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Growing for My

No solution in sight

By Raini Hamdi and Rahul K

FRANKFURT/VANGON

industry meeting to resolve contract issues (TTG Asia by May 4, 2012) has failed to any solution, deepening e among tour operators w their credibility is at stal "Hotels were ask sensible solution yet to get it Kuenze, for of attended Hotels and D Maung Yin. of Myanmar Touris (MTB), said MTB had ing to broker a solution not force hotels to con don't have the author prices – not even the do that. But this issue for the tourism ind needs to be resolved have already develop

They s to do

TTG

Who doesn't like new stuff? We certainly do. TTG Asia not only strives to deliver the best content that's relevant to your business needs but also sweats the details. That's why we've splashed out on higher paper quality to bring you features that look, not just read, better.

You will notice that the content in our pages has also evolved. Over the last year, we've started to include the hottest news and talking points from our website which you might have missed, while sections like appointments and trade deals can now only be found online. Our bi-weekly publication will have a heavier emphasis on analysis and impact-centric news, as we retain our destination briefings and thematic reports and guides – key differentiators of our print product.

New columnists in Tip Sheet will take a stab at issues ranging from agency best practices to online booking trends, and there is now more regular space for intelligence and travel trivia. Plus, we're getting more personal with Opinion.

And we're not standing still. Already available as a flipbook on digital devices, we're working on being able to bring you a more mobile-friendly TTG Asia through a dedicated app. Multimedia initiatives are also in the pipeline, incorporating both print and broadcast.

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Yours truly,
Gracia Chiang
Deputy Group Editor -
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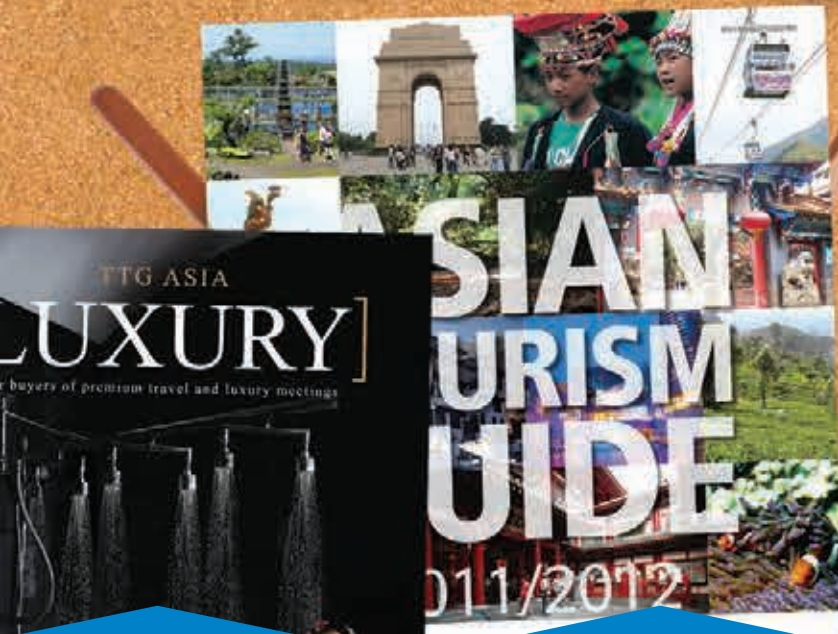


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paper containing tons more

in their own words...



I enjoy reading TTG Asia, owing completely to its content. The opinion page is a rather interesting section for me. Varied opinions on different facets of tourism have a vital role to play in the reader's thought processes. I hope TTG Asia continues to deliver analysis on the Asia-Pacific travel trade's key issues.

**Dipak Deva | CEO Destination Management |
Kuoni | India and South Asia | India**

TTG Asia provides a widely integrated platform for travel professionals as their preferred read. These materials deliver intelligence analyses which makes developing our travel business easier and more understandable for my colleagues and I.

Larry Lo | Managing Director | Westminster Travel



TTG Asia's print and online versions are always the first to bring travel industry issues to the market. They highlight strengths and weaknesses of destinations and companies. Another pleasing factor is the inclusion of Sri Lanka in its coverage.

Hiran Cooray | Chairman | Jetwing Hotels | Sri Lanka

I find TTG Asia a good source for updates on the latest developments in the industry. It is also an effective channel for getting information on products out into the market, and connecting with people from the trade for partnerships. I find TTG Asia's content and coverage on all tourism industry-related news precise, timely and relevant.

Thomas Chong | Managing Director | Holiday Tours & Travel | Malaysia



TTG Asia is the most important source of information for the everchanging landscape of the travel industry in Asia. Knowing all that's happening in the region, especially in terms of mergers and alliances, is very useful in order to evaluate where the travel industry is heading in the future. TTG Asia e-Daily is obviously the most practical tool for me.

Ratna Ning | President Director | Pacto | Indonesia

'View from the top', which features profile interviews with the industry's crème de la crème who share about their company's strategic plans and also their opinions, is very insightful. Among the many great articles, the one on travel agents getting connected with customers particularly strikes a chord as online travel booking is what we are aggressively pushing ahead with.

**Chan Khar Heng | CEO |
Chan Brothers Travel | Singapore**

I do like your coverage in TTG Asia. It touches broadly on a very large geographical area. I also scan the online e-letter and pick articles that catch my interest and read the rest on the TTG Asia website.

**Willem Niemeijer | CEO |
Khiri Travel Group | Thailand**

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Gloomy economy shows up in India

Global slowdown gnaws at growth from European markets

By Divya Kaul

NEW DELHI As the global economic slowdown unfolds, Indian travel consultants and hoteliers are reporting a fall in both leisure and corporate business.

Lally Mathews, honorary secretary, Indian Association of Tour Operators, said: “We were sending 20-25 groups of travellers to Leh and Laddakh in a year, which has come down to eight to 10 this year. The loss is not going to stop here, but will affect the winter season as well.”

The major drops are from Spain, Greece, Turkey, Italy, France and markets in Central and Eastern Europe, said Am-resh Tiwari, managing director, A.T. Seasons & Vacations Travel.

“Europe is the second-biggest market for India, and the impact is very severe. The tourist business during the low season has already been hit, and I feel that



Anand: impact will be heavy

even the winter business starting from October will be much less compared to the last winter,” said Arun Anand, managing director, Midtown Travels.

Indian tour operators said they were told that their longhaul clients were now opting for vacations nearby. “They are also being offered some cheap hotels and good packages within the country. For example, we have noticed that travellers from the UK and Turkey are opting for shorthaul destinations for their long vacations,” added Mathews.

In response, Tiwari said his company was preparing new cost-saving packages to lure markets back and also aggressively targeting the incentive segment. “For the value-for-money package offers, we are re-negotiating with hotels and other service providers to work out exclusive and attractive deals for European markets. We are also clubbing

two to three countries like India-China and India-Thailand-Nepal,” he elaborated.

Meanwhile, Indian hotels are keeping their fingers crossed. Sudhir Sinha, president and COO, Best Western India, has already noted a 10 per cent slide in best available rates and a dent in occupancies compared to last year.

Saeid Heidari, general manager, Renaissance Mumbai Convention Centre Hotel, said: “There is a cautious approach being adopted by a number of companies in light of the current global economic scenario. Trends show shorter length of stay and short booking periods.”

