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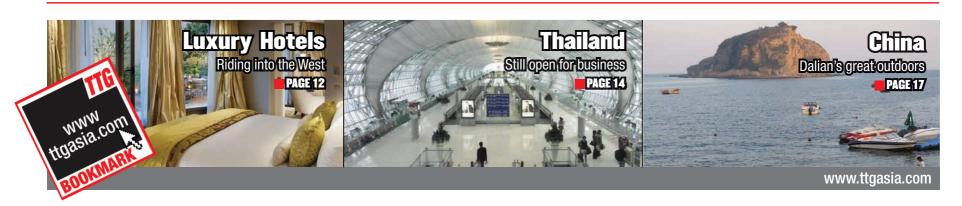
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No. 1648/December 2 – 8, 2011



Indian airlines slash flights

Tighter capacity

Percentage of flights

from its winter schedule

Kingfisher removed

Impact on outbound travel certain

By Shekhar Niyogi

KOLKATA Travel experts are feeling the pinch from the reduction in air capacity during India's high season, as loss-making airline companies cut back on flights.

Kingfisher Airlines has withdrawn more than 30 per cent of the 418 flights scheduled to operate during winter, citing reconfiguration of aircraft. Kingfisher Red, the group's LCC, also ceased operations recently.

Dr Vijay Mallya, co-owner of Kingfisher Airlines, told report-

ers at a press conference that fuel prices were at near-record highs and that it struggled with taxes levied by state governments on fuel.

"It is time to stop flying any routes that are not profitable for us," he said.

Meanwhile, flag carrier Air India and its

budget arm Air India Express curtailed flights to destinations such as Malaysia over the last month or two, shaving off between 20 and 35 flights a week on average.

Travel consultants said the loss of flights prevented them from making any advance bookings, especially to popular destinations such as Singapore, Bangkok, Colombo and Kathmandu.

Gainwell Travel and Leisure general manager Seema Ahmed said: "The uncertainty over resumption of Kingfisher flights and the withdrawal of Air India Express flights has impacted several groups that we have con-

firmed to Bangkok and Singapore. These are fixed departures, and we have paid deposits to the airlines. We and our clients are very stressed about this issue."

Mamta Panjani, general manager, Mercury Travels, said the volatility of the situation had made it difficult to secure groups. "We are very concerned about rampant flight cancellations as this will impact our high season winter bookings in the near term and result in escalating flight costs in the longer term."

Rajesh Arya, director, India

International Tours & Travels, added that this would also impact domestourism. "Winter is a high season for tourists within country because of the long school holidays good weather.

"This be a very bleak domestic high

season if the airlines do not resume their full schedules," he

Aside from Kingfisher Airlines and Air India, Jet Airways, GoAir and SpiceJet have posted losses in the last quarter. Last week, airline chiefs also met the prime minister to air their concerns.

Against the background of cash-strapped Indian airlines, the government is considering opening up the aviation sector to foreign airline investment, capping it at 26 per cent of total equity. Currently, foreign airlines are not allowed to invest directly; only non-airline foreign direct investment is allowed.

Next phase of all-inclusive

New at the helm, Heidi Kunkel, CEO, South-east Asia and Pacific, Club Med, tells Gracia Chiang why the resort specialist is going from sun to snow holidays and owner to manager

www.ttgasia.com

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Japan revives MICE efforts

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Hong Kong sweetens deal for South-east Asian **MICE**

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H.I.S. acquires to kickstart inbound

Travel

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H.I.S. cur-

subsidiary.

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By Gracia Chiang

YOKOHAMA Major Japanese outbound travel group H.I.S. Co. is aggressively building its inbound business, having recently acquired key land operator Japan Holiday Travel and created an inbound division.

indouna headquarters, team leader, Shunichiro Shimmyo, told TTG Asia the company had just completed its acquisition of Japan Holiday Travel in July, with full details to be announced in its financial statement this week.

'Japan Holiday Travel is one of the top agencies in Japan and it mainly handles the Chinese market," he said, adding that it brings some 100,000 Chinese travellers into Japan a year. Japan Holiday



Snimmvo: court non-Japanese

receives Chiarising from its cruise busi-

ness. Shimmyo said the company was Costa Cruises' official agent in Japan since last year, serving 86,000 passengers from China in

As for its inbound division, set up within the headquarters last December, he explained that H.I.S. was now working on remodelling its 118 overseas retail outlets by going beyond catering

to Japanese travelling abroad, to growing local demand for Japan. They would also begin to conduct B2B sales.

Shimmyo shared that in H.I.S. inbound's first year of operation, it had managed to attract 10,000 tourists from Asia, where most of its business originates. He es timates that the figure will swell to 30,000 next year, once travel to Japan recovers after the sakura

"Thailand is one of our main focuses," he said, pointing out that there was an absence of a huge outbound travel company there, unlike in Singapore and South Korea, for example, where there are strong competitors.

Continued on page 2



Japan offers a big welcome

Measures to rebuild tourism in the works, including an airline ticket giveaway open to 10,000 visitors

By Gracia Chiang

YOKOHAMA Japan is intending to launch several new initiatives to bring recovery to visitor numbers, even as outbound travel consultants in the region look to the FIT market to make up for weak group demand.

At the Visit Japan Travel Mart last week, Japan Tourism Agency (JTA), international tourism promotion division, director, Shuichi Kameyama, said new projects next year included Fly to Japan, which will see 10,000 overseas visitors obtaining free air tickets, as well as the hosting of 200 youths from China.

To do this, JTA is asking the Japanese government for 6.37 billion yen (US\$82 million) for its 2012 fiscal year, up from 6.06 billion yen previously.



Travel experts from Singapore and Malaysia show their support

The bulk of the budget will go to marketing promotions for the ongoing Visit Japan campaign as well as MICE-specific support.

Said Kameyama: "We want to expand our target markets from the current 15, and are hop-

ing to add Indonesia, Vietnam, the Philippines, Brazil, Mexico, Italy, Spain, Saudi Arabia and the UAE. Indonesia and Vietnam are the most important among them because of their speed of economic development and the

possible increase in airlines (flying between the countries) because of open skies agreements." He added that initial efforts in those countries would take the form of fam trips.

Japan's number of foreign visitors from January to October was 5.1 million, still 30 per cent down year-on-year. Amid a dismal year of sales, the FIT market had provided hope, said travel experts from South-east Asia.

'Our strategy is FITs, as it's now hard to put together groups," said Roy Gay, sales and marketing manager, ANA Singapore, which sells tour packages to Japan under First Choice Holiday.

He added that First Choice had recently introduced fly-drive holidays for Kyushu.

Likewise, Giamso Interna-

tional Tours senior marketing executive Alfred Kua said while group traffic had been affected, FITs, on the other hand, had increased by 50 per cent from May to October due to airfare deals and hotel promotions.

"Japan had always been considered an expensive destination for Singaporeans. It suddenly became affordable," he said.

Land operator A.I.S.C Sales & Marketing Japan director, Jennifer Tan, added that the launch of low-cost flights by AirAsia X to Japan in the past year had helped to stimulate the FIT market in Malaysia. AirAsia X now flies to Tokyo Haneda and Kansai International Airport.

"The FIT market is growing very fast. A lot of budget travellers wish to see Japan," she said.



Continued from page 1

H.I.S. taps outbound demand from SEA

Indonesia and Malaysia are also on its radar.

Shimmyo added that he had recently returned from managing the Thai branch for five years, where he was tasked with developing the local outbound

From March to November, H.I.S. began operating daily charters to Tokyo Narita using Thailand-based Business Air, recording a high average load factor of 90 per cent for flights. This was a good result, considering the devastating March events, said Shimmyo.

Meanwhile, H.I.S. Experience Japan, a subsidiary focusing on experiential holidays for the Europe and US markets, ceased operations last year, with customers now absorbed into H.I.S.'s inbound division.

By Anand & Madhura Katti **MUMBAI** The Indian trade is

sceptical about Tourism New Zealand's (TNZ) decision to base its newly-appointed regional manager South-east Asia and India in Singapore, saying that a market as big and fast-growing as India requires a dedicated presence.

From December, Mischa Mannix, currently TNZ's busidevelopment managei based in Auckland, will replace Kiran Nambiar, who was formerly based in Mumbai. Staff at the NTO's offices in Mumbai and Bangkok will report to Mannix.

Mark Frood, general manager Asia Markets, TNZ, said basing its regional manager to Singapore would allow the NTO to be closer to its trade and airline

"More airlines, including lowcost carriers, now offer flights

"Growth of outbound travel from India is huge. It requires a more focused and hands-on approach."

Manoj Gursahanai

India laments loss of TNZ presence

Travel Mart India

and greater capacity to New Zealand from India and South-east Asia. We thought that it was the right time to centralise our marketing activities (for South-east Asia and India) in Singapore, which is the region's prime aviation hub, alongside Bangkok," he explained.

TNZ is also looking to expand the team in Singapore, with a marketing and communications hire as its first priority.

