rain showers, washers and dryers. A stone's throw away from Soho and Lan Kwai Fong, it also has a 7-Eleven at the ground level.

Target market:

Executives who want to stay within close proximity to the city, but also in a space that has been carefully and aesthetically designed.

Rates:

Ovolo's properties range from HK\$25,000 (US\$3,200) a month for a two-bedroom apartment at its recently launched 256 Tung Chau Street, West Kowloon residence to HK\$56,000 for a one-bedroom apartment at 2 Arbuthnot Road in Central.

Expansion plans:

The group is on the lookout for new opportunities, not only in Hong Kong, but also in regional markets like Australia, Singapore and Japan. — **Prudence Lui**

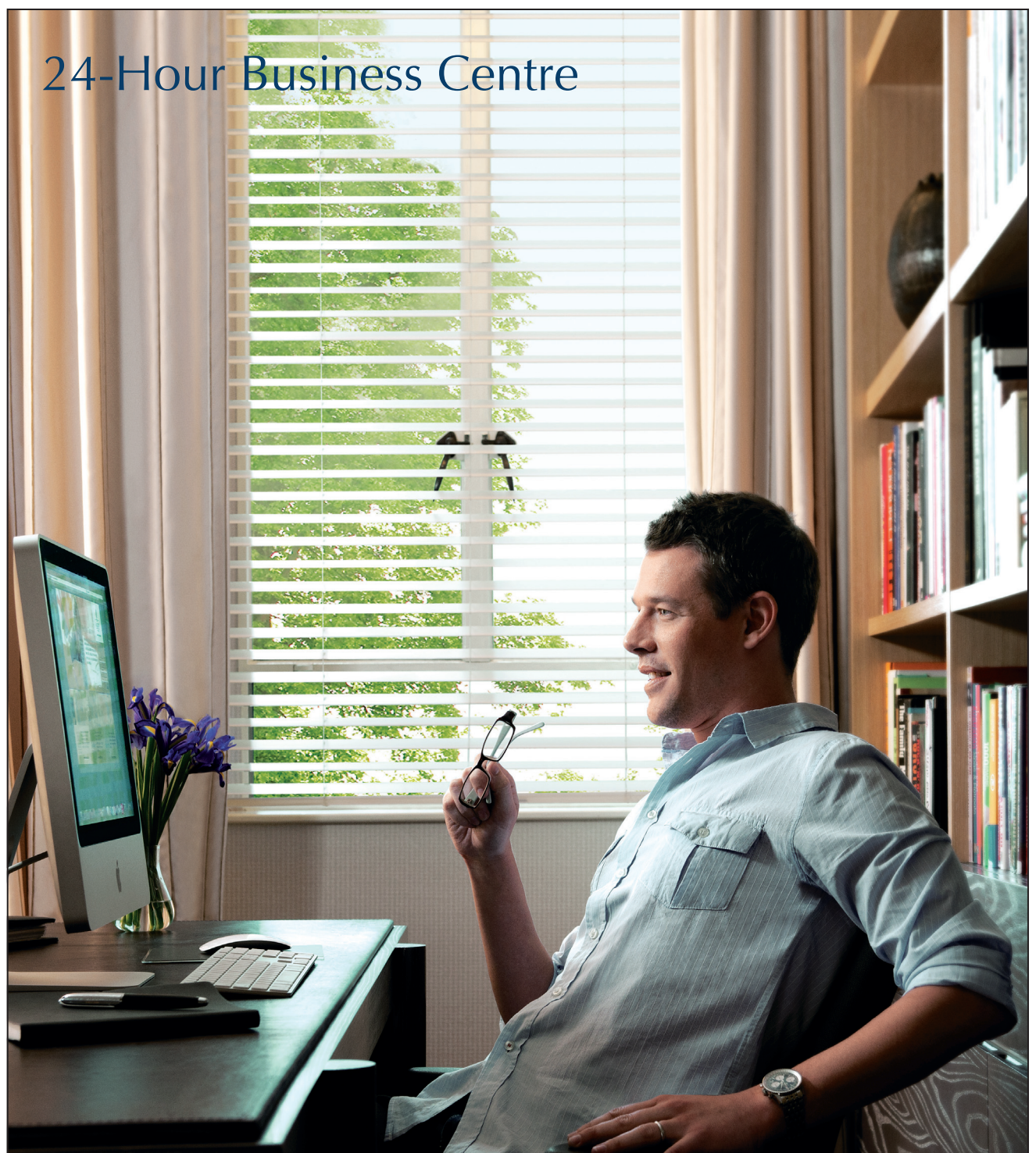
"We only have a handful of requests for serviced residences. Hong Kong is a small city and visitors here have shorter stays of four to five days, unlike destinations like Thailand."