The growing supply also does not augur well for hotels. In the premium segment, there are an estimated 45,200 rooms available in Mumbai, the National Capital Region, Bangalore, Chennai, Pune, Hyderabad, Goa and Kolkata. Over the next four years, around 23,000 rooms are going to be added, according to credit rating agency ICRA.



Under him, Mövenpick Hotels & Resorts is bigger, deeper, wider. The president & CEO talks to **Raini Hamdi** about brand differentiation and true passion for hoteliering, which he thinks the industry has lost – see page 6

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THAI brings Smile to Macau

By Prudence Lui

MACAU The launch of THAI Smile’s inaugural route last Saturday is being seen by the trade as a fillip to tourism in Macau, as they are confident that the new service will draw high-end traffic from Thailand and even markets beyond, such as India.

Operating twice daily using Airbus A320-200 in economy and business class seating, Thai Airways International’s short-haul, light premium sub-brand will boost existing daily Macau-Bangkok connections to eight,

making the latter the second-most connected destination to the Chinese SAR, after Taipei.

Besides the obvious gain of travellers from Thailand, Macau will also benefit from the airline’s parent network, which allows travellers, from India for example, to jump on connecting flights via Bangkok. India does not have a direct link to Macau.

EGL Tours inbound and MICE account manager, Lawrence Cheng, said: “This is good news for Indians, as they don’t have to stop at Hong Long to hop

onto the ferry. Logistics wise, this is quite challenging for them.”

Local travel experts also believe that travellers from the Pearl River Delta cities like Zhongshan will choose to catch the flight from Macau because of its closer proximity to Thailand compared to Guangzhou and Hong Kong.

THAI Smile managing director, Woranate Laprabang, said: “We expect high-spenders and MICE, especially incentive groups, from Thailand. Unlike

Continued on page 3

Japan eases visa rules for Chinese

Multi-entry visa extended to three Tohoku prefectures

By Prudence Lui

HONG KONG Japan's extension of its multiple-entry visa facility for Chinese FITs to three prefectures in the Tohoku region is spawning some interest from travel consultants who are gearing up to tap traffic from mainland, which they say is growing.

The multi-entry visa facility, first introduced for Okinawa one year ago, kicked in on July 2 for the three tsunami-hit Tohoku prefectures of Fukushima, Iwate and Miyagi.

According to the Embassy of Japan in China, the move aims to "increase Chinese arrivals, strengthen local communities and economies, and promote cultural exchange".

Following a minimum one-night stay in one of the three prefectures on their first visit, Chinese tourists can subsequently travel to other Japanese destinations for stays of up to 90 consecutive days over the next three years, although travel arrangements must be made through appointed travel agencies.

Lily Mou, Japan division manager of Shanghai Spring International Travel Services, which has been designated to handle the multiple-entry visa applications in Shanghai, said: "As the visa is free, this will definitely stimulate traffic to Japan. However, it is still too soon to estimate the growth, as the new ruling just kicked in."

"Currently, we are refining some five-day, four-night FIT

packages covering Tokyo and Fukushima – destinations that China Eastern flies to."

Jinjiang Travel's Japan route manager, Shi Qi Qing, added: "We may develop some (Tohoku) packages lasting four or five days, and priced at about RMB6,000-RMB7,000 (US\$942-

Shanghai Spring International Travel Services' Mou added that the multiple-entry visas had worked well for Okinawa, which attracted a surge in Chinese visitors lured by the destination's unique island ambience.

According to a report by *The Japan Times Online*, some 19,000 multiple-entry visas were issued as of end-May, while Okinawa estimates that about 50,000 Chinese visited the prefecture during the first 11 months of the programme launch, twice the number recorded in 2010.

Tony Virili, president and CEO, Japan-based Solare Hotels and Resorts, said: "With (the expansion) of air service capacity coming into Japan from China, and more to be expected with the launch of Jetstar Hong Kong (in 2013), more Chinese travel (consultants) are showing interest in Japan."

"Many of their clients are willing to spend at least one night in Okinawa due to direct services between major Chinese gateways and Naha, Okinawa."

However, Jinjiang Travel's Shi was unsure if the latest visa changes would result in as big a growth for the Tohoku region. "These three prefectures hardly drew our clients even before the tsunami; we only had a handful of tourists going to the destinations. They are not as popular as Okinawa," she said.

For 1Q2012, 501,400 Chinese visited Japan, a 166 per cent year-on-year growth over the 302,742 arrivals recorded in 2011.

Passport to travel

166

Year-on-year growth, in per cent, of Chinese visiting Japan in the first quarter of this year

US\$1,099). Additionally, we will charge RMB500 for a visa handling fee."

China International Travel Service Shenzhen outbound travel general manager, Ding Wei, said: "As the visa is valid for three years, clients will have the motivation to revisit. So far, the air traffic between Shenzhen and Japan is only 80-90 per cent, and has not fully rebounded back to pre-tsunami levels. (However), there is no direct connection from Shenzhen to the three Tohoku prefectures, so clients have to fly via Hong Kong."

Phuket loses charm with Nordic markets

By Timothy France

BANGKOK Phuket is seeing lower satisfaction levels among Nordic travellers, who are increasingly bypassing the popular island for less crowded beach destinations in Thailand.

According to TUI Nordic, surveys of travellers from Denmark, Finland, Norway and Sweden revealed that Phuket's satisfaction ratings declined the most – from 4.34 in winter 2010 to 4.17 in winter 2012 – compared to levels across the country, which dropped from 4.35 in 2010 to 4.25 in 2012. TUI Nordic has a 29 per cent share of the inbound market from the four countries, which posted 762,088 arrivals to Thailand in 2011.

"Seeing (that the ratings dropped) from a very strong to normal satisfaction level, we are seeing a negative trend that we have to tackle before it's too late," said Tomy Serban, product and purchase manager for TUI Nordic, who attributed the decrease to a variety of reasons.

Congestion at Phuket International Airport, which is operating beyond capacity, has created problems for many stakeholders, including TUI, which operates charter flights into the country and struggled with slot availability last winter season.

Niels Steeman, group product director of Destination Asia, pointed out that the Russian market had started to move from Pattaya to Phuket, altering the market mix and local ambience in recent years.

"The peace and quiet that (Phuket) has always been known for is suddenly beginning to change," Steeman explained.

Moreover, some business operators such as new restaurants

are not upholding high service standards, said Serban.

TUI Nordic has raised these concerns with the Tourism Authority of Thailand. "We have to keep quality in the back of our minds and work on it to keep Thailand as the destination we like," said Serban.

He said: "Some of our customers have been coming to the same hotel for 15 years – these are the quality customers we need to keep. If they see a big change, they will consider going somewhere else next year."

Already there are reports of a gradual shift among Nordic travellers away from Phuket towards Krabi, Khao Lak and Koh Lanta.

"The Scandinavian market looks for peace and quiet, with only around 10 per cent looking for nightlife, so (tour operators) have been diverting their business slowly and surely in the direction of Krabi and Koh Lanta, which are currently not occupied by conflicting nationalities," explained Steeman.

Krabi and Koh Lanta are faring particularly well because Krabi Airport can receive international charter flights, thus avoiding Phuket altogether. Around 60-70 per cent of Khao Lak hotels are taken up by Scandinavian charter business during the high season, said Steeman.