The move, however, is expected to impact TNZ's reach in India. Travel consultants said its promotions were already fewer compared to other regional NTOs, and this would result in lesser contact and a possible lack of understanding of the Indian

Travel Mart India CEO, Manoi Gursahani, told 11G Asia: 1NZ should have a strong presence at the senior manager level in India as the growth of outbound travel from India is huge, and it will require a far more focused and hands-on approach."

Blue Star Air Services director Madhav Oza pointed out that while the global economic slowdown had forced companies to cut costs, India's outbound story remained "very positive".

"TNZ should instead have a

bigger presence in this big market," he said.

"Indian outbound is growing at a rapid speed and travel experts will continue to sell New Zealand, but better presence and promotions can make a bigger difference."

Oza said it would be difficult for the NTO to reach out to the Indian trade from a remote location, cautioning against a tradiional approach of basing regional heads in Singapore or Bangkok.

Travel Mart India's Gursahani said: "This will certainly have an impact. (TNZ) will need to be proactive in creating awareness.

"Outreach to the Indian travel fraternity has to be an ongoing exercise, otherwise this will stunt our ability to sell New Zealand as a major holiday destination and compel us to rethink our products." - Additional reporting by Linda Haden



Lines step up cruise training

Distribution identified as one of the weakest links

By Gracia Chiang and Brian Higgs

SINGAPORE Cruise stakeholders are ramping up on training and education, even as captains of the industry lament that lack of cruise specialists is what's hindering real growth in Asia.

Senior executives interviewed by TTG Asia at the inaugural Cruise Shipping Asia in Singapore last month suggested that the pace of growth in Asia was limited by several factors, with weak distribution singled out as "the biggest issue", along with high operating costs.

Describing the projections made several years ago as "actually somewhat overenthusiastic", Gianni Onorato, president, Costa Crociere, said: "Growth has been in double digits, but that's because the market is small.

"The biggest issue to date is definitely distribution...The trade's knowledge and experience in selling cruises is lacking, and this has a strong impact on how fast the (cruise) market in Asia develops.'

Michael Bayley, executive vice president, Royal Caribbean Cruises (RCC), agreed there was "a lot of work to do" on distribution, as cruising was still seen as a niche vacation option. "There's a lack of knowledge in emerging markets. People believe it's for old people or that it requires a lot of money," he said.

Bayley said RCC had invested "a disproportionate amount of money" in the region, for instance, by setting up five sales and marketing offices in China, Australia and Singapore over the last few years.

Silversea Cruises and Seabourn are among lines which are addressing the issue by stepping up training.

Silversea Cruises' senior vice president, UK, Europe & Asia-Pacific, Steve Odell, said the company would launch its own online academy in Asia by next year, in addition to training seminars, ship showcases and fam trips it already invested in. The training would incorporate an incentive based on booking results.

Seabourn will be rolling out an online academy over the next few months. Its sister, Holland America Line (HAL), has seen about 13,000 graduates in the region from its online academy.

According to Richard Meadows, executive vice president of marketing, sales & guest programmes, HAL, and president, Seabourn, travel consultants who have undergone the training curriculum are more effective in their sales pitch and identifying target customers

"We have to do a better job of helping the travel trade to understand the USPs of both our brands.

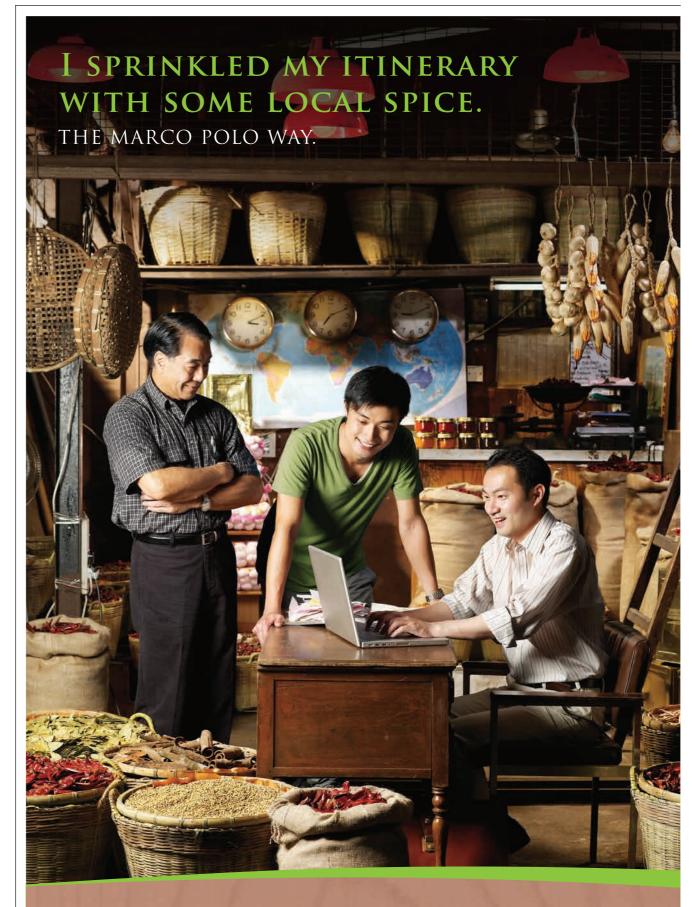
"It is very difficult for a travel consultant to discover for himself what sets apart the different product offerings without proper training," he said.

Asia Cruise Association had also trained more than 400 travel consultants and was working towards a goal of training "thousands every year", said its chairman Rama Rebbapragada. - Additional reporting by Linda Haden



Park Hotel Group is 50 years old

Celebrating the anniversary milestone in Singapore are Park Hotel Group's (PHG) Mohd K Rafin, Hong Thai Travel's Alex Chan, TTG Asia Media's Darren Ng, PHG's Allen Law, TTG Asia Media's Michael Chow, Hong Thai Travel's Tony Aw and PHG's Pauline Cheung.



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Tourism Data



European tourism grows above expectations despite economic uncertainty; August arrivals to Asia-Pacific are up six per cent year-onyear; China outbound and domestic numbers continue on an uptrend

Adam Tan



Join our mystery man as he discovers how a Singaporean family is set to become the first from Asia to head into outer space on a US\$1 million suborbital flight with Richard Branson's space tourism company Virgin Galatic

Hot Deals

The Westin Xian launches opening deals; The Langham, Xintiandi (below) extends its Linger Longer for Less package; Ibis Bengaluru Techpark offers introductory rates



Hot Moves

Dusit International names Jiri Kobos as vice president-operations; John Rolfs joins The Portman Ritz-Carlton, Shanghai as general manager; Andreas Korf becomes general manager of Centara Grand West Sands Resort & Villa Phuket

Haven't been to Not smooth sailing

DESPITE huge progress made in the Asian cruise industry over the last decade, the market remains small.

Captains of the seas were quick to point out this fact; from their comments (see page 3), one can only surmise that their efforts to crack the market have been far from smooth sailing.

No one is retreating in despair, however. Patience, not caution, is the key, and it makes a world of difference.

Far from being "over-enthusiastic", projections made for the Asian cruise industry several years ago were actually spot on.

The size of the Asian cruise market was expected to be 1.5 million passengers in 2010. That's a whopping 40 per cent increase

A market the size of 1.5 million to two million (by 2020, as projected by the World Cruise Shipping Industry 2020 report) is of course not a very big market particularly when ships are just getting bigger. But the whole industry is niche anyway, its whole size roughly just 13.5 million passengers worldwide in 2009.

A 40 per cent growth is not something to be scoffed at. In particular, it shatters myths that Asians will not take to cruising, that cruising is for the only-rich or nearly-dead, that it is just a passing fancy.

Over the last decade, we saw how Chinese, Indians, Southeast Asians, etc, took to cruising like ducks to water and how

Far from being "overenthusiastic", projections made for the Asian cruise industry several years ago were actually spot on.

the Asian mass market - young and old - filled SuperStars and were enticed to fly-cruise, helped by the region's low-cost carrier boom. We also saw how the Asian cruise market emerged relatively unscathed from the 2008-2009 global financial crisis. These were the signals international cruise lines needed to continue investing in the region - and invest they must.

Global players came and went in the early years of Asia's cruise industry; it was only fairly recently that several started to base their ships in the region to tap Asians - in all fairness, thanks to the efforts of an Asian company, Star Cruises, to crack the mar-

If the internationals wish to partake in a slice of the Asian cruise market, they should also pour in the resources to overcome the issues that prevent the market from realising its real potential faster.

The ramping up of training and education of Asian cruise specialists by some of the major lines, for example, is a step in the right direction. The timing, too, is good, as Asian travel companies are evolving into consultancies, just as their counterparts in the US and Europe have been forced to do.

The Asian cruise market is on the threshold of growth, and what we've seen so far is only the tip of the iceberg. Those with patience, and who put their money where their mouth is, will be hugely rewarded.

Tracker

An update on major issues and events from the past

Cruise-centred

The Singapore Cruise Centre (SCC) started off as part of the Port of Singapore Authority when the Harbourfront cruise terminal opened in 1991.

THEN The terminal was built to handle 1,500 passengers at any one time.