Edward Chan, general manager, Airport Shuttle Services/Vigor Tours, Hong Kong

Ovolo at 222 Hollywood Road



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Eaton Hotels International

Mid-market brand:
Eaton House

Description:

Eaton House has three furnished apartment properties in Hong Kong that can be booked for short- to long-term leases. All apartments come with services such as housekeeping and concierge, and neutral colours were used in the design for a clean, modern feel.

Target market:

Eaton House Blue Pool Road targets businessmen with families; Eaton House Village Road caters to medical tourists; and Eaton House Wan Chai Gap Road is suitable for those looking for a convenient location in a quiet environment.

Rates:

Monthly rates at Village Road range from HK\$20,000-HK\$31,000 (US\$2,566-3,977); at Wan Chai Gap Road, HK\$22,000-HK\$27,000; and at Blue Pool Road, HK\$25,500-HK\$66,500.

Expansion plans:

There are no new properties in the pipeline. — **Prudence Lui**



Best Western Introduces New Mobile Site for Rewards Members

Best Western Rewards mobile site caters to windshield warriors and allows travelers to manage their Rewards from the road!

Best Western International introduced a new mobile site that allows the nearly 13 million Best Western Rewards® members to manage their profiles, review their balances and redeem points for travel and merchandise, all from their smartphones.

Travelers interested in joining Best Western Rewards can also do so through the new mobile site, www.BestWestern2go.com, as well as review current offers and book future travel to more than 4,000 Best Western hotels in 90 countries.

"We're seeing that booking windows continue to shrink, as more windshield warriors manage their travel plans through their smartphones," said Tammy Lucas, managing director of marketing programs for Best Western International. "We are committed to providing the mobile channels and applications that travelers value so that they can dream, shop and share travel through our brand."

Best Western Rewards points, which can be earned at any of the brand's global hotels, can be redeemed for free room nights with no blackout dates, the Best Western Travel Card®, dining, shopping, gas cards, airline miles and more.

The Best Western Rewards mobile site is a complement to the brand's primary mobile site – www.BestWestern2go.com and the free "Best Western to Go" application for iPad, iPhone and Android. The mobile site and application allow travelers to find and book reservations at more than 4,000 Best Western hotels worldwide.



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From left: Shama Sukhumvit, Aston Kuta Hotel and Residence, and Swiss-Garden Residences Kuala Lumpur

Thailand

Onyx Hospitality Group

Mid-market brand: Shama

Description: Founded in 1996 in Hong Kong, Shama Group has two sub-brands – Shama, the mid-upmarket brand, and Shama Luxe, the brand for more upscale clientele. The serviced apartment provider

was acquired by Thai-based Onyx last year. Shama Group has six properties in Hong Kong, four in Shanghai, one in Dalian and one in Bangkok.

Shama positions itself as a mainstream boutique serviced residence brand with properties in prime locations.

In Bangkok, Shama Sukhumvit is along Sukhumvit Road Soi 2, and within walking distance to the BTS Ploenchit and Nana stations in the

heart of Bangkok. The apartments range from one- to three-bedroom configurations.

Target market: Long-stay expatriates, corporate clients and businessmen who stay for a minimum of one month.

Rates: In comparison to Onyx's other serviced residence brand in Bangkok, the rate at Shama Sukhumvit,

which stands at 75,000 baht (US\$2,500) per unit a month, is 36 per cent higher than Amari Residences Sukhumvit and 30 per cent higher than Amari Residences Bangkok on Petchburi Road.

Expansion plans: The group plans to expand in the Asia-Pacific region, where its key locations for business development include Vietnam, Malaysia and Singapore. – **Sirima Eamtako**

"We are seeing increasing demand from the high-end Middle East market, which is shifting from luxury hotels to serviced residences, although they are still attached to upscale brands. In general, demand is also on the rise, due to the lower prices when compared to hotels with similar facilities."

Patcharanee Somsamai, business development manager-Thailand and Indochina, Destinations of the World (Thailand)

Indonesia

Aston International Hotels, Resorts and Residences

Mid-market brand: Aston Hotels & Residences

Description: Aston Hotels & Residences operates under a hotel and serviced apartment licence. It offers serv-

iced apartments or a mix of hotel rooms and serviced apartments for short and long stays.

There are currently nine four-star residences and one five-star residence, all in Indonesia.

All apartments have kitchenettes, and some two- and three-bedrooms have washing machines.

Target market: Most of Aston's long-stay guests

are domestic or South-east Asian, middle to upper management level, engineers working in oil and gas companies, or system administrators in the IT and banking industries, said vice president of sales and marketing, Norbert Vas.

"We also target leisure niche markets such as the Middle East family market for Jakarta and European retirees for Bali," he added.

Rates: Between US\$1,800 per month for a one-bedroom and US\$2,600 per month for a three-bedroom in a four-star residence, while a five-star residence starts from US\$3,000 a month.