However, he noted that Thailand remains high on Scandinavians' travel agenda. "Thailand is still immensely popular, the second most popular intercontinental destination after the US."

This year, TUI Nordic expects to receive more than 100,000 arrivals from the four markets. About 30-40 per cent of its business to Thailand are repeat travellers who stay for up to 15 days.

New body in Singapore to tackle tour guide problems

By Linda Haden

SINGAPORE Travel professionals applauded the creation of the new Tourist Guide Chapter (TGC), which was launched on July 2 by Singapore's National Trades Union Congress (NTUC). It aims to weed out illegal tour guiding, as well as safeguard the rights and raise service standards of licensed tour guides.

Michael Lee, director, Luxury Tours & Travel, pointed out that Singapore faced an acute shortage of good guides. He said: "Even though licensed guides in Singapore generally have in-depth product knowledge, few have the people skills that distinguish quality guides from mediocre ones."

Citi Supply Travel Services' managing director, Roberto Choo, noted that the shortage is also fast reaching a critical point.

"Travel companies are now scrambling for the same pool of quality tour guides. It is good that NTUC has stepped in – hopefully this will help lift standards and improve professional practices across the board."

A TGC spokesperson said: "Since the soft launch of the TGC last July, we have initiated several focus group discussions with licensed tourists guides on the problems they face, such as illegal guiding and the lack of enforcement of regulations."

"On the other hand, though we've escalated these issues several times since last July, Singapore Tourism Board (STB) has not penalised any errant tour guide or travel company (we have identified) that has contra-

vened legislation. This has led to droves of illegal guides penetrating the market to compete with licensed guides for job and income opportunities."

There has been little action so far from STB in combating unlicensed guides, according to the TGC spokesperson.

Travel consultants and guides foresee a protracted battle if authorities do not take swift action against the rogue guides.

"It is up to the authorities to reel offenders in. In our experience, most unlicensed tour guides tend to come from neighbouring countries such as Thailand, Indonesia and Malaysia, making it harder for Singapore's under-resourced tourism

authorities to clamp down on them," said Jean Wang, honorary secretary, Society of Tourist Guides (Singapore).

However, Hong Thai Travel's inbound senior manager, Tony Aw, said the issue was not only about unlicensed overseas tour guides. Some Singapore-based tour guides – whether licensed or not – also circumvent local travel firms to arrange accommodation, tour itineraries and groundhandling services for foreign groups, he said.

Aw added that the unlawful practice had been "rampant for years" and these errant guides often undercut local DMCs without bearing the costs of running a fully-fledged company.

When enquired by *TTG Asia* about its stance towards illegal guides, STB claimed it recently stepped up ground enforcement

operations. According to media reports, three large-scale operations have been mounted since December, yielding 152 suspected cases of illegal guiding.

Lee Lie Yen, STB director for hospitality, said: "STB is always mindful that the tourism landscape is dynamic and that the needs of all parties, from travel (consultants) and tourist guides to our visitors, are rapidly changing. Hence, the board conducts regular reviews of the Travel Agents Act and Regulations to ensure relevancy."

TGC said it would continue to engage with STB and the Ministry of Manpower to propose solutions to address prevailing issues, such as imposing immediate and tighter enforcement on errant tourist guides and travel companies, and reviewing controls on foreign guides.



Lee: lack of quality guides

New Singapore-Shanxi link

Direct connection provides an alternative for China tours, which trade says are holding steady

By Liang Xinyi

TAIYUAN Hainan Airlines' new Singapore-Taiyuan (Shanxi) flight via Haikou (Hainan) has given the Lion City a direct connection to China's north-eastern province, offering opportunities to package the lesser-known destination that is steeped in culture and history.

The twice-weekly Singapore-Haikou-Taiyuan flight, which began in May, is an extension of the carrier's existing Singapore-Haikou route. It is operated on Boeing 737-800 aircraft with eight first-class and 156 economy-class seats.

WTS senior manager tour division, Kong Kum Hon, said he was considering creating a consortium in order to leverage on Hainan Airlines' discounted fares for group tour bookings (from S\$300 or US\$236 excluding taxes).

CTC Travel senior manager (China planner), Cui Xin, said: "Previously, tours to Shanxi were only conducted upon special request. With the debut of Hainan Airlines' service, we have created a eight-day Shanxi package featuring local attractions such as



Xuan Kong Si, Shanxi's iconic 'hanging' temple

Yungang Grottoes, Xuan Kong Si (Hanging Monastery) and Mt. Wutai. This package will be more suitable for repeat travellers to China and those who would like to explore lesser-known Chinese provinces."

She and Kong both acknowledged that Shanxi would be a niche product for Singaporeans who often prefer touring natural scenery in China, instead of his-

torical and cultural sites.

Other travel consultants that *TTG Asia* spoke to during the fam trip organised by Hainan Airlines added that Shanxi might be a tough sale due to a number of additional factors.

Huang Yuxiang, president, Super Travels, said: "One of Shanxi's biggest drawbacks is the great distances between the attractions, resulting in long drives

and some repeated journeys. The provincial government could develop several roads linking the attractions, which will enhance the development of different programme routes in Shanxi."

Flight timings (late departure from Singapore and early departure from Taiyuan resulting in almost two days spent flying) are also an issue.

However, Huang said he was still keen to create new products, using Shanxi as a starting point before travelling onwards to neighbouring Xi'an and Beijing.

Liu Hai Liang, special tour project manager, ASA Holidays, agreed that in order to avoid repeated routes, using Shanxi as a start/end point in combination with other provinces was ideal.

He added: "Shanxi's Jin cuisine is tasty and will appeal to Singaporeans' love for food. If local restaurants can roll out more custom menus, for instance, substituting the province's beef-heavy cuisine with more pork and or chicken dishes, that will suit Singaporeans' palates better."

Singaporeans' interest in China tour packages has remained stable in recent years, said outbound operators.

Alan Ong, New Shan Travel Service, general manager (tour division), said: "China is a mid-haul destination that can be easily visited between five and eight days. In addition, the absence of language barriers (for Singaporean Chinese) and the rapid development of China's infrastructure have also attracted a younger generation."



Huang: road network a bane

ASA's Liu also continued to observe keen interest in China. He said: "Travelling abroad has now become a lifestyle habit for Singaporeans. While the growth in demand for China travel has slowed down in recent years, the level still remains strong as many are repeat travellers to China."

Ryan Ren, Hainan Airlines sales manager, said there were also plans to organise a fam trip to Singapore for Shanxi-based tourism representatives and tour operators to build the outbound market.

Penang attracts new leisure interest

By Mimi Hudoyo

PENANG Buyers at the inaugural Penang International Travel Mart (PITM) last week said they were keen to send travellers to the northern Malaysian state for culinary outings, cruises and weddings, but called on greater NTO promotion in their countries.

Penang, which launched its own B2B travel mart just one month after the first-ever Malaysia International Tourism Exchange in Kuala Lumpur, is ramping up its tourism efforts as part of an attempt to gain more revenue from non-industrial sources.

Since the recognition as a UNESCO World Heritage Site in 2008, Penang's capital George Town has seen conservation of colonial buildings, preservation of old trades, and a growing crop of local restaurants, cafes and boutique hotels.

Said state minister for tourism development and culture, Danny Law: "Penang has always been celebrated for its heritage and diversity in ethnicity, culture and religion."