NOW SCC manages the Harbourfront international cruise centre and three regional ferry terminals in Harbourfront, Tanah Merah and Pasir Panjang. These serve five million passengers a year altogether. Recently, SCC co-initiated the formation of the Asia Cruise Terminal Association. It also partnered five maritime players to form Cruise 360, a network of cruise resource suppliers.

FUTURE SCC's cruise terminal at Harbourfront will soon unveil a new look and 25 per cent more space for embarking and disembarking passengers, following a S\$14 million (US\$10.8 million) upgrade. SCC is also competing for the management contract of the upcoming International Cruise Terminal. - Karen Yue

Most commented on www.ttgasia.com

Thai tourist-friendly visa scheme to aid recovery

A New Delhi-based reader welcomed the Tourism Authority of Thailand's proposal to reintroduce a tourist visa fee waiver policy, commenting that this would help the country's tourism industry recover faster after the

The proposed scheme for China, India, Russia and Taiwan nationals will be part of a wider stimulus initiative to restore confidence in Thailand as a travel destination, boost inbound traffic and help local tourism operators affected by the floods.

Aditya Tyagi, founder and business head of Luxe Escape, said the scheme would be wellreceived, especially in view of the recent visa fee hike for Indians. "This is a great initiative, and I am sure Thailand will get more tourists. India is a very big market for Thailand and they will love to hear this news," he said.

Kudos for new APEC business travel initiative

The recently launched APEC Travel Facilitation Initiative drew praise from Anna Hoang, travel consultant at Hanoi-based Vietnam Travel Store, who said this was "good news for travel agencies and tour operators across APEC members".

During last month's Asia-Pacific Economic Cooperation (APEC) Forum, US President Barack Obama signed legislation allowing US travellers to apply for the APEC Business Travel Card. Cardholders will receive expedited scheduling of visa interviews and access to fast-track immigration lanes in APEC's 21 countries. A Trusted Traveler arrangement which offers pre-screened US citizens quicker clearing of immigration and customs using automated kiosks will also soon be implemented with South Korea, with Singapore being next on the list.

Homegrown brands to boost Asian cruise market

The influx of three new homegrown cruise operators in Asia over the next 12-18 months would play a pivotal role in the development of the regional cruise industry, said a reader.

Edward Rex Velez, president of Manila's Marvel Destination Managers, said: "Arguably, the US is still the number one cruise market. But Asia, as a cruise market, has been there for many years. This was one of the reasons for the advent of Star Cruises, which is now one of the biggest cruise companies globally."

Citing the Philippines as an example, Velez said many cruise customers had travelled to Europe, Alaska, Canada and the Caribbean for cruises, but now preferred to cruise much closer to home such as in North-east Asia. "Indeed, market segmentation and branding give cruise clients a wider and better choice,

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Travel Hall of Fame

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

Since 2002, luminaries who have won the prestigious TTG Travel Award at least 10 consecutive times for the same award title have been honoured in the Travel Hall of Fame.

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. Joining this elite family are Hertz Asia Pacific, Star Cruises, Royal Cliff Beach Rosort Pattava, Abacus International, SilkAir and Lotte Tour

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6

Swimming in apps

Sabre builds B2B application store for travel professionals

By Raini Hamdi

SINGAPORE US-based Sabre Travel Network is building the world's first B2B application store for the travel industry.

The Sabre Red App Centre is an online marketplace which pulls third-party developers worldwide to create B2B travel apps using a Sabre Red App Developer Toolkit and sell them to Sabre-connected consultants globally.

Sabre Travel Network president Greg Webb, interviewed in Singapore, said he expected "a couple of hundred" apps.

"To start, we're putting a significant number of Sabre-based apps (e.g. TripCase) to feed the store, and we're also working with about 100 third-party developers."

The store and selected apps, called Red Apps, will become part of the consultant's workspace, which is now the Sabre Red Workspace, launched last year. Sabre has converted 90 per cent of its agencies to this new workspace and Webb expects Abacus International to get to the same



Webb: greater efficiency

conversion levels in Asia in the next six months. "Abacus has taken our underlying infrastructure and released the Abacus Workspace,

which is the same thing (as the Red Workspace), and the app store will roll out to both. We're talking to Abacus about the roll-out plans, but first we'll launch it in Sabre markets some time next year," Webb said.

Asked what sort of B2B travel apps would be created, Webb said it could be the integration of an efficiency tool that helps the consultant manage the reservation flows through the system to the back office more effectively, or an app that integrates a restaurant dining guide or destination information into the workspace.

The greatest opportunity for consultants was to use these apps to customise offers for travellers, Webb said.

He believed Asia was the one market that could really benefit from the app store. "Asia's content is dispersed. In the US or Europe, you can get a large portion of hotel content from the top big chains, but not in Asia. That disparity is the factor that can spur a lot of innovation," Webb said.

Meanwhile, the disparity is also a chief reason why no OTA can yet lay claim to being a true pan-Asian player, according to Webb

"The Asian travel market is still one which is personal at the local level, so the supplier-buyer relationship is country-specific. While you can do a deal with an airline or hotel for all of the US in one fell swoop, in Asia, if you tell, say, Cathay or Accor 'here's the deal I want for every country', they would struggle with it as a lot of the structure is localised. Secondly, there is still a strong need for the site to match the cultural need of the country. So the two factors make it difficult for an OTA to be pan-Asian and gain loyalty from the local customers," he said.

Hilton tinkers with lifestyle brand, but it's not top priority

By Raini Hamdi

SINGAPORE Hilton Worldwide fully intends to have a lifestyle brand at the appropriate time, according to its president of global brands and commercial services, Paul Brown.

The chain will be able to in the launch such a brand from January 2013, having been legally stopped in its tracks by Starwood Hotels & Resorts in launching Denizen, after Starwood accused then Hilton Hotels Corp of stealing its documents to develop the 'W' type brand.

Brown: hands full of brands

"We have concepts in the works, but I do think there is now less explosive growth in the segment and the timing may not be right for us as we are growing rapidly with the current brands that we have. There are still lots of opportunities for growth, especially in Asia-Pacific. Remember, until four years ago, we weren't allowed to bring the Hilton brands in the US to Asia-Pacific," Brown said.

Brown said the core Hilton brand was still the fastest-grow-

ing in the region, followed by Doubletree by Hilton, in terms of number of properties. But in terms of percentage growth, the Conrad brand is the fastest growing, with its number of properties doubling to 24 in the region in the next three years.

"That's significant for a luxury brand," Brown said.

The other luxury brand, Waldorf Astoria, also has potential for growth in the region. The brand is now present in the Maldives and Shanghai, and will open in Beijing

in 2013. Brown also said Hilton Worldwide was bringing the Hilton Garden Inn and Hampton brands to Asia-Pacific on a country-by-country basis.

"These are midscale brands with strong domestic travel patterns, so they are more specific to countries. We're strategic in growing them in places such as China and India," he said.

Loyalty programme Hilton HHonors is the official hotel sponsor of the Chinese Olympic Committee through 2019.

MEMBERS OF FITUR 2012 HOSTED BUYERS PROGRAMME CHOSEN BY EXHIBITORS

For the first time at FITUR, participating companies will be able to nominate foreign professionals they would like invited to the fair based on their business preferences

he Hosted Buyers Programme at FITUR 2012, organised in collaboration with the Madrid Chamber of Commerce from 18 to 22 January 2012, will offer exhibitors the opportunity to invite guests to the fair.

FITUR organisers are implementing this new system to allow exhibitors to meet foreign buyers with the greatest business potential, based on their business interests, areas of development, and markets of influence. This is with the ultimate objective of creating synergies among professionals that will lead to new business opportunities.

Through this new system, interest generated by the subsequent meetings among these professionals will effectively be multiplied, leading to an increase in the number of trade deals and transactions carried out. Furthermore, these foreign guests can discover the latest ideas, products and new features at a series of B2B (Business to Business) Meetings with the exhibitors at



FITUR within the Second Hosted Buyers Workshop, based on their preferences and business activities.

In order for their visitor nominations to be processed, exhibitors must present their proposal to FITUR organisers. FITUR will bear the cost of the transport and accommodation for the corresponding guests once they have been accepted while also carrying out all of the necessary reservations. The buyers included in the programme will enjoy personalised and confidential attention, as well as exclusive access to a fully equipped working area where they can process all of their trade operations.

The Hosted Buyers Programme effectively enhances FITUR's profile as a trade forum that brings together all of the main players within the touris industry, boosting business opportunities and optimising participants' time and resources.





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CEO, South-east Asia and Pacific

Heidi Kunkel | New at the helm, Kunkel tells Gracia C specialist is going from sun to snow h **Club Med** | manager, even as Asia continues to de

Next phase of all-i

Congratulations on your new post. Why did Club Med decide to restructure its Asia-**Pacific unit?**

Club Med had essentially one major zone for the Asia-Pacific region up until May. We recognised we needed to put more resources and have a different strategy for Greater China (which includes Taiwan and Hong Kong) versus South-east Asia, so we split the business unit into two. In Greater China, we have a separate management team to develop the Chinese markets. I manage South-east Asia and the Pacific from our head office in Singapore, which also incorporates Japan, (South) Korea and India. There are more mature markets in South-east Asia because Club Med has been based here for a much longer period

What kind of growth is there in this region?