Expansion plans: Three more properties are under construction and scheduled to open next year. – **Mimi Hudoyo**

"We use Aston a lot because they have both hotels and residences. European groups stay in the hotels, while the serviced apartments are popular among the Middle East and family markets. Their units are more efficient for Middle East travellers, who stay a minimum of five nights."

Ismail Ali, executive director, Marintur Indonesia

Malaysia

Swiss-Garden International Hotels, Resorts and Inns

Mid-market brand: Swiss-Garden Residences

Description: Officially opened in August, the Swiss-Garden Residences Kuala Lumpur is the first serviced residence property for Swiss-Garden International.

Its key market comprises corpo-

rate travellers with various lengths of stay, and services such as Wi-Fi Internet, a business centre and shuttle buses to key locations in the city are offered. It also caters to families, with facilities like an infinity pool, game room, reading room and children's playground.

Target market: The property targets independent business and leisure travellers seeking midscale accommodation that provides a contemporary lifestyle experience, yet replete with

hotel facilities, ideal location and warm hospitality.

Rates: Rates correlate with its positioning as a four-star deluxe service apartment, ranging from RM298 (US\$100) a day for a one-bedroom unit to RM2,388 a day for a suite. Five-star serviced residences in Kuala Lumpur, like Micasa All Suite, start from RM345 per night.

Expansion plans: Swiss-Garden International will

be adding three more properties to its current portfolio within the next two years. They are the Swiss Garden Hotel & Residences in Butterworth, Penang; Swiss-Garden Hotel & Residences Cameron Highlands; and Swiss-Garden Hotel & Residences Malacca. This will boost the group's room inventory by approximately 90 per cent.

The expansion programme also comprises management contracts in emerging destinations in South-east Asia. – **N. Nithiyananthan**

"Serviced residences are especially popular with families who come on FIT bookings. A property like the Swiss-Garden Residences Kuala Lumpur is a good substitute for a four-star hotel. Furthermore, it is new, has F&B facilities and is a walking distance from major shopping locations."

Andy Muniandy, director of sales, Asian Overland Services Tours & Travel, Malaysia

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The redeveloped Tian Zi Fang is one of more than 70 creative zones now open to tourism

Xinlei Wang

Shanghai's big draws

New tourism attractions and events continue to spring up in the city, writes **Xinlei Wang**

NTO Shanghai is gearing up for a boom in tourism and is developing itself as an international tourism destination through its 12th Five-year Plan.

According to the Shanghai Municipal Tourism Administration (SMTA), it is expecting about 240 million domestic and 10 million international visitors by 2015, as well as a revenue growth of more than 70 per cent from tourism. To achieve this, the municipal government plans to invest RMB40 billion (US\$6.3 billion) in tourism projects.

To further grow the inbound market, Shanghai recently signed agreements with Japan's Tottori, Okayama and Hiroshima prefectures for mutual promotion of each other's destinations. The city is also training more Japanese-speaking tour guides.

In addition, there is a move to improve service standards within the hospitality industry, with classes being organised on the English language, hotel management and tourism.

Access Continental Airlines is set to fly direct from Shanghai to Guam once every five days starting September 30 until

the beginning of next year. China Eastern Airlines also started a once-a-week route from Shanghai to Hamburg in August.

Meanwhile, the Jin Shan New Town Management Bureau officially launched its Yacht Economy project on September 8, aiming to build a world-class yacht dock at Shanghai's only man-made 'golden beach'.

Hotels The city's hotel industry is getting intensely competitive due to the increasing number of world-class hotels, said SMTA chairman Dao Shu Ming (see page 21). Over the last three years, construction kicked off on more than 64 star-rated hotels. New projects include the Shanghai Tower J-Hotel and Traders Hotel Zhabei.

Occupancy has dropped by 20-25 per cent compared to 2010, when the World Expo was held, observed Farrel Yi, marketing communications director of The Puli Hotel and Spa.

But The Puli general manager, Martijn Van der Valk, qualified the decline: "The Expo year can't be treated as a standard reference when it comes to evaluating market performances. On average, top hotels like The Puli have



"There is no need for more hotels in Shanghai right now unless they can do astonishingly well, as the pie really isn't getting much bigger."

Martijn Van der Valk
General manager
The Puli Hotel and Spa

maintained about the same occupancy as before the Expo."

CBRE Hotels senior consultant Regina Wu said: "The continued influx of international brands, as well as the recent expansion of existing brands have both put pressure on occupancy levels for upper-tier hotels."

Rates, on the other hand, have "plenty of room for steady growth in the mid- to long term," she said, adding that luxury hotels were offering excellent and more sophisticated services, and efforts were being made by the Shanghai government to attract future MICE.