However, despite its strengths, Penang has been known largely for medical tourism among major regional markets such as Indonesia, said the trade.

Tri Harta Indah Tour & Travel Surabaya director, Inge Erikasari, said: "Penang is actually value for money. Hotels here are reasonably priced. You can get a four-star hotel at RM150 (US\$47), while in Kuala Lumpur, it can be about RM200. With the low-cost carrier connection, you can actually sell the destination, provided travellers know what they can do in Penang, except for medical tourism."

AirAsia's daily service from Jakarta to Penang, which leaves early in the morning and returns at night, allows travellers to maximise their stay on the island, pointed out Amazing World Explorer Jakarta director, Claudia Marini.

She said: "Penang is good for a weekend getaway, and the destination would interest culinary travellers because it is well known for food. However, Penang needs to market products other than medical tourism to Indonesian travellers."

Visi Tour Medan managing director, Ryan Hidayat, agreed. "Penang has attracted travellers from Medan for medical check-ups and treatments for so many years.

"What we would like to try

to do now is to introduce other kinds of holidays. With Star Cruises deploying (*SuperStar Libra*) here and its regular cruise schedules, I think we can market this," he said.

Hidayat added that cruise demand from Medan was on the rise, and instead of travellers flying to Singapore for cruises, Penang could become an alternative.

Recognising the importance of air access, the state government has set aside RM250 million to expand the capacity of Penang International Airport from three to five million passengers a year, scheduled for completion by November. A new airport to cater for even larger numbers is also on the cards.

Vedi's International Tours & Travels India director, Rocky Kerney, said: "Kuala Lumpur and Genting have been the main destinations for our clients for sometime, and we are looking at adding Penang to itineraries."

Ark Travels India director, Anju Tandon, said besides usual cruise groups, she was intending to introduce the concept of cruise weddings for her market. "I am currently looking for a venue on land to conduct one

of the ceremonies and continue with (the rest) onboard," she explained.

Tandon was also toying with the idea of combining onboard wedding celebrations with wedding photography on Penang.

"One of the sellers was offering photo shoots at different locations with different traditional costumes, which I think Indians would love," she said.

Other buyers from the Philippines, Hong Kong and Vietnam *TTG Asia* spoke to said they were also interested to add Penang to their Malaysia itinerary, but called for stakeholders to increase more market awareness of their products.

In response, Law said his ministry would focus on 10 areas of tourism development, namely cultural heritage, food, nature, medical, MICE, arts and movies, education, sports, shopping and entertainment, and wedding holidays and romantic getaways. Based on market accessibility and travel patterns, Asia and Australia would receive more marketing focus, rather than traditional longhaul markets, he added.

Meanwhile, PITM is set to become an annual affair, with next year's event planned for April 25-26.

Continued from page 1

Not exactly low-cost

Hong Kong, where many of them have been to, Macau is new." He added that July bookings for economy class were about 80 per cent full, but clients tended to book late.

Following the Macau launch, the airline will roll out roundtrip domestic flights from Bangkok to Chiang Mai, Phuket, Krabi, Surat Thani and Chiang Mai-Phuket.

THAI Smile flights can carry 174 passengers, with the first five rows designated for Smile Plus business class service, providing extra pitch and enhanced service elements. While airfares are cheaper than those of legacy airlines (starting from MOP\$1,710 for a round-trip with taxes or US\$214, according to EGL Tours' Cheng), offerings such as snack and beverages, pre-seating selection, counter check-ins, mileage accrual and generous baggage allowances are included. Smile Plus passengers also get lounge access.

According to Macau International Airport (MIA), Bangkok contributed nearly 260,000 air passengers during the first half of the year, a 45 per cent increase compared to same period last year.



Law: developing 10 segments



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Here's what you've missed

Adam Tan

Our mystery man examines the bane of being a Mac user: it's harder to score travel deals on OTAs like Orbitz

Hot Moves

Koay Peng Yen becomes Tiger Airways group CEO; Sheila Leong rejoins PATA as COO; Travelport appoints Alexandra Fitzpatrick as GM for the Pacific region

Hot Deals

Banyan Tree (below) offers discounts based on the temperature recorded by the hotel on the day of booking; The Ritz-Carlton, Beijing features a full-day meeting package, priced at RMB650 (US\$102) per pax



Hotel branding ludicrous



It's no coincidence that brand proliferation has occurred since chains decided to become asset-light.

Raini Hamdi
Senior Editor

HOTEL branding is in danger of becoming ludicrous.

Isn't it odd to have a brand called Even? Or carve out another brand from the main brand called So? Or have a Luxury Collection and make people wonder what kind of luxury it is if the most luxurious properties in the family, St Regis, are not in that collection?

I hope some of my illustrious friends at Inter-Continental Hotels Group (IHG), Sofitel Hotels & Resorts and Starwood Hotels & Resorts respectively will have it in them to pause a little while, take themselves less seriously and join me in being amused at hotel branding. I really could not help laughing out loud when I read that Even, IHG's new fitness brand, will have coat racks that double up as pull-up bars. (Will there also be weights latched to complimentary bottled drinking water that can serve as dumb bells?) Or, when someone asked me the other day about the Sofitel that's being developed along Robinson Road in Singapore and I said, it's a So. And he said, beg your pardon – so? So-so? And I said, no-no, it's far from so-so – the hotel is in a heritage building and it'll be quite stylish!

I'm in the trade, so I'm fortunate I understand a bit more about the brands than the ordinary man on the street. But the man on the street is the customer of hotels. And they are becoming confused about hotel brands.

At least one hotel CEO has admitted outright that yes, we are confusing the customer. Last week, I interviewed Jean-Gabriel Pérès, CEO of Movenpick Hotels & Resorts, and it was refreshing

that I didn't have to spend the next hour listening to a CEO defend his brand segmentation strategy. No, Jean-Gab, as he's known, told me straight that hotel branding had become "artificial", that he had not seen too many brand creations that were amazing or significant (see View from the Top, page 6).

For me, it's not a question whether there are too many hotel brands. There can be 10, 20, 30 from one chain, so long as each is clear to and needed by the consumer. When it becomes one too many, it's often a result of the brand being needed more by the chain than the consumer. It is no coincidence that brand proliferation has occurred since hotel groups decided to become asset-light and management fee-heavy.

As well, rapid hotel development in Asia means brands are needed. Take a look at a city like Bangkok alone and you'd wonder how on earth a chain can cope with its brand promise to either owners or consumers when the same flag is flying close to one another and, worse, the properties do not have equal standards.

A brand must mean something and its meaning must be cherished and safeguarded. After all, the very word 'brand' means 'particular identity or image regarded as an asset'. One would think there's enough work to be done to ensure brands in the house are leaders in their segment – take the recent US\$1 billion relaunch of Holiday Inn, for example – let alone come up with new brands that require capital investment and, worse, may detract the focus on existing brands.

Actually, it's no laughing matter. And hotel chains deep down know it.

Most commented on www.ttgasia.com

Myanmar introduces rate cap for hotels

Peggy M Goldman, president of Friendly Planet Travel US, said: "As tour operators with a new, successful programme to Myanmar, we were going to cancel our programme due to the (outrageous rates) imposed by these hotels. Let's hope the new rules control these opportunistic practices, so that we can continue promoting Myanmar as the great Asian destination it most certainly is!"