We are still growing, but not at the same rate as in China. We've had very strong growth in parts of South-east Asia, especially Singapore, Malaysia and Thailand. In Australia, where I was based for several years, we had very strong growth for a period of years, but it's more a mature market so the growth level is not the same as in our developing markets. Japan was the first market we were based in for Asia-Pacific, and it's still our largest market. It's a very important market, but it has gone through very strong challenges in the last couple of years, especially most recently with the March 11 events.

How badly was your Japan business affected by the March earthquake and tsunami?

We saw a strong impact in March and April when Japanese either cancelled (bookings) out of respect or postponed. But we started to see a pent-up demand after a couple of months. People realised they needed to get on with their lives. The Japanese government also encouraged people to go back to travelling.

We're fortunate that our two locations in Japan were not affected at all. They are located at the very north in Sahoro, Hokkaido and in the very south in Kabira, Okinawa. Business recovered very strongly in the last three months. It was very negative just after the events, but for the summer season of May to October, we're slightly ahead of last year, which is incredible.

You mentioned the varying growth rates across Asia. How different are they?

In Greater China, we're getting doubledigit growth at a minimum of 30 per cent. In South-east Asia/Pacific, we're also generally seeing double-digit growth, but in countries where there are more mature markets, it's more moderate.

In Singapore and Malaysia, we're seeing an average of between 10 and 15 per cent. We've had very strong growth in Singapore and Malaysia over several years. We have very good brand awareness here. I do a taxi driver test when I speak to taxi drivers, and I was very impressed at the recent NATAS (National Association of Travel Agents Singapore) fair. We had a number of travel consultants who were very passionate about Club Med and wanted to work with us. And that's unusual.

I've worked in countries, especially Japan, where the brand is not so well known. In Australia, the brand is relatively well known, but there's quite a fragmented perception of the brand.

How important are travel consultants to your business?

Travel consultants still represent up to 65 per cent of our business across Asia-Pacific. In some countries, it's much higher. In Japan, it's between 75 and 80 per cent. In Australia, it's around 65 per cent. In some Are ski resorts going to be the focus for your next phase of

However, in destinations such as Japan, China and (South) Korea, we know there's a good ski market and there's potential for us to be opening ski re-

"The ski market in Asia is not developing at the same level as the sun market. As it grows, we'll open more ski resorts."

South-east Asia countries it's less, but the fastest growth in the travel consultant segment is coming from this region.

We're continuing to see strong growth in travel consultant bookings. Compared to the same time last year (January to August 2010), growth in South-east Asia overall is roughly 10 per cent. If we include the whole of Asia-Pacific, it's probably around 15 per cent because of China.

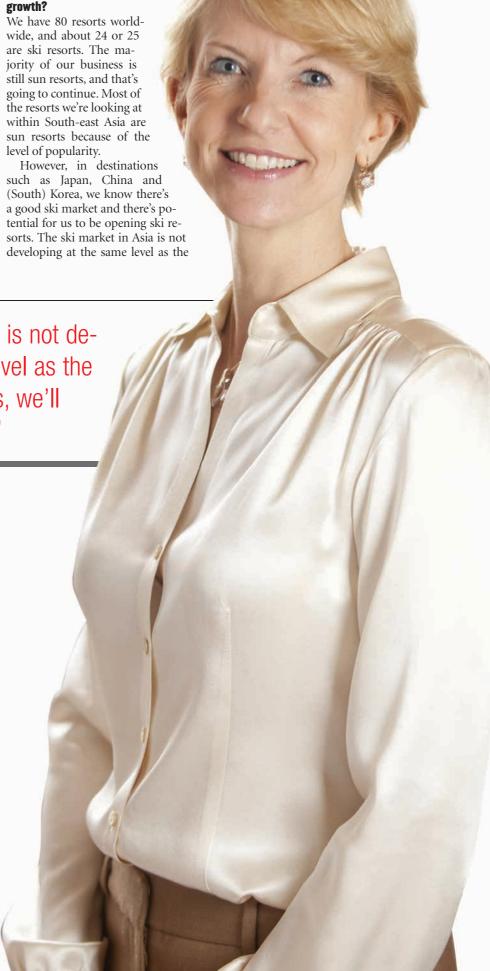
What are you doing to grow your brand?

Club Med is quite well known for our sun and beach destinations, but not so much our ski resorts. There's Sahoro in Japan, Yabuli in China, and our resorts overseas such as our new one opening in Valmorel

There are travel consultants who specialise in ski holidays and ski experiences, and we'd be very keen to work with them in extending to an area where we've got a strong positioning. We have very few competitors in Asia when it comes to allinclusive holiday experiences.

Where's your next ski resort in Asia?

The next one will most likely be in China. There are about 30 different projects we're looking at in China, and within that we have a range of different ski locations. We're also looking at a second ski resort in Hokkaido.



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sun market. As the ski market grows, we'll open more ski resorts.

So where's your next sun resort in Asia?

Our first priority is Greater China, where we're looking to open at least three to four sun resorts over the next five years. We already have one ski resort in Yabuli, which opened last November. We have a partner in China who is very keen to work closely with Club Med in opening more resorts, putting in more resources and building a brand. We are targeting at least 250,000 clients, what we call GMs or gentils membres, over the next five years.

Our second priority is the Maldives. We currently have a resort in Kani, which runs at very high occupancy all year round. We don't have enough capacity in the Maldives. We're also looking at Vietnam, Cambodia and Indonesia.

But we know that opening resorts means we still need to do the work of being able to fill the resorts and manage them the right way. We're quite selective about locations, which is why we have to do a lot of research first. We're looking for exotic locations with international access, and our resorts tend to be spread out over a large area because of a sense of space and freedom.

What are travel consultants in the region booking these days?

Bali, Bintan, Phuket, Cherating, Kani...We get very strong support from travel consultants for South-east Asia as well as ski destinations (in China and Japan).

We're also diversifying into new destinations such as Mauritius, which is showing strong growth, and ski resorts in Europe. We have two resorts in Mauritius: Albion and La Pointe aux Canonniers. In Albion, we're building 40 villas in a beautiful location that customers can also purchase.

The next concept we're looking at is chalets. Valmorel is a ski resort offering villas and chalets, opening in December. (Those who purchase) have access to the Club Med facilities and all-inclusive aspects, so they can join in if they want to or enjoy privacy in their own villa or chalet.

Sounds nice. Will there be more of such properties for those who want to invest?

It's a diversified portfolio for us. It's also to own a piece of real estate and who ap- that. It's coming.

preciate the value of Club Med's all-inclusive experience. We are aiming for an asset-light strategy.

We'll see how successful it is (before bringing the concept to Asia). The reason why it works so well in Mauritius and Europe is because the brand awareness is extremely strong. You have customers who are very keen to buy into the brand, Mauritius, once a French colony, and Valmorel being in France. In Asia-Pacific, we're still developing our markets.

How much of your business is supported by intra-Asia travel?

We get mainly Asian clientele, but we also have a lot of Europeans coming into our resorts, making the experience very multicultural. The majority of our clients is still Asian, followed by French, then probably Belgian and the UK. We have a very good mix from the Asia-Pacific: Australians, (South) Koreans, Japanese, Singaporeans, Malaysians, Chinese, Taiwanese, Hong Kongers.

What will you be busy with in 2012?

The challenge for the next 12 months in Asia-Pacific is to manage the high demand we have for our resorts. My next priority is to open a new resort in South-east Asia.

We're well aware of the fact that Europe is going through very big challenges and so is the US. Although Asia-Pacific is in a more robust growth phase, that does not mean (the troubles in Europe and US) won't affect us. This means we need to manage our business very cautiously.

What about marketing?

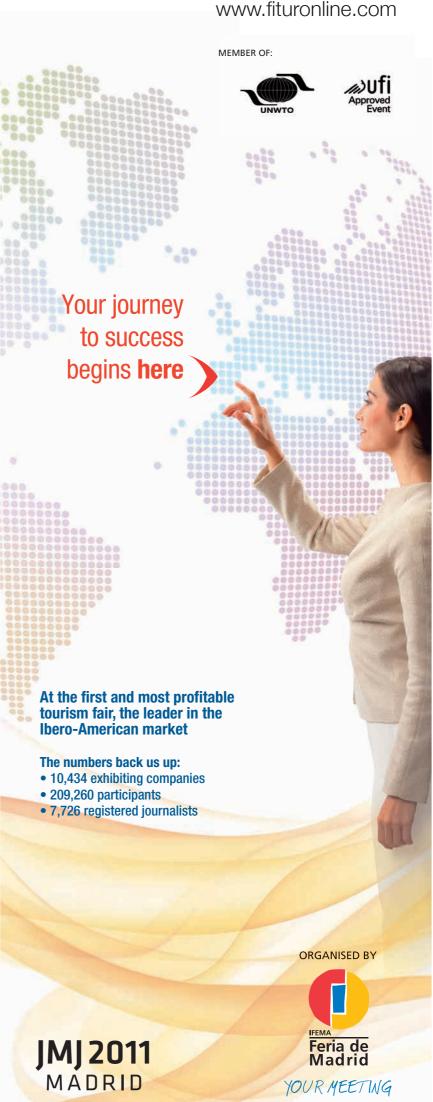
We launched our brand campaign, Where Happiness Means the World, a couple of years ago. Recently, we've also been running an interim campaign, More Exclusive, More Inclusive, which focuses on our all-inclusive concept.