Products Shanghai has a bevy of new attractions coming up. Said Cheng Mei Hong, SMTA deputy director: "Disneyland Resort and the second phase of Happy Valley (theme park) will be the two major projects being constructed within the next few years."

Interest has also been strong in the newly-restored creative clusters, after successful redevelopment of Tian Zi Fang, Sinan Mansion, Bridge 8 and Cool Docks where old buildings have been turned into hip areas with restaurants, galleries and design

firms. According to the Shanghai Foreign Investment Development Board, 75 creative clusters are now open.

Wu Mei Sen, chief planning officer, Tian Zi Fang Property Management Committee, said: "These places definitely appeal to those who are into exploring the city's art, culture and history."

Deng Kun Yan, chief designer, Yangshupu 2200 Creative Garden, added: "We realised the huge potential of these creative zones in adding a new dimension to the tourism industry only after Tian Zi Fang's success. Creative spaces are now starting to have more tourism facilities."

Etc Upcoming events include the 2011 JZ Music Festival from October 15-23 and the World Chocolate Wonderland from December 16 to February 19. *The Pixar: 25 Years of Animation* exhibition is also currently running until October 30.

While travelling within the city, visitors can also look forward to safer taxis. According to the Shanghai Traffic Police Authority, 49,000 taxis will be equipped with electronic ID cards at the end of the year for easier authentication by the police.

Sharp rise in MICE events

Robust demand spurs Shanghai's hardware and software massive upgrade, reports **Xinlei Wang**

1 How is Shanghai's MICE market doing? The city continues to be popular with the MICE crowd, accounting for half of the country's revenue gain from MICE last year, said Shanghai Conference and Exhibition Industries Association (SCEIA) president Wu Cheng Lin.

"By September, Shanghai will have held 240 large-scale MICE events for this year. The number has grown by 76 per cent compared to the first nine months in 2010," he pointed out.

Event management standards have also improved, said Wu, adding that many international professionals chose to stay behind in Shanghai after the Expo, contributing to the expertise.

"Shanghai is expecting a 20 per cent revenue growth from MICE each year," said Sha Hai Lin, director of Shanghai Municipal Commercial Committee.

2 How is Shanghai preparing for growth? Policy-wise, the Shanghai Municipal Tourism Administration (SMTA) is

proposing that the visa-free period for foreign visitors be extended beyond 48 hours in order to encourage more business and leisure traffic.

By 2015, total exhibition and convention space in Shanghai will reach 1,500 hectares, which is nearly double the current 806 hectares, said SMTA deputy director Patrick Chen.

A Greater Hongqiao master plan has also been drawn up, with 18 major projects earmarked for the district over the next two to five years, added Wang De Pei, vice president of think tank China Society of Economic Reform.

Currently under construction is the 120-hectare Hongqiao International Conference Center, which will feature a conference hall with 3,000-pax capacity and multi-functional conference rooms in varying sizes, thrice the size of the Shanghai New International Expo Center in Pudong. Other upcoming venues include the Shanghai World Trade Center and Hongqiao Trade Exhibition Center.

Building spree

2

Total exhibition and convention space will nearly double by 2015

3 What new venues are MICE planners interested in?

Cruises are increasingly being used for high-end corporate events, and their clientele includes international brands such as BMW, Omega and Porsche.

Royal Caribbean International, China country manager, Lu Shu Wen, said product launches and staff parties have been held onboard. "Cruises not only provide a brand new experience but a more budget-efficient option, compared to meeting rooms in

five-star hotels," she added.

Shanghai's suburban areas are also popping up on itineraries. Corporate incentive trip planner, Team Power, recently added Jiading and Qingpu as part of its daytrip line-up. In addition, rejuvenation is underway in Jinshan, with cruise docks being reconstructed and a new beach area planned.

4 Are there new types of MICE events being held?

A green consciousness is sweeping across Shanghai, and this is being reflected in the kind of events the city is playing host to. Recent ones include Eco Lifestyles 2011 in September and the 3rd China Solid Waste Summit 2011 in December.

Shanghai's MICE ambassador programme is likely to keep this trend going. According to SCEIA's latest monthly MICE report, this year will see 16 more ambassadors being recruited, with more than half of them from environment-related industries.

5 Does Shanghai have the software to keep up? Stakeholders are realising that one of the city's biggest obstacles to becoming a top MICE destination is its lack of qualified manpower.

Shanghai Municipal Commercial Committee's Sha said the requirements for MICE events were getting more sophisticated, with calls for more innovative meeting solutions, and a higher level of service and support.

Howie Lam, managing director of luxury event planner Angles Communications, agreed. "These days you need to understand the client's brand image and product message in order to tailor the event. It involves high creativity."

There have been steps in the right direction. "New courses are being offered, with more foreign textbooks being used in classes," said Alex Hall, senior manager at hospitality training firm, Jett.