Gilbert Khoo from Bangkok-based Sea Overland Travels agreed. "As a tour operator favouring Myanmar, I concur with hotels now cashing in by increasing their room rates – but there must be a reasonable ceiling. A big kudos to the Ministry of Tourism for putting a brake on the spiralling free-for-all room prices," he said.

Patrick Morris of Indochina Travel

Yangon expressed similar sentiments. He said: "Hotels should never invalidate contracts they've agreed to. Operators have already booked tours at set prices before the rates increase, so when hotels cancel the contracts and raise rates, operators are left holding the bag. If investment is to come, certainly (not honouring) contracts isn't the best way to start?"

On the other hand, Kent Maury from Bangkok argued it is simply "supply and demand" at work. "Do Hong Kong, Singapore or Bangkok limit hotels on how much they can charge a guest? Hotels have been making little or no real profit in Myanmar for years...When there are more hotels and a greater supply, there is a higher chance for reduction in rates that operators are moaning about."

Airlines cut commissions for HK's travel trade

US-based Fred Harvey said: "Zero commissioning is just the airlines' way of increasing fare revenue without carrying the moral responsibility of increasing costs to passengers. In fact, the term 'agent' is not applicable – travel arrangers no longer represent the airlines and have become pawns. Travel arrangers should simply boycott the zero-commission airlines and explain the reasons to a passenger."

RL Narula from India said: "The trade must change its ways of doing business and look for other target groups. However, it is wrong on the carrier's part to pay overrides to consolidators, which usually works out to paying much more than the usual agency commission. (Are airlines) being penny wise and pound foolish?"

Voluntourism gets limelight in the Philippines

Stephen Dioneda from Dubai applauded the move to promote voluntourism. "Congratulations, Philippines! I hope other destinations would do the same. As travellers, this is a very educational and fun thing to do. Help save the environment!"

Govt's inaction retards Sri Lanka's prospects

Fred Harvey from the US said: "The most egregious barrier to tourism in Sri Lanka is the grossly overvalued hotels. The hotels pay their staff at local rates yet charge European rack rates. The tourists know this and are, by word of mouth, dissuading others from touring Sri Lanka."

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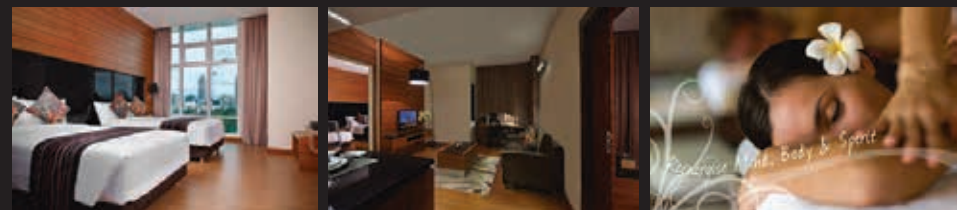
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Building brand loyalty

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

In every area of business it's vital to reward your most loyal customers, but the highly emotive nature of the hotel industry makes a strong loyalty program even more important.

Best Western's core values of excellent service, warmth and value for money are loved by thousands of customers around the world. But with a huge range of new hotel brands entering the market, companies cannot afford to take their guests' loyalty for granted. A strong loyalty program needs to do more than just offer lucrative rewards – it needs to make customers feel valued. In short, it needs to turn a happy customer into a loyal guest, and a brand admirer into a brand ambassador.

Best Western Rewards offers one of the widest selections of reward options in the industry, from free room nights and dining rewards to travel cards, memberships and even the chance to make charitable donations. We have also joined forces with a range of airline partners, making it even easier for guests to earn and redeem points.

Building brand loyalty is a never-ending task that encompasses every area of the business. But we believe that our combination of strong brand values and a strong loyalty program sets the foundation for a rewarding future.



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VIEW FROM THE TOP

Mövenpick's

You've helmed Mövenpick Hotels & Resorts for 13 years now. Few CEOs today stay that long with one group.

Yes, the longest-serving ones I can think of are Kurt Ritter (Rezidor Group president and CEO), Reto Wittwer (Kempinski Hotels CEO), Edouard Ettegui (Mandarin Oriental Hotel Group CEO)...

What are the common links that make you and the others stay?

I think we're seen as true hoteliers who are passionate about what we're doing. My company is private (66.7 per cent Mövenpick Holding and 33.3 per cent Kingdom Group), so I'm able to develop a vision which my shareholders validate, and implement a strategy which they see materialising. In a public-listed company, you are constrained and forced to do things you don't like – analysts come in and say you must do this and that in the interest of the share price – whereas here I can do what I want and the board supports it. They can see that the company is changing dramatically over the years.

And how...

Yes, 15 years ago, we were in a limited number of countries – basically Switzerland, Germany and Egypt. Now we're in 25 countries. We had 30 plus hotels. Now 73 plus, and more than 30 under construction so, by end 2015, we shall reach the 100th hotel (in operation) mark (80 per cent managed).

Our positioning has increased. Ten years ago, we were a mix of mid-market, four-star and some five-star hotels. Now all our hotels are upscale and upper upscale. That's through attrition – around 15 hotels went out of the system as it didn't make sense

to keep them in the portfolio or they were in destinations which were not performing too well. Other hotels were renovated and we're opening new hotels that make you dream a bit.

What did you see in Mövenpick and, in carving out a vision for it, what did you believe was the right thing to do?

I saw a golden nugget, a company with an amazing potential which was not tapped at all. And the right thing to do was to build on its fundamentals. It already had quite a few fantastic people and the roots of the brand were in F&B, authenticity and quality of service. As you know, Switzerland is the epitome of quality in the world. Three of the five top hotel schools in the world are here and the quality of service – be it in watches or chocolates, etc – is always top.

But I could see that I needed an infusion of talent coming from the five-star hotel business. This is the secret: take an upscale collection of hotels, infuse expertise from the five star business and you get an absolute winner. Guests do not necessarily feel they are in a palace or a five-star luxury environment, yet they feel the touches of superior quality that you can only find in a five-star in our hotel. It's the same as in the automobile industry – look at Lexus, which is an infusion of luxury in a solid upscale brand, Toyota. Or Audi. When I lived in Hong Kong 15 years ago, I would never drive an Audi. They've infused technology and sober luxury that it's now one of the three most, if not the most successful automobile brands.

We're going the same way. This is why Andreas Mattmüller (COO, Middle East and Asia) has been my accomplice for 25 years. We were with Méridien (Le Méridien Hotels & Resorts) together. He has vast knowledge of Asia and passion for food – he loves chocolates by the way. We have a lot of other people from five-star brands like Andreas (who was also with Mandarin Oriental) who have contributed, and are continuing to contribute, to our aim to be the finest player in the upscale hospitality business and we're getting there.

How is the timing right for upscale?

Basically, there are two groups of people today. One is from the emerging countries who start having access to luxury, but you know well that if you give them five-star immediately, you will miss your customer base. Their level of maturity is not yet ready



“I've not seen too many brand creations which are amazing or significant by the hoteliers who created them.”

mover

He's made Mövenpick Hotels & Resorts far bigger, deeper and wider than it ever was. **Jean Gabriel Pérès, president & CEO**, talks to **Raini Hamdi** about brand differentiation and true passion for hoteliering, which he thinks the industry has lost



for top luxury.