There'll be a worldwide campaign out in the next 12 months or so, incorporating the emotional elements of the brand. The challenge is that we're very international, multicultural and friendly. We're not just selling a hotel room. We're selling a holiday experience. The human element is very important. It also has to incorporate the fact that we're a French company very strong in Europe, but also developing very an opportunity for customers who want strongly in Asia-Pacific. Keep an eye on

"The challenge for the next 12 months in Asia-Pacific is to manage the high demand we have for our resorts."



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*The following day









Riding into the We



Mandarin Oriental Hotel Group

Andrew Hirst, operations director-Asia

Portfolio 27; 13 in Asia, six in Europe, eight in the Americas

New openings in Europe/Americas Mandarin Oriental, Boston (2008), Mandarin Oriental Riviera Maya, Mexico (2008), Mandarin Oriental, Barcelona (2009), Mandarin Oriental, Las Vegas (2009), Mandarin Oriental, Paris (2011)

Under development in Europe/ Americas Marbella, Moscow, Costa Rica, Grand Cayman, St. Kitts, and Dellis Cay in Turks and Caicos

Why is Mandarin Oriental expanding to the West? "Our strategy over the last 10 years has been to establish ourselves as a truly global player in the luxury hotel industry. As such, we have concentrated on growing and

diversifying our portfolio in order to establish ourselves in key city and resort destinations worldwide."

How different are your properties in the West from those in Asia? "Each of our hotels has its own individual sense of place. When our guests stay at a Mandarin Oriental property, we want them to feel that they are in London, New York, Tokyo or Paris. Our interior designs, spa offerings, restaurants and other elements reflect this.

"A good recent example would be the Mandarin Oriental, Paris. We worked with well-known French architect Jean-Michel Wilmotte for the overall design, while deluxe and contemporary interiors with Art Deco details and chic oriental touches were the works of Sybille de Margerie, Patrick Jouin and Sanjit Manku. Together with the elegant spa, light-filled courtyard

garden and inventive dining by award-winning French chef Thierry Marx, the hotel represents the finest in haute couture style.

"At the same time, all our hotels are linked by our exemplary oriental service standards, and we work hard to keep them consistent."

How do you intend to compete with existing Western brands?

"With a 50-year history, we are an established luxury hotel brand that already competes at the highend. We don't think of ourselves as an 'Asian' hotel brand, but rather a global hospitality brand that has its roots in Asia.

"As a group, we are renowned for our core attributes which also serve to differentiate us from the competition and to attract affluent travellers. These include exemplary service, distinctive design, holistic spas, innovative dining and guest-centric technology."



The Peninsula Hotels

Peter Borer, chief operating officer

Portfolio Nine; six in Asia, three in the US

New openings in Europe/Americas The Peninsula Paris, scheduled to open 2013.

Under development in Europe/ Americas "In our strategic expansion plan, we have had certain cities on the list for a number of years. Paris and London are the two cities in Europe that we have earmarked.

"Apart from London, we don't have plans to move into any other European capitals in the immediate future. I believe that we can one day

have 15 hotels, but not many more."

Why is The Peninsula expanding to the West? "Our horizons are always about long-term development, and we want to stay very focused on high-quality city hotels."

How different are your properties in the West from those in Asia? "Recognising guests' needs and answering those needs are an integral part of our service, no matter whether we are serving Western or Asian guests. At The Peninsula, we go to great lengths to make sure

our guests feel comfortable and relaxed."
"Our service goes beyond the mere provision of creature comforts. It involves an intuitive understanding of a guests' needs, knowing their preferences and then taking care of them effectively and efficiently without fuss."

How do you intend to compete with existing Western brands?

"We do not set out to 'compete' with other brands, rather we provide the elements of an extraordinary hotel brand, the unsurpassed traditional Peninsula service standard of luxury, state-of-theart technology, and we let guests experience mindful little ways to keep each stay memorable and delightful."



Spokesperson

Portfolio 24; 17 in Asia, four in Europe and Africa, three in the

New openings in Europe/Americas Aman Sveti Stefan, Montenegro (2010). There are plans to open a Greece property in 2012.

Under development in Europe/ Americas "Each property location is born of unique opportunities and, in some cases, it takes many years to get the right location. Each is hand-picked by our chairman Adrian Zecha.

"We will continue to expand by introducing new properties in inter-

esting destinations, and will soon be launching a property in Europe."

Why is Amanresorts expanding to the West? "While Aman's roots originate in Asia and a large number of our resorts are based here, we have had properties in Europe and the US since the 1990s.

"Le Mélézin in Courchevel, France, a ski resort steeped in history, joined the Aman family in 1992. Amangani in Jackson Hole, Wyoming, neighbouring Grand Teton and Yellowstone National Parks, opened its doors in 1998."

How different are your properties in the West from those in Asia? "Each of our resorts are designed to blend in with the country and culture they are based in, so all vary from one another by the very nature of their locations.

"The common denominator is caring service. No matter where the location, we look for people who have a genuine and intuitive desire to take care of guests, and who are proud of their culture and heritage. We have been fortunate to find these people all over the world."

How do you intend to compete with existing Western brands?

"Aman prides itself on our intuitive and personal service, and our hospitality philosophy. We are always working to better ourselves at what we do."





With several high-profile hotel openings in Europe and the Americas of late, Asia-based luxury chains seem to be well on the road to making a name for themselves on the global stage. Andrew Dembina looks at a handful

Shangri-La Hotels and Resorts

Wolf-Dieter Flecker, vice president and executive director

Portfolio 72; 62 in Asia, one in Europe, one in North America, five in the Middle East, three in Oceania

New openings in Europe/ Americas Shangri-La Hotel, Vancouver (2009), Shangri-La Hotel, Paris (2010), Shangri-La Hotel, Toronto (2012), Shangri-La Hotel, London (2013), Shangri-La Hotel, Istanbul (2013)

Under development in Europe/ Americas "We expect the company to reach 100 hotels within the next few years, up from currently 72, with three distinctive brands: Shangri-La, Traders and Kerry Hotels, the latter our contemporary brand."

Why is Shangri-La expanding to the West? "Having established Shangri-La Hotels in Asia over the past 40 years, there is now a need to bring the group and its style of hospitality into Europe and beyond, to create a global brand presence.

"Shangri-La is committed to becoming a stronger force on the international hotel scene. However, the group won't expand for the sake of expansion, and will only acquire or manage a new project when it makes financial sense and fits into the company's strategic development plan. Our philosophy is to select locations which will allow us to showcase the brand in markets with high potential for Shangri-La guests.

How different are your properties in the West from those in Asia? "Shangri-La's brand values are consistent throughout its hotels. Each delivers a high level of service, but also reflects local and regional influences in architecture,

service and cuisine. Shangri-La strives to adhere to local customs, and relies on people within the region for guidance in respecting, showcasing and celebrating the local culture."

How do you intend to compete with existing Western brands?

"Great hotels are made by great employees, not by crystal chandeliers or expensive carpets. Our defining brand promise and culture are 'to embrace a stranger as one's own', which applies to all locations

"Each Shangri-La hotel, regardless of location, then creates an environment in which staff are encouraged to interact warmly and authentically with guests. Local, qualified staff are trained to build employee loyalty to the brand. This is one of the key areas which the success of a hotel or group will be based on in the future.'





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Still open for business

There's hope for further Thailand growth, despite the flooding, writes Sirima Eamtako

Arrivals Thailand's target of 19.5 million foreign visitors and 747 billion baht (US\$24 billion) revenue for 2011 is likely to have taken a knock. International tourist arrivals are expected to be hit by the flooding, which, as of press time, still affects 17 provinces.

In the first nine months of 2011, Thailand recorded 14.4 million arrivals, up 27.1 per cent over the same period in 2010. There was double-digit growth from all key regions – East Asia, Europe, the Americas, South Asia, Oceania, the Middle East and Africa, which ranged from 12 to 34 per cent.

East Asia remained the largest market, with 7.9 million arrivals, followed by Europe with 3.7 million, South Asia with 900,084 and the Americas with 703,299.

Data from the Ministry of Tourism and Sports showed that the country earned 220 billion baht from 5.3 million tourists in the first quarter – a growth of 18 and 14 per cent respectively.

NTO The Tourism Authority of Thailand (TAT) is attempting to drive home the message that the flooding has mainly af-

fected the central provinces along the Chao Phraya River including parts of Bangkok.

According to TAT, of more than 6,000 tourist sites in Thailand, only 40 – including the UNESCO World Heritage Ayutthaya historical park – were hit by the floods, and they are mainly in the ancient Thai capital.