Reputable training organisations are also trying to recruit more seasoned industry professionals, he added.

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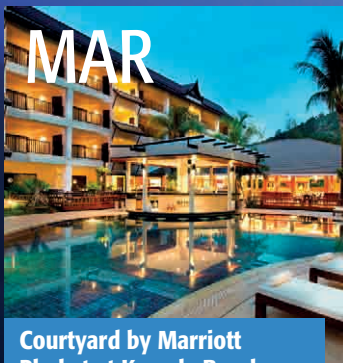
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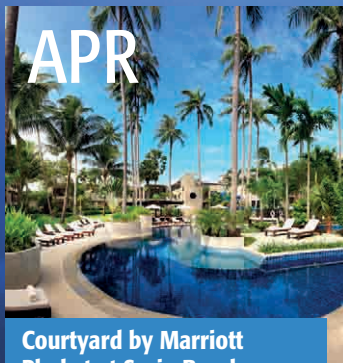
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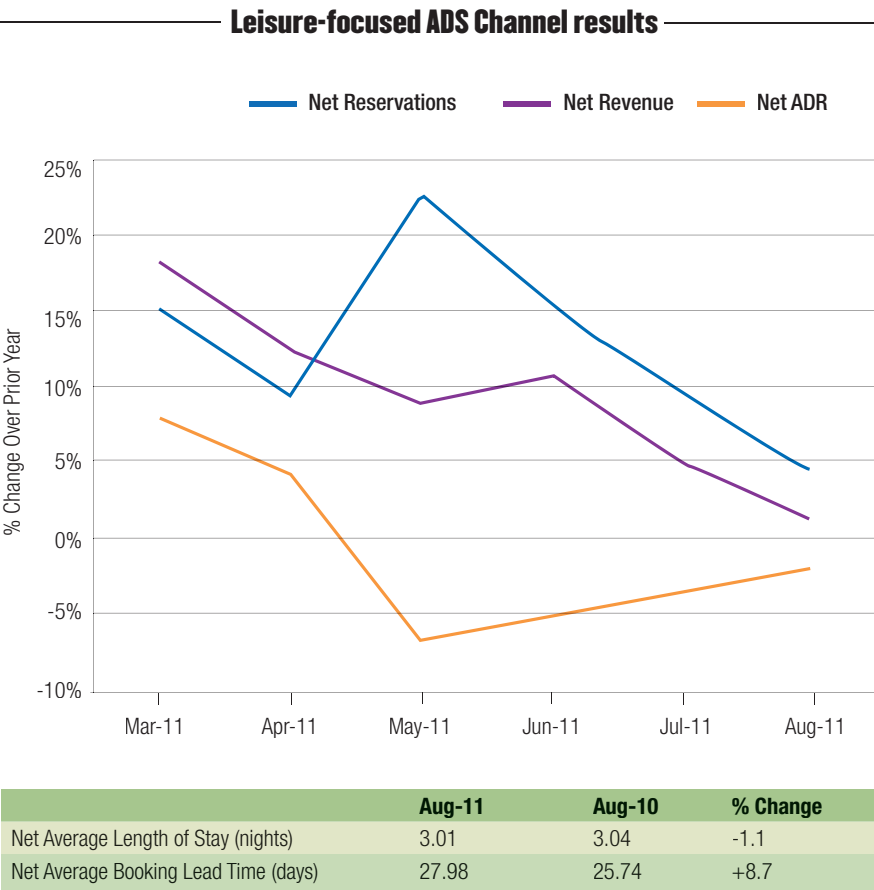
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Rising room supply suppressing rates



Data represents bookings from the leisure-focused alternative distribution system (ADS) channel, which consists of purely Internet bookings. This includes non-GDS online third-party channels or online travel agents primarily used by consumers. The data is stated on a date of booking basis, and a constant exchange rate is used for calculations in order to eliminate currency exchange rate fluctuations.

China's hotel industry recovered phenomenally in 2010 after reaching a recessionary low in 2009, making double-digit growth seem standard rather than exceptional. With such a strong base, August's leisure booking growth of five per cent, over and above the gains made in 2010, can be considered a substantial achievement. China's travel industry is still going strong, despite expanding at a more muted pace compared to before.

Leisure average daily rate (ADR) has been behaving more erratically than bookings, highlighting its sensitivity to shifts in external factors. After sliding from an almost eight per cent increase in March to a decrease of 6.5 per cent in May, it picked up again and made its way back to within a couple percentage points of last August's ADR.

Results among local markets will certainly vary, but it is evident that the slowdown in China's economy, the decline in inbound arrivals (due in part to the anaemic global economy and Japan's earthquake crisis) and the rising volume of hotel rooms are all putting downward pressure on all three indicators.