The other category is from old world Europe, where top bankers, until now, could afford or were allowed to stay at palaces for 500 euros (US\$614) a night. Now their headquarters are saying, 'please come down a bit', so they seek affordable luxury and come to us. For the next five to 10 years, we're at the crossroads of these two market segments, thus our strategy is spot on.

Another fantastic opportunity for us is that lending for new projects has become more difficult today. A lot of owners have realised that with Mövenpick, the development cost is half of what it would be for a luxury hotel but the difference in room rate is not half. So if a luxury charges 100 euros, we would be at 70-75 euros. Thus, owners and developers are also winners (not just customers).

But the upscale segment is always the trickiest to perfect, isn't it? With luxury, you can throw money; with economy, you can standardise.

Yes, it looks simple but it's not that simple. Our aim to be the best upscale hospitality company in the world is to be proven. It will always be a goal; it can never be achieved.

It's a question of brand differentiation and the need to be meaningful to guests, or risk the brand becoming a commodity.

There are too many hotel brands which create too many sub-brands which people do not understand. We decided a long time ago to have just one brand, Mövenpick, so for us, no Royal Mövenpick, Grand Mövenpick or whatever.

My experience with branding – as you know, between Méridien and Mövenpick I took care of a significant company in charge of luxury fashion distribution in Hong Kong and we had 120 brands such as Christian Lacroix, Christian Dior, Givenchy, etc – is that if you're not able to fully differentiate your brand from the other, and give it a strong personality and character, then there is no need to create that brand.

Everyone – be it the guest, the hotel GM, the owner – needs to be able say in a few words what they would miss about your brand if it were to disappear one day. The problem – and the challenge for everyone is – what have come out so far are very artificial. All these brands are created by hoteliers who want to please themselves before pleasing the guests and who are trying to find artificial ways to charge a higher room rate.

Whatever you create must be extremely tangible, whether you decide to go one notch above or one notch under. I've not seen too many brand creations which are amazing or significant by the hoteliers who created them.

And so for you, you want Mövenpick to wow in the upscale segment through its Swiss heritage, quality service...?

Yes, Switzerland is loved by many people in the world. It has a positive perception. Switzerland means quality and to me it is one of the most peaceful countries in the world. Swiss quality means a lot more than French quality. I'm French – nothing wrong with French quality – but it's a fact Swiss quality has more legs, while the French may be synonymous with wine, or the Italian with fashion.

Who do you think is doing a good job with upscale?

I don't know – when you're totally in love with your brand, you don't think of the new girl on the block. We're constantly working to be even better than we are. As you said, with luxury, there is less risk to become commoditised. In upscale, it needs a lot of passion, hard work, human intelligence and heart.

But to answer your question, overall, I think Hyatt (Hotels Corp) has done a good job as a focused, consistent hotel company. In the upscale, it's difficult to say which names are making me dream a bit, that are sexy. Maybe Alila (Hotels & Resorts, created by Mark Edelson) – it has done pretty good stuff.

Your challenge was to reposition Mövenpick, which you've done successfully. What's the next challenge?

The challenge, whatever you do, is always to find the right talent to carry the torch. The human factor is the alpha and omega of how successful your brand can be. And as we speak, we're rolling out an internal programme which in my view will generate quite a special outcome in how we reveal the brand to our guests and deliver quality of service.

My GMs are special and, as a CEO, I don't command them to do their best. I can only inspire them – and they their team – to do their best.

One of the ways is to for us to recognise that in each individual, there is a hidden talent which we need to bring out, so that it benefits the staff, guests and us. It could be something as simple as, say, in Ghana, where my GM recognised the staff had talent

"We have, globally, treated people with a lack of dignity. We've been constrained too much by SOP (standard operating procedure)."

for rollerblading that he inspired them to serve around the pool in roller blades. The guests love it, the staff love it – everyone benefits.

We have, globally, treated people with a lack of dignity. We've been constrained too much by SOP (standard operating procedure).

For someone with a finance background, you sound more like a CEO from operations.

At heart I'm a hotelier, even though I graduated from business school and did not come from the ranks. I really am passionate about creating enjoyment for the guest through real service. I think it comes from the education my parents gave me and that I was born in a world of classical music. My family members were professional musicians; they were cellists, etc, and that has given me a sensitivity for and vibes about people and places.

That's where my passion for hotels, hotel design, art, etc, comes from, as well as the recognition of how important it is to genuinely respect people. This includes the acknowledgement that the new generation doesn't want to be intimidated by hotels or brands that are artificial, doesn't want to be overwhelmed by super luxury that makes them feel dwarfed.

Do you play any musical instruments?

I used to play the piano. I wish I could open a piano, look at the score and start playing like a dream. It's the one area that is unfulfilled in my life.

Holidaying by train
is gathering steam
in Asia, discovers
Liang Xinyi



More Asians are jumping aboard trains for their travels, thanks to improved rail infrastructure, a wider spread of offerings and a growing preference for such land-based journeys.

Global passenger rail travel reached 2.8 trillion kilometres in 2010, of which 73 per cent of journeys were undertaken in Asia-Pacific, based on figures from International Union of Railways. According to Amadeus' *The Changing Face of Rail Travel* study, high-speed rail will be the most common means of business and leisure travel within Europe, and global passengers will increase by 330 million by 2020.

Riding the rails



Photos courtesy of Rail Europe

A focus of GDSs

Train ticketing, which has traditionally chugged behind its air and hotel counterparts, has undergone rapid modernisation in recent times as travel technology providers recognise the need to beef up rail content on their booking platforms.

Just last month, Amadeus announced a tie-up with Italian Trenitalia, allowing travel consultants worldwide access to high-speed rail products Freccia Alta Velocità and Frecciabianca. Those using the Amadeus Selling Platform can compare Treni-

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talia services with flights on the same route through the FlyBy-Rail Track and Rail Agent Track search systems. Last March, Australia's Rail Plus inventory was also integrated as a smart tab on the Amadeus Selling Platform.

"Around the globe, it's an exciting time for the rail industry. However, to capitalise on this opportunity, it's vital that travel (experts) can compare fares and timetables with those of airlines," said Thomas Drexley, Amadeus director of rail.

Other GDSs are also not lagging behind. In February, Travelport partnered Italy's first private high-speed rail operator Nuovo Trasporto Viaggiatori to distribute the latter's content through its Smartpoint App, while a month later, Sabre inked a deal with ACP Rail International that significantly expanded its portfolio to include rail operators in the UK, US, Scandinavia, Australia, Japan and China.

Specialists preferred

Despite the rising availability of rail inventory on GDSs, travel companies that *TTG Asia* spoke to revealed that they preferred to make direct bookings with rail operators and ticket distributors.

H.I.S. Travel Singapore, one of few selected agencies authorised to sell the Japan Rail Pass over-

seas, secures inventory from its Tokyo-based HQ which liaises directly with Japan Rail (JR). This partnership has allowed the "creation of exclusive products that evolve with the JR pass", explained Wyne Png, business development manager, Singapore.

For Boustead Travel, GSA for

in the region.

"China is our new booming market, with sales increasing 60 per cent from 2010 to 2011. The Indian market is also doing very well, growing 40 per cent last year," said Yu Tian, Rail Europe's area representative for Greater China and South-east Asia.

"It's an exciting time for the rail industry. It's vital that travel experts can compare fares and timetables with those of airlines."