At press time, TAT said the floodwaters were subsiding in Ayutthaya. Other popular tourist destinations – such as Pattaya, Hua Hin, Kanchanaburi, Koh Chang, Phuket, Krabi, Surat Thani, Koh Samui, Hat Yai, Phang-nga, Chiang Mai, Chiang Rai and Sukhothai – were also spared from the floods.

Fam trips to unaffected destinations are being organised to showcase destinations such as Chiang Mai and Phuket. Affected areas will also get fam trips once the situation returns to normal, and tactical promotions will be launched.

Hotels Key Thai destinations continued to see a rush of new hotels in 2011.

Some 22 hotels with 4,440 rooms were added to Bangkok. These joined the 14 hotels with 2,641 rooms that opened in 2010,



"Once the floods are really gone, Thailand needs to do a big 'Thailand is back' media campaign concentrating on Asian markets as they will be the quickest to recover."

Luzi Matzig CEO Asian Trails the year which supply – in registered and unregistered rooms – stood at more than 100,000.

Phuket received around six new hotels with 1,000 rooms. Last year, the island had seven hotels with 1,057 rooms opening, bringing the number of registered rooms to about 40,000.

Koh Samui welcomed international brands such as Outrigger, Conrad, Le Méridien and InterContinental, with the opening of six hotels and 520 rooms. The island had 14,261 registered rooms in 2010.

Pattaya, Hua Hin, Krabi and Chiang Mai also saw new openings in 2011, on top of 2010's registered supply of 38,729, 7,015, 9,985 and 23,292 rooms respectively.

Rates
Destination Asia
CEO and group managing director James Reed expects to see a
10 per cent rise in rates for beach
destinations such as Koh Samui,
Phuket and Krabi, but not Bangkok because of the oversupply.

According to a survey made available to *TTG Asia*, upscale hotels in Bangkok ran at about 51 per cent occupancy and a RevPAR of about 1,490 baht from January to early November; mid-

scale hotels chalked about 61 per cent occupancy and a RevPAR of around 1,350 baht,; and budget hotels, 71 per cent occupancy and a RevPAR of 600 baht.

For average daily rate, upscale hotels in the report recorded about 2,800 baht; midscale, 2,210 baht; and budget, 800 baht.

AVIATION The Airports of Thailand (AoT) is offering up to 75 per cent discount on landing fees at Suvarnabhumi Airport in Bangkok during winter and up to 95 per cent discount in the summer. These are avail-

AoT is also expanding Suvarnabhumi to serve 60-65 million passengers a year from 2017, up from the current 45 million, as well as Phuket International Airport, from 6.5 million a year to 12.5 million by end-2014.

able until October 31, 2013.

In the last two months, Thai Airways International introduced Bangkok-Brussels, Bangkok-Copenhagen-Phuket and Phuket-Seoul flights. Connections with India were also boosted by Bangkok Airways' Mumbai and Bangalore flights and Indi-Go's Delhi flights. South Korean LCC T'way Air also launched a Bangkok route.

Quick comeback is likely

Travel industry veterans expect bookings to return as early as January 2012. By Sirima Eamtako

What areas in Thailand are inundated? The flooding still prevails in 17 provinces as of press time. While the capital's central business areas remain dry, some 20 out of 50 districts in the outlying north, west and east are affected. This includes the former international airport. As a result, Nok Air and Orient Thai Airlines have temporarily relocated from Don Muang Airport to Suvarnabhumi Airport.

Suvarnabhumi, as well as its transport links into central Bangkok and the tourist destinations south-east of Bangkok such as Pattaya, Rayong and Ko Chang, however, are unaffected.

At press time, floodwaters in Ayutthaya and some other central provinces have subsided, although many areas are still not fully accessible. Attractions in the ancient Thai capital will reopen once they have been restored.

What impact will this have on tourism? Analysis by Kasikorn Research Center projects that Thailand is likely to lose about 15-25 billion baht (US\$487-811 million) in tourism revenue for 2011. It anticipates that international tourist numbers will fall by 350,000 to 600,000 even if main gateway Suvarnabhumi – which handles 70 per cent of arrivals – continues to function as normal. Kasikorn had originally expected 19.3 million foreign tourists generating 730 billion baht in revenue.

The Tourism Authority of Thailand (TAT), too, had predicted that in the worst case – a prolonged flood in the central plans and engulfing Bangkok until year-end – Thailand would lose more than 25 billion baht of tourism revenue, while foreign arrivals would slide to 19.1 million, falling short of the 19.5 million target. However, if the flood in the central plains and Bangkok receded in November, the country would lose only 15.5 billion baht in tourism revenue and miss its visitor target by

Location of floods

The number of provinces in Thailand still affected by the flooding

Leisure tourism and MICE players expect the impact to be short-term, explaining that the crisis was a natural disaster and travellers' confidence would not be as badly affected as during the political upheaval last May.

CBS Travel Asia CEO, Chaladol Ussamarn, noted that the markets most affected by media coverage of the flooding were Europe, China, Japan and South

Korea. He said tourists had panicked due to news reports, but bookings should return to an acceptable level for 2012.

Destination Asia CEO and group managing director James Reed said corporate business had been affected over the last two months, but was expected to "rebound in January".

Asian Trails' CEO, Luzi Matzig, added that it was still difficult to estimate how much business had been lost, but shared that November – the company's busiest month - had been dismal.

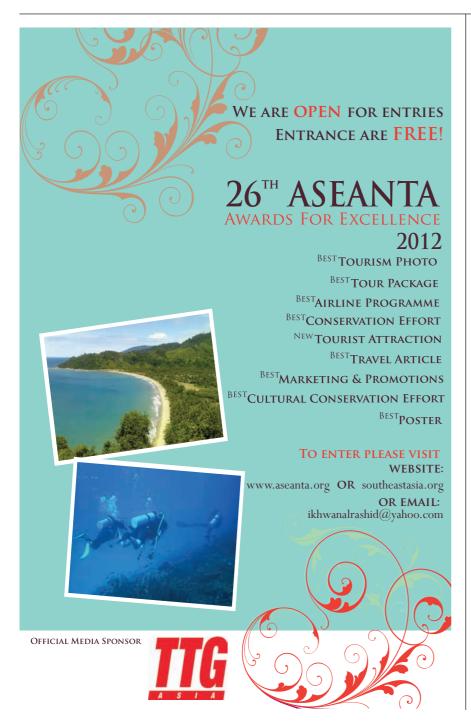
What recovery efforts are being undertaken? Indus-**I**try players are tackling the perception that all of Thailand is flooded by sending out constant updates, stating that destinations such as Chiang Mai, Pattaya, Hua Hin and Phuket are fine.

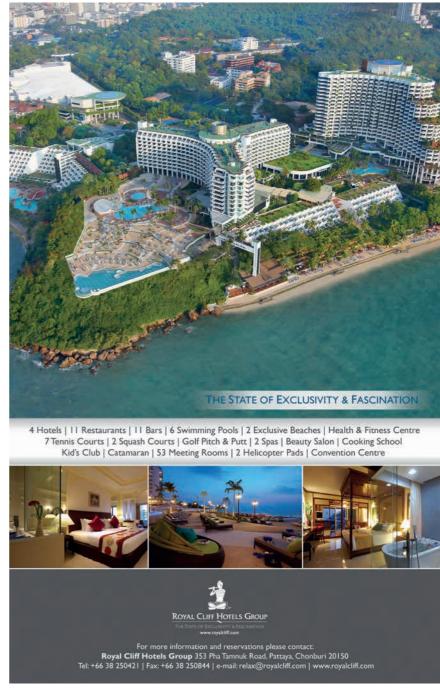
TAT is planning to reintroduce a tourist visa fee waiver scheme for China, India, Russia and Taiwan nationals, as part of a wider stimulus initiative to boost

inbound traffic. Last month, it also hosted international buyers for the Chiang Mai & the North Tourism Forum and the Phuket-Andaman Travel Mart. In addition, it is trying to instill confidence in Thailand through fam trips and a dedicated website for flood updates.

In November, TUI's Frankfurt office sent travel experts to Phang Nga for the launch of its summer 2012 brochure, while Thai Airways International flew in VIPs, media and travel consultants on its inaugural Copenhagen-Phuket direct service.

What about suppliers? Tourism-related associations are now asking the government to ensure that hotels and tourism establishments receive financial help. The Thai Hotels Association has also roped in more than 100 member hotels countrywide to offer special rates for affected residents, and a campaign to raise funds for flood victims has been launched.





ADR, leisure market's silver lining

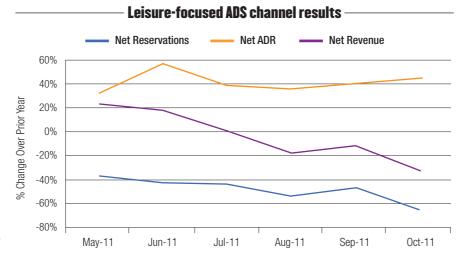
Leisure travel to Thailand has been significantly weakened by the historic flooding, with bookings for October falling more than 60 per cent below last year's figure as seen in the graph.