The surge in hotel room supply is particularly worrying for Chinese hoteliers. China's booming travel market, largely driven by its expanding middle class, has enticed an onslaught of new hotel development across the country. Brand-new properties often slash rates to lure guests, contributing to the fall in ADR growth.

China's average leisure length of stay (LOS), on the other hand, has remained relatively unchanged since 2010, reflecting wider trends. To China's benefit, its average LOS is longer than the global average. Its LOS stood at 3.01 nights in August compared to 1.96 nights globally.

Consumer confidence and a propensity to spend can also be seen in the longer reservation lead times. In this case, bookings made in August 2011 were made, on average, 27.98 days ahead as opposed to 25.74 days in August 2010, a significant rise of 8.7 per cent.

China's travel industry continues to be a strong and lucrative one. Based on the given data, growth is set to continue, a trend affirmed by other industry sources. Nonetheless, the rate of growth will depend hugely on the extent to which room demand continues to outweigh room supply.

In this tie-up with TTG Asia, Pegasus Solutions provides an up-close look at destination-specific hotel performance. Data and analysis is based on over four billion monthly transactions processed through Pegasus' hotel switch technology. Besides tracking leisure-focused ADS channel results, Pegasus also looks at transactions made through the business-focused GDS channel. For regional trends, visit www.pegas.com/thepegasusview.

Test drive

Dodgy bullet



Maggie Rauch gets up to speed on the much-touted Beijing-Shanghai rail link, which still has a few kinks to work out

WHY In a country with no shortage of infrastructure development, the Beijing-Shanghai high-speed train was China's biggest engineering feat this year. Promising to cut the overland journey between the two cities from 11 to five hours, trains would hurtle along at speeds ranging from 250kmh to 300kmh. When they opened to the public in early July, air ticket prices took a dive.

What a difference a few weeks makes – on July 23, two high-speed trains collided in Zhejiang Province, killing at least 30. The problems that caused it were said to exist system-wide. Trains were cancelled for a few days before service resumed in time for my trip.

HOW I bought my RMB555 (US\$87) second-class ticket on official booking website www.12306.com.cn, but navigating it was difficult as it does not have an English-language version. Before leaving for my trip on the 8.00 G11 train, I stocked up on water, food and cellphone batteries. More than another accident, I feared delays. A friend had recently needed 11 hours to make the trip, and local agents told me they were avoiding high-speed trains.

I took the subway to Beijing South Railway Station where, as a foreigner, I could not use the self-service ticket kiosk. Instead, I had to wait in line at a ticket window. My train left on time and I was very comfortable, despite being seated in the

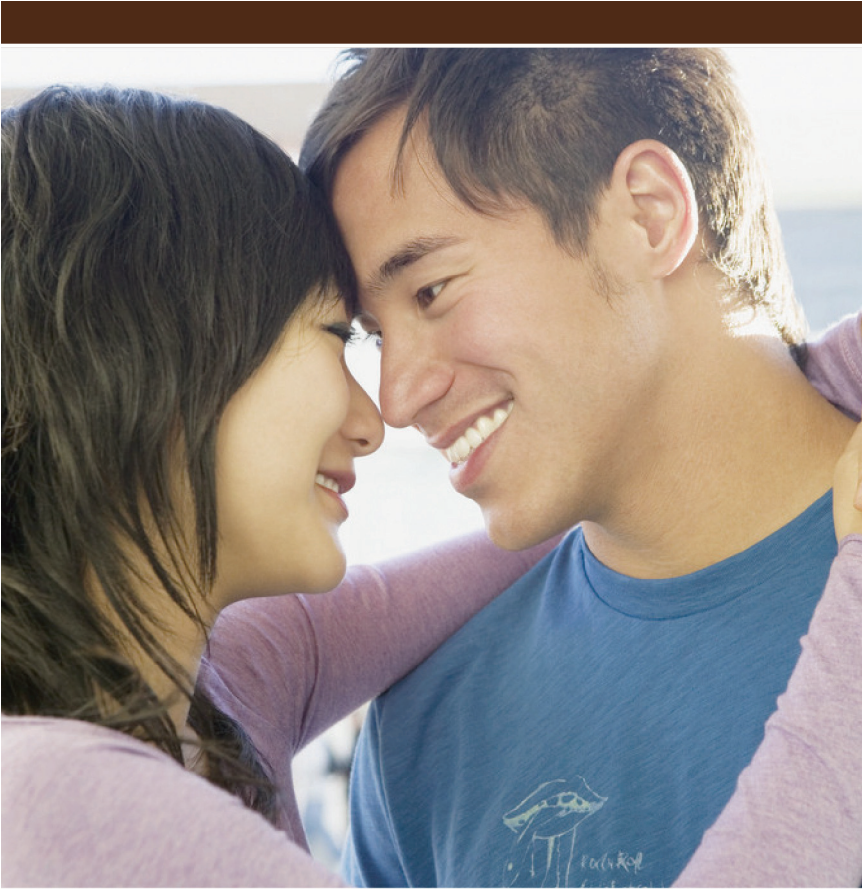


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middle. The big, plush seats had plenty of legroom, reclined nicely and the one power outlet for every three passengers made me wonder what luxury the first-class passengers must be enjoying. The bathrooms were also spacious and clean.