Thomas Drexley

Director of rail, Amadeus

Eurail in Malaysia, bookings are made directly on a special Rail Europe platform. India's TMIC also works closely with Rail Europe and receives about five per cent commission for bookings.

Rail ticket distributors are also eager to firm up relationships with travel companies in Asia. In 2011, Rail Europe partnered Hong Kong-based Sincerity Travel – a leading local agency for train travel in Europe – to launch its flagship Asian store in the Chinese SAR. In the same year, the company also set up a new B2B portal for South-east Asia in response to strong demand from its GSA network

Echoing Rail Europe's investment in the region is Canada-based train holiday specialist Rocky Mountaineer, which is now seeing "substantial growth" out of Asia, according to Robert Halfpenny, director of sales, Asia-Pacific. While the firm's South-east Asian sales had always been "modest", the appointment of Singapore-based Scenic Travel in late 2011 as its regional GSA had pushed up sales volume by 67 per cent to date, he said.

"India has been the focus of our resources over the past two years and with our Delhi-based marketing partner Canada Destination Marketing, we are experi-

encing a 127 per cent growth in forward 2012 sales year-on-year," added Halfpenny.

Beyond Europe

Asian travel companies are keen to further leverage on the growing interest in locomotive travel among markets here. TMIC, which introduced escorted group tours by rail in Europe last year, saw a 50 per cent year-on-year growth in bookings this year, partly aided by the evolving preferences of the Indian traveller who is "now open to experiment on his own", said CEO, Srinivas P. Groups are limited to 35 people, making "travelling more enjoyable than on coaches crowded with 49 passengers and one tour manager", he added.

Economics is also driving bookings for European rail travel. Ann Tan, tour manager of Boustead Travel, which recorded a 50 per cent spike in volume sales of rail packages in 2011, said: "Europe has overtaken Japan and Australia as the top rail destination for Malaysians, partly due to the favourable ringgit-euro exchange rate and the multitude of rail travel options within the continent to suit individual preferences."

However, travel experts say demand for Asian destinations is also picking up pace.

Last year, Eastern & Oriental Express introduced Chronicles of South-east Asia, a series of luxurious rail voyages lasting between three and six nights through Singapore, Malaysia, Thailand and Laos.

"Journeys aboard the Eastern & Oriental Express are popular with the Asian market," said Gary Franklin, managing director, Orient-Express Trains & Cruises. "We've seen a significant rise in demand and bookings from the Asian market, led by Singapore and Japan."

TMIC, too, plans to introduce train packages within India.

For H.I.S. Travel Singapore, sales volume from the country has surged by 200 per cent since 2009 to hit a record of 1,500 packages in 2011, according to branch manager Kaku Imamura. The company will launch itineraries incorporating Tohoku, Shikoku, Chubu and Sanyo this year, adding to its current portfolio of nine types of JR passes.

Andy Jones, office manager of China-based Monkey Shrine, which specialises in Trans-Siberian packages, also noted the acceleration of interest among Asians. From just three per cent in 2008, Asians comprised 10 per cent of its clientele in 2011, mainly from Taiwan, Hong Kong, Malaysia and Singapore.

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Now **trending** in India



In this new column, *MakeMyTrip* chief business officer-international markets, **Amit Saberwal**, takes the pulse of the online travel market and offers a window on what Indian consumers are booking this season

What's clicking

A quick look at prime time media spots (radio and TV) in India's metropolitan cities, and one would assume it is the launch of the Great Hotel Inventory Sale online.

Every travel portal is trying to outshout the competition by riding on innovative hotel deals this summer. The frenzy may seem mildly puzzling considering that India's top three travel portals have had online hotel inventory for the past few years. But a closer examination will reveal why hotels have become the cause célèbre.

Unlike flight products where the market has fewer players, India has over 163,000 hotel rooms, of which 71,500 are in branded hotels. Unless you go by peer reviews, it is difficult to be assured that the hotel experience will be delivered as promised or expected. This is where portals face the biggest challenge towards migrating hotel bookings online.

However, it seems that after hotels and portals have invested heavily in automating and creating seamless technology interfaces, they are more confident of delivering on the promise.

With that, Indian travellers should get ready to be wooed and rewarded for being adventurous and booking hotels online, both those within and outside the country.

What's fizzling

Longhaul international holidays and flight-linked domestic holidays are slipping, while weekend getaways and Asian destinations are ruling the roost this summer.

The continued depreciation of the rupee and increasing domestic airfares have deterred expensive holiday options. While travel consultants may see growth across the holiday business, even for longhaul destinations such as Europe and the US, the fact remains that the duration of the holiday, choice of hotels and inclusions have been impacted.

One must also not overlook that summer is traditionally the year's big holiday season and bookings are done (and part-paid) much in advance, hence the seeming resistance of the business to the rupee depreciation.

But have no fear. Although South-east Asia will be the first port of call for the Overseas Holiday Initiative, destinations such as Europe, New Zealand, Australia and the US will continue to generate interest owing to Bollywood, or the Hindi film industry, and its fascination for foreign locales.

In fact, one of the biggest grossers last year was a movie about a roadtrip in Spain. In short, it's one big party and everyone's invited! We are just waiting for the rupee to gain momentum before opening the bubbly.



@OneRobin's list

Robin Yap is the managing director of The Travel Corporation Singapore, which specialises in holiday experiences from escorted tours to river cruising. The avid blogger and Twitterer shares his travel wisdom in numbers

6 secrets of customer loyalty

1 Assess if the client is worth keeping and don't succumb to blind loyalty. We often give in to clients who have stayed with us for a period of time. The adage of it being cheaper to keep existing customers rather than find new ones is only true when both parties continue to add value to business transactions.

Furthermore, customer loyalty programmes come at a cost. It's necessary to strike a balance and have a good mix of old and new customers. Existing ones can sometimes drain you dry.

2 Keeping customers should not only be the salesperson's job, but the entire team's. There is no bigger sin than having the salesman slog to get business, but failing to deliver at every touchpoint. I am sure we have all come across service providers who claim excellence but deliver distress. You'll need to go down the production line to fully understand if the entire team is delivering consistency at every level.

3 Stay clear from using price as the only way to keep clients. Often seen at consumer travel fairs, these so-called loyal customers will not hesitate to buy from others if he or she does not get the desired discount or free gifts.

4 WIFM (What's In It For Me) clients easily swing to either side and are gullible. Clever marketers should

take advantage of this trait and increase engagement. Knowing what your clients want will help them to stay by your side.

5 Relying on brand loyalty to keep customers without product innovation will not get you far. I was a die-hard Nokia fan since my first phone and I held on to my N95 until recently. I even gave the iPhone a miss. However, I switched to a Samsung Galaxy S111 two weeks ago because Nokia just could not keep up with product innovation fast enough.

Some loyal customers don't want discounts. They are looking for a fair deal and the latest innovation. Don't load them with freebies they don't need. Understand what motivates your clients.

6 Finally, loyalty should be reciprocated. Companies compete with their customers to extract the maximum value from each transaction but, unless the customer is willing to participate, there is no value.

Instead of alienating customers, companies should view them as partners in value creation. That way, you can increase customer engagement and gain insights into the value they want, resulting in new revenue, better customer satisfaction, loyalty and positive word of mouth.