In addition, a separate study by Pegasus showed there were sporadic decreases in both leisure and business bookings as well as increased cancellations throughout September and October. However, it was October 8 to 18 that saw a much greater impact on bookings, while cancellations also appeared on a daily basis.

The subdued booking volume against last year during the months prior to the height of flooding in October (as seen on the right) is due to a combination of factors. For one, arrivals have not fully returned from Japan, Thailand's thirdranked feeder-market behind Malaysia and China. Second, the debt crisis has reduced visitors from longhaul markets: the UK, Russia, US, Germany and France are top countries of visitor origin outside of Asia-Pacific. Third, the typical rainy season from May to October is not the peak period for tourists anyway. With unprecedented wet weather, the effects of less volume will appear magnified.

A testament to the underlying strength of Thailand's leisure market, however, is its average daily rate (ADR) performance. Rates have consistently seen healthy growth of over 20 per cent from last year.

Both the average length of stay (LOS)



	Oct 2011	Oct 2010	% change
Net average length of stay (nights)	3.09	2.29	35.3
Net average booking lead time (days)	43.76	34.08	28.4

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.

and booking lead times for leisure trips made to Thailand have also been showing steady increases over prior year during

Thailand's average leisure LOS of 3.09 nights in October is well above the global average leisure LOS of 1.97. Similarly, leisure trips to Thailand were booked an average of 43.76 days in advance as opposed to the global average leisure booking lead time of 15.06 days, and when excluding North America, 26.71 days.

These longer trips booked well ahead show that Thailand remains a key destination for travellers. Thailand is renowned for its beaches and culture - two of the most desired vacation attributes. It also has a strong business travel market, which enhances its leisure demand from combined business/leisure trips, as well as exposure to business travellers who are then compelled to return for vacation.

A key asset for consumer appeal, particularly during this slow global economy, is Thailand's vacation value. People are looking for interesting and exciting experiences, but are looking to stretch their money as well. This makes Thailand is an optimal choice.

Hoteliers are wise not to slash rates in reaction to recent events since ADR is not the discouraging factor. Such action would only reduce profit further in the short and long run. Thailand's travel industry has demonstrated it has the resiliency to bounce back from challenges before, and it will certainly do so again.

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. pegs.com/thepegasusview.

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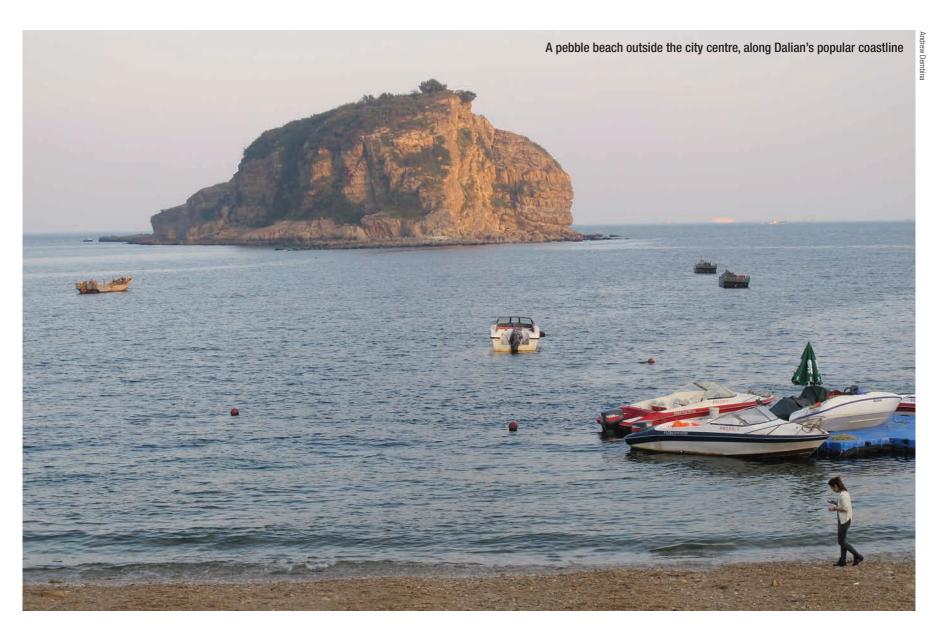












Dalian's great outdoors

The business city in north-east China is also big for leisure, reports Andrew Dembina

Arrivals

Overseas tourist arrivals to the port city in Liaoning Province totalled 1.2 million in 2010, up by approximately 11 per cent on 2009, according to the Dalian Tourism Administration (DTA). Domestic tourists still accounted for the lion's share of arrivals, with 37.8 million in 2010, a 10.7 per cent rise from the previous year.

Among Dalian's overseas markets, Japan, South Korea and Russia were the biggest, sending 569,949, 191,031 and 60,832 visitors respectively. However, China Travel Service (CTS) Dalian, assistant general manager of inbound, Zhang Shuiqiu, said his company had seen a decrease in the number of Japanese tourists in recent years, noting a grow-Americans instead.

DTA's 2011 target is to obtain a slight increase in domestic tourists (40.8 million), but maintain overseas tourists at 1.2 million.

MICE A DTA spokesperson said Dalian received a strong number of business visitors, due to its status as financial centre of the region. For example, last year saw 100 exhibitions and fairs pulling in some 22,000 overseas

New World Dalian Hotel general manager Andrew Whitaker said: "MICE is a major potential market, particularly with the opening of the Dalian International Conference Centre next year, which is actively being promoted by the local government, along with the existing exhibition centres."

Hotels At the end of 2010, Dalian had eight five-star hotels, 22 four-star, 76 three-star, 77 two-star and a single one-star property, according to DTA.

Of several luxury hotels on their way, Conrad Dalian Hotel and Hilton Dalian are both due to open in the first quarter of next year, while Sheraton Dalian Xinghai is scheduled to open in the summer. Further in the future, The Ritz-Carlton, Dalian is slated to open in 2017, occupying the 64th to 81th floors of the 518m-high Dalian Greenland Center – which will be the tallest building in the city.

Rates According to analysis by Horwath HTL, the Dalian hotel market continued to see



"As Chinese cities away from the main hubs of Beijing and Shanghai continue to strengthen, more luxury brands are focusing on these markets."

> **Michelle Caporicci** Regional vice president sales and marketing Ritz-Carlton Asia

a positive growth trend for the second quarter of 2011. Marketwide occupancy averaged 58 per cent for the quarter, an increase of three per cent over the same period last year. Average daily rate (ADR) also experienced an improvement, increasing by five per cent. For the first half of this year, data provided by STR Global showed that Dalian hotels recorded increases of five per cent and four per cent for occupancy and ADR respectively.

In addition, government figures focusing on Dalian's peak summer season showed that average city hotel occupancy reached as high as 90 per cent, with occupancy and room rate climbing two and 10 per cent respectively compared to the same period in 2010.

Products Dalian is

banking on its outdoor attractions to up its leisure appeal. Among these are its four golf courses, a handful of ski areas with hot springs close to some pistes, beaches and geological formations.

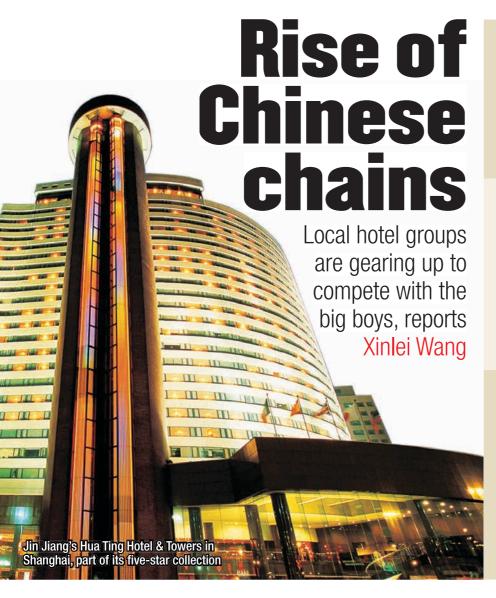
According to a DTA spokesperson, in 2010, 165,000 tourists visited Dalian for skiing and 350,000 played golf. Of these, most were local, while Japan and South Korea were the main overseas markets.

CTS' Zhang noted that outdoor adventure tourism in Dalian was increasing in popularity. "More and more tourists are keen on high-end and sometimes extreme sports," he said.

New World Dalian's Whitaker said the hotel also offered golf packages and short-break packages focusing on the city's famous beaches. Just south of the city centre is Xinghai Beach, said to be the longest man-made beach in China. Nearby shops and restaurants make it an easy excursion. Another beach, Fujiazhuang, is also close to downtown and has water sports op-

Farther south is Lushun, a popular area for outdoor tours. Formerly known as Port Arthur, Lushun also draws tourists with its colonial buildings, a recentlyopened Russian-Japanese prison and hot springs. Speedboat trips allow glimpses of the the naval port that is otherwise off-limits.