We arrived without incident at 13.00 at the Hongqiao transport hub, which includes the train station, an airport and a subway. I peeked at first class, which looked like second class, but with a little more space. A friend who rode first class later in the week said there were no amenities to make it worth paying RMB900 for his ticket.

VERDICT I saved time and money, and the ride was more comfortable and scenic than a flight. However, throughout the rest of the summer, the authorities continued to tweak schedules and speeds, and new concerns about safety led to the recall of some trains. For now, flying seems more reliable – which is a shame because high-speed rail is a great way to travel between Beijing and Shanghai.



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New front for Accor

As cornerstone of economy strategy, Ibis will grow presence

By Linda Haden

SINGAPORE Accor's strategic reboot of its economy portfolio has won praise from the trade, who say it is a wise idea to build on the strength of the Ibis brand.

As part of a global revamp, the group's economy hotels will fall under the Ibis mega-brand comprising Ibis; Ibis Styles, re-branded from All Seasons; and Ibis Budget, previously Etap Hotel and Formule1.

At an economy hotels conference earlier this month, Gaurav Bhushan, Accor's senior vice-president development-Asia-Pacific, explained that the move was made in response to dramatic changes in consumption patterns. "Today, the (consumer's) decision to buy into a brand is not determined by income level but by the brand's ability to meet expectations, whatever the price," he said.

As such, Accor's economy products and services needed to be revitalised, he added, pointing out that some 150 million euros (US\$206 million) will be invested into enhancements such as better beds, public areas, F&B

Key brand initiatives

- Ibis becomes a mega-brand with three distinct products: Ibis, Ibis Styles and Ibis Budget. Full roll-out expected to be completed by 2013
- Parent Accor brand will have a new tagline: *Open New Frontiers in Hospitality*
- Accor to be known as an endorsement brand, with a by Accor signature
- Loyalty programme AClub renamed Le Club Accorhotels

offers and technologies.

Having recently relaunched its Holiday Inn brand, Intercontinental Hotels Group vice president for development, Asia Australasia, Phil Kasselis, was unsurprised by the changes.

"Customers can no longer be defined by traditional market segmentation markers; customers must now be demarcated by event or occasion," he said.

Accor Asia-Pacific chairman and COO, Michael Issenberg, told *TTG Asia* there would also be strength in numbers. "By

definition of consolidating the brand, the Ibis network automatically increases," he said.

He was confident that potential owners would find it beneficial to belong to a brand that was 1,500-hotel strong.

Inbound tour operators were positive about the rebranding.

Luzi Matzig, CEO, Asian Trails, said: "(Accor) started to get into a bit of a 'brand salad', confusing just about everybody with too many brands and sub-brands."

Said Manuel Ferrer, regional managing director, Pacific World Singapore, Malaysia and Indonesia: "Ibis has a good reputation in the economy hotel segment, and Accor is leveraging on its huge brand equity."

Accor Asia-Pacific's key executives underscored this.

Ibis is a widely recognised brand in South-east Asia and the change would solidify the group's presence in the region, said Kevin Bossino, regional general manager for Accor Singapore.

In China, Ibis also enjoys wide recognition, added Robert Murray, Accor's senior vice president-Greater China.

Thailand banks on Miracle

By Sirima Eamtako

BANGKOK The Ministry of Tourism and Sports is seeking a budget of three billion baht (US\$100 million) to embark on the new government's immediate tourism priority, the 2011-2012 *Miracle Thailand* year.

Focusing on major events held in conjunction with key royal celebrations, it will be promoted alongside the overarching *Amazing Thailand, Always Amazes You* campaign as it aims to multiply the country's annual tourism revenue, said Chumpol Silpa-archa, deputy premier and reappointed tourism and sports minister.

He said the sum would be spent on some 40 events and promotional projects commemorating the 84th and 80th birthdays of the Thai king and queen respectively.

Some of the projects being floated, aside from the confirmed Royal Barge Procession on October 22, are the grand celebrations on December 5 and next August 12, an orchestra in the Royal Park and a Formula 1 race.

The requested funding is part of the ministry's fourth revised 2012 budget proposal, totalling 42 million baht, which was tabled to the Cabinet on September 16.

Thailand hopes to more than double tourism revenue to about two trillion baht in 2015, up from 700 billion baht expected this year, said Chumpol.

"We will no longer count on visitor numbers, but will concentrate on enticing higher spending and longer length of stay in niche markets," he said.

"We will also continue with the tourism insurance policy (up to US\$10,000 coverage per person) to assure tourist safety in both normal and crisis times."

Tourism Council of Thailand president Piyaman Tejapaibul said the country could use a supporting campaign to uplift its image after a few turbulent years and just six months of relative Thai political stability.

"There is nothing to lose (in having two brandings), as the *Miracle Thailand* year will cast an even brighter spotlight on the strong *Amazing Thailand* brand," she said.

Similarly, Duncan Webb, chief marketing officer and executive vice president of Onyx Hospitality Group, said the *Miracle Thailand* campaign would complement the *Amazing Thailand* message by highlighting the events marking Thailand's auspicious occasions.

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With a global outlook and a successful business model, South Korea's top luxury hotel group aims for the sky

THE Lotte brand, long known for its hotel operations in South Korea, is making headway overseas. In a move that signals the beginning of a much-anticipated international expansion, Lotte Hotel group has opened Lotte Hotel Moscow, a six-star development that delivers the best of the Lotte brand. This venture capitalises on the longstanding success and fine reputation of Lotte's hospitality business.

The Lotte Hotel company was founded in 1973. Its first hotel, Lotte Hotel Seoul, opened in 1979, followed by Lotte Hotel World, Lotte Hotel Busan, Lotte Hotel Jeju and Lotte Hotel Ulsan. The brand grew to become a byword for luxury in South Korea. With visionary leadership and management, it recently expanded into other sectors of the hotel industry. First with a premium business hotel called Lotte City Hotel Mapo in 2009, followed by Korea's first history- and culture-themed resort Lotte Buyeo Resort 2010.

In South Korea, the company has announced plans for new developments in Gimpo Airport, Seocho of Seoul Metropolitan City and Jeju Island. Also in the pipeline are two seven-star super luxury business hotels, which are scheduled to open in the 123-story Jamsil Lotte Super Tower and the 107-story Busan Lotte Tower. Designed as part of the skyscrapers amid the rich urban landscape, the

hotels will symbolise Korea's best business hotels."

Industry observers are following Lotte's upcoming overseas projects with interest. The hotels in Hanoi, Vietnam and Shenyang, China, are scheduled to open in 2013 and 2014 respectively.

Lotte Hotel Seoul, the group's flagship hotel, remains one of South Korea's most prestigious hotels. For three decades, it has been the city's top choice for international events. It has won accolades from *TTG Asia* ("2010 Best City Hotel in Seoul"), *Business Traveller* ("The Best Business Hotel in Seoul" from 2010-2011), *Global Traveler* ("The Best Individual Hotel in Asia" from 2006-2008) and the world's largest online booking website Expedia.com ("2010 Best Business Hotel in Seoul"). Its restaurant Pierre Ganglier à Séoul – the only one in South Korea boasting a three-Michelin-starred chef – has also been recognised as the country's best in the 2009-2010 edition of the *Miele Guide*.

Having grown in tandem with South Korea's tourism industry through the years, the Lotte Hotel group has gained depth and breath in all facets of the hospitality business. With a global outlook and a successful business model, it is poised for global growth. Lotte is the largest luxury hotel group in South Korea today and has offices in Tokyo, Osaka, Los Angeles, New York, Shanghai, Beijing and Frankfurt.



After Moscow, Lotte hotels will open in Hanoi, Vietnam and Shenyang, China.

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* Some of our topics and speakers as of August 19, 2011



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Martin Symes, CEO, WEGO



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Hajar Ali, founder, Urbane Nomads Singapore



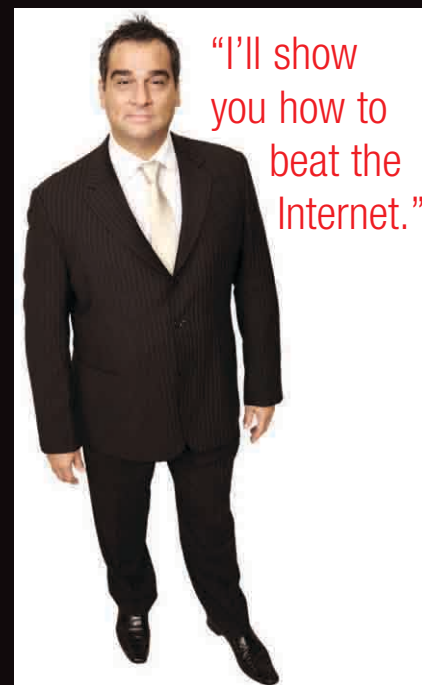
Arthur Kiong, MD hotel operations Asia-Pacific & SVP group marketing services, Banyan Tree Hotels & Resorts



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