The south-east coast is also home to Pebble Beach National Geopark. The protected area has striking rock formations, and some sightseeing boat tours are



HNA Hotel Group

Portfolio

HNA Hotel Group owns and manages over 40 hotels in China and Europe, using the HNA Hotels & Resorts and Tangla Hotels & Resorts Worldwide brand series. This represents more than 10,000 available rooms. InterContinental Hotel Group also manages

over 20 properties for HNA.

In 2011, HNA spent 431.6 million euros (US\$588 million) acquiring a 20 per cent share of Spain's NH Hoteles. Both companies will enter into a joint venture for managing hotels in China, opening their first NH-branded hotel in Chongqing next year.

Jin Jiang International Hotel Management

Portfolio

Jin Jiang International has 111 star-rated properties and 34,000 rooms across China in cities such as Shanghai, Beijing, Suzhou, Wenzhou and Sanya. Together with sister company Jin Jiang Inn, the group has over 707 properties and 107,000 rooms. It also has 50 per cent ownership in US-based Interstate Hotels and Resorts.

Brand positioning

Its new ultra-luxury J brand will debut when the Shanghai Tower, said to be China's tallest building, opens in 2014. Hotels in the five-star collection provide luxury accommodation and highly personalised service, and those in the four-star collection offer upscale accommodation and a range of facilities. There is also a resorts collection that includes high-

Tianlun International Hotels

Portfolio

A total of 11 properties, nine under the Radegast brand and two under the Regar brand. Five Radegast hotels can be found in Beijing, one in Dezhou, one in Shenyang, one in Cangzhou and one in Sanya. The two Regar hotels are in Shenyang and Luliang.

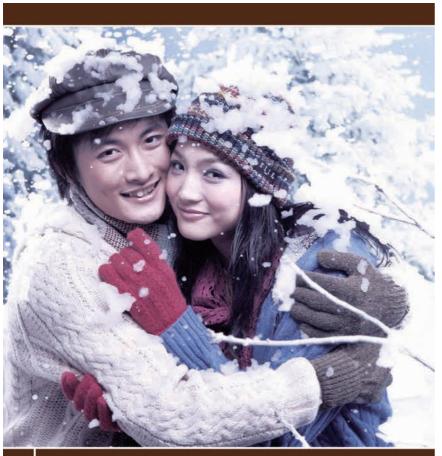
Brand positioning

Radegast is a five-star business hotel/resort

brand. It is described as being luxurious and having meticulous service, while showcasing the best of Asian culture. Regar is a four-star business hotel known for its stylish and elegant offerings. Design is simple, yet fashionable and creative.

Guest profile

Both brands currently serve more domestic travellers. Foreigners account for around 33



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RENAISSANCE







New World Dalian Hotel



With a good location and price that won't break your wallet, this hotel is perfect for travellers who value relaxed stylishness,

says *Andrew Dembina*

LOCATION In downtown Zhongshan, close to the CBD as well as international restaurants and bars and other top hotels. Its central location makes it just 10 minutes or so from the Dalian Railway Station and Dalian Harbour's Korea ferry pier, and under half an hour to the Zhoushuizi

International Airport.

ROOMS Warm, sleek and spacious. The bed and sofa were comfortable and luxurious. Colours were also easy on the eye, with a palette of chocolate brown and oatmeal. A large window and desk make it handy for in-room work, while broadband is free for Executive Club floor and suite guests, but chargeable for those in standard and deluxe categories. Notable extras include an air-purifier unit and a light cotton *yakuta*-style robe, alongside a towelling bathrobe. All bathrooms have a well-designed tub and shower stall.

Brand positioning

Top-level luxury, five-star, boutique and business hotels under the Tangla, Tangla Grand Place, The Tang Hotel and Gardenlane Select by Tangla brands. HNA Grand Hotels and HNA Business Hotels are midscale, while HNA Express Inns are budget.

Guest profile

Information unavailable.

Target

HNA expects to own and manage around 300 properties within the next five to 10 vears.

end properties in famous tourist areas and a heritage collection that features a number of historic hotels located in the French Concession and landmark areas of Shanghai. The Marvel brand is a relatively new concept targeting contemporary business travellers.

Eighty per cent of guests are domestic and

20 per cent are international. Most overseas travellers are from North-east Asia, but Jin Jiang is aiming for a more global mix.

In 2012, the majority of its pipeline will be five-star hotels. There are currently a total of 20 properties under construction and eight under development.

per cent of all customers at Radegast hotels, with key overseas markets being Europe and North America. Regar's figure is less, with roughly 12 per cent of foreign guests. Its key overseas market is Europe.

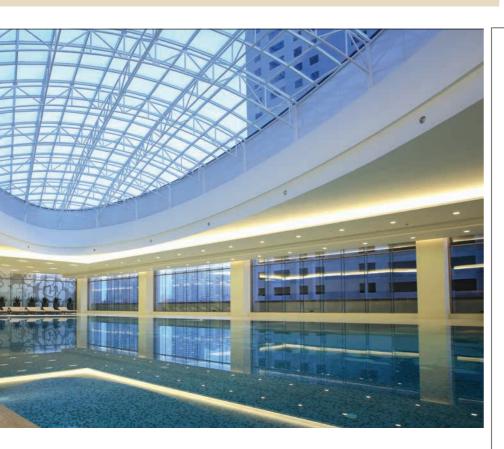
Guest profile

Calling itself the second fastest-growing Chinese hotel group, Tianlun will almost triple the number of properties it has over the

next three years. It plans to have 30 hotels, with 20 under the Radegast label and 10 under the Regar label. These will be located in China's first- and second-tier cities, port cities and cities with relatively-rich tourism resources.







F&B The star offering here pulls no punches with its name: The Chinese Restaurant serves up quality authentic Cantonese fare, plus a few local and wellknown regional specialties.

You'll find high-level international cuisine at The Café, and a separate international menu is available at The Poolside.

Drinks and snacks can be had at the Lobby Lounge and The Purple, a circular bar with a live band.

The Executive Club Lounge has a decent but slightly limited Chinese and Western buffet breakfast, accompanied by a la minute egg, waffle or pancake orders.

FACILITIES The 600m² Grand Ballroom and eight function rooms can cater to conferences, exhibitions and weddings, with Name New World Dalian Hotel

No. of rooms 429

Rate From RMB730 (US\$115)

Contact details

Tel: (86-411) 8807-8888 Fax: (86-411) 8807-8899 www.newworldhotels.com

support from a dedicated events team. The Poolside would also make a good informal function space. The indoor pool is of a good size, and there is a small gym.

SERVICE Polite and attentive.

VERDICT As more New World properties open, one hopes that the others will have this same level of style and comfort.



Enter the medispa hotel with looks

Former Banyan Tree executive fields a new brand that appears a turn-on, reports Raini Hamdi

XIXUAN Spa Hotels, set up by former Banyan Tree executive Susan Lo, aims to be more than skin deep by marrying medispa and lifestyle.

In China, the concept is a turnon, as it is still a novelty, said Lo, founder and CEO of the new venture. In August, Lo opened her first two medispa hotels, a 68-room property in Hangzhou and a 60-room hotel in Chengde, just two hours' drive from Beijing and once the summer resort of the Qing Dynasty. A third, a 99villa hotel, will open in Huangshan in February, while a fourth, in Ningbo, is being inked.

'Medispa' is short for medical spa, which offers non-surgical elective medical treatments to improve one's looks. Lo has roped in the exclusive distributor in Asia for Spain-based Mesoestetic - claimed to be the well-kept secret of celebrities - to offer professional treatments and home care products to guests.

"The difference is, these products are 100 per cent pharmaceutical lab-tested, i.e. licensed, unlike normal cosmetics," she said.



Artist's impressions of Huangshan Spa Hotel, opening in February 2012

"Guests can continue the process with the home care products."

"Spas today need to go beyond pampering. Most spas are just a 'lifestyle' and are easily copied; few combine medical and lifestyle. Yet, customers want to see real results."

She added: "The usual hotel spa or day spa does not create loyal guests. People don't go back after they have had their facial, massage or other treatment."

One treatment at her medispa hotel, for instance, uses a Mes-



Lo: not easily copied

oestetic TMT system for the transdermal delivery cosmetics to repair photodamaged skin, which optimises the transportation of the

ingredients far more effectively than a hand facial can. Yet, a guest would feel as if she or he was enjoying a good facial at a spa.

Such treatments could of course be done in a clinic, but why not have a holiday while you are at it, Lo said.

"I believe that the structure of my hotel concept is like a table with four pillars: a great architect who provides a beautiful design, the right distributor for the medispa, the right partner to develop the property and the right people to deliver an experience customers want," Lo said.

Her first hotel, Xixuan Huangzhou, for example, has a

MICE and Business Minds

Bringing Together Chinese and International MICE Exhibitors

2,500m2 medispa, two restaurants serving organic food and a three-storey library that doubles up as a function area.

"Our primary target market is the mainland resident who wants a short vacation. We are also targeting tourists from the region, including Singapore, where there are direct flights to Hangzhou," Lo said

The group aims to open 10 hotels over the next five years. – Additional reporting by Linda

www.itcmchina.com

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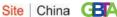
















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