Yours Truly @OneRobin (www.onerobin.com)

Case study

Via Vai Travel's educational programmes

WHO Via Vai Travel is a Hong Kong-based travel company specialising in cultural trips to various parts of the world.

WHAT Via Vai Travel sends groups of students to overseas summer schools, including The American School in England in the UK and Bodwell in Canada. Other destinations that have been covered include India, Macau, Japan and Israel.

Said Via Vai Travel director, Sef Lam: "We give recommendations based on the students' ages and what they like. We book the flights and liaise with the school to make sure the children are met at the airport and brought to the school. If there is

a flight delay or flight change, we immediately tell the school. On arrival, the school informs us that the children have been met and we call the parents right away. With mobile phones nowadays, the kids also just call home and say they have arrived safely."

Lam added that she also works with schools for other types of learning trips involving language, music, theatre and drama, etc.

She said: "For example, they may have already chosen the Echigo-Tsumari Art Triennial or Setouchi International Art Festival in Japan. We give them airline and hotel or hostel choices, and suggest several other places along the way or nearby that they can visit, and local festivals that they can



Lam: personal development

make sure there is enough space for the whole group."

WHY Interestingly, Lam began creating such programmes out of personal necessity. "I started the summer school programme when my own children were growing up and I was looking for summer schools for them. It had to be

enjoy. We try to arrange for more local interaction like having a meal at a local home. For this, we liaise with 15 different families to

somewhere they could learn to appreciate a new place, a new culture, learn English and meet students from other countries," explained Lam.

However, she pointed out that many of her existing clients prefer using a company like hers to find the quickest, cheapest or the best routing for their needs, as booking such trips on their own would be too time-consuming and risky.

TARGET The summer school programmes are more ad hoc, but Lam intends to grow the adult educational tour business, which includes museum and architectural tours as well as themed trips featuring UNESCO World Heritage sites.

As for the school programmes, Lam said the goal was student development. "I have seen students return from a trip changed – so much more mature, so much more aware of their surroundings. They begin to appreciate another culture, and they become more aware of their own culture and history. They learn that people do share a lot of common values, and they develop a more global perspective."

"Travel makes the mind grow, and we hope the students make lifelong friends during these summer programmes and develop a willingness to get out of their own comfort zone, think out of the box and become a world citizen," she added. — **Rosa Ocampo**



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Award Categories

1. Travel Agency Awards

Winners in this category are decided by votes from industry suppliers.

- Best Travel Agency – Australia
- Best Travel Agency – China
- Best Travel Agency – Chinese Taipei
- Best Travel Agency – Hong Kong
- Best Travel Agency – India
- Best Travel Agency – Indochina (Cambodia, Laos)
- Best Travel Agency – Indonesia
- Best Travel Agency – Japan
- Best Travel Agency – Malaysia
- Best Travel Agency – Singapore
- Best Travel Agency – South Korea
- Best Travel Agency – Thailand
- Best Travel Agency – The Philippines
- Best Travel Agency – Vietnam
- Best Corporate Travel Agency
- Best Online Travel Agency

2. Travel Supplier Awards

Winners in this category are decided by votes from travel consultants and experts.

Airline Awards

- Best North American Airline
- Best European Airline
- Best Middle Eastern Airline
- Best South Asian Airline
- Best South-east Asian Airline
- Best North Asian Airline
- Best China Airline
- Best Pacific Airline
- Best Regional Airline
- Best Asian Low-Cost Carrier

Hotels, Resorts, Serviced Residences & Spa Awards

HOTEL Chains

- Best Global Hotel Chain
- Best Regional Hotel Chain
- Best Local Hotel Chain
- Best Hotel Representation Company
- Best Luxury Hotel Brand
- Best Mid-range Hotel Brand
- Best Budget Hotel Brand

HOTELS – Individual Property

- Best Luxury Hotel
- Best Mid-range Hotel
- Best Budget Hotel
- Best Independent Hotel
- Best Boutique Hotel
- Best City Hotel – Bangkok
- Best City Hotel – Delhi
- Best City Hotel – Hanoi/Ho Chi Minh City
- Best City Hotel – Jakarta
- Best City Hotel – Hong Kong
- Best City Hotel – Kuala Lumpur
- Best City Hotel – Macau
- Best City Hotel – Manila
- Best City Hotel – Seoul
- Best City Hotel – Singapore
- Best City Hotel – Taipei
- Best City Hotel – Tokyo
- Best New City Hotel
- Best Airport Hotel

RESORTS – Individual Property

- Best Beach Resort
- Best Resort Hotel (Non-Beach)
- Best New Beach Resort
- Best Integrated Resort

SERVICED RESIDENCES

- Best Serviced Residence Operator

SPAS

- Best Spa Operator

BT-MICE Awards

- Best Airline – Business Class
- Best Business Hotel
- Best Meetings & Conventions Hotel
- Best BT-MICE City
- Best Convention & Exhibition Centre
- Best Convention & Exhibition Bureau

Travel Services Awards

- Best Airport
- Best GDS
- Best Cruise Operator
- Best NTO
- Best Theme Attraction

3. Outstanding Achievement Awards

The winners in this category are decided by the TTG Asia editorial team.

- Travel Personality of the Year
- Destination of the Year
- Most Entrepreneurial Travel Company
- Best Marketing & Development Effort

4. Travel Hall of Fame

The Travel Hall of Fame honours organisations that have won at least 10 consecutive times at previous editions of the TTG Travel Awards. These special award winners will be recognised at every TTG annual awards presentation ceremony. Votes for them will not be counted.

Inducted Travel Hall of Fame honoraries are:

- Singapore Changi Airport (2002)
- Singapore Airlines (2002)
- Herzt Asia-Pacific (2005)
- Royal Cliff Beach Resort, Pattaya (2006)
- Star Cruises (2008)
- Abacus International (2009)
- Silkair (2010)
- Lotte Tour (2011)

VOTING INSTRUCTIONS AND GUIDELINES

For Travel Agency and Travel Supplier Awards

1. Please use the correct voting form.

Voting Form A: Travel Agency Awards

For voting by hoteliers, airline staff, car rental companies, cruise operators, national tourism organisations, GDS companies and all other travel professionals (except travel consultants, tour operators and destination management companies).

Voting Form B: Travel Supplier Awards

For voting by travel consultants, tour operators and destination management companies only.

Online Voting Forms

You can opt to vote using our online form www.ttgasia.com/ttg-awards instead.

2. Voting Criteria

Please refer to the voting criteria for **each category** and **title** to ensure that all judging is done on an equal basis.

3. Voting Rules

- Only one voting entry per person is allowed – using the voting form or online voting.
- All votes are confidential.
- Voting forms are published in TTG Travel Trade Publishing print titles and are available online at www.ttgasia.com/ttg-awards.

- No responsibility will be accepted by the organisers for voting forms lost, delayed or damaged in the post.
- There are no pre-nominated contenders for any voting awards.
- The results for TTG Travel Awards 2012 are final and no correspondence will be entertained.
- Voting forms will be tabulated and evaluated by an independent auditor in Singapore.
- The closing date is **3rd August 2012**.

4. Voting Form Submission

Completed voting forms are to be returned to:

SINGAPORE

Ms Lina Tan (TTG Travel Awards 2012)
TTG Asia Media Pte Ltd
1 Science Park Road #04-07 The Capricorn
Singapore Science Park II
Singapore 117528
Tel: (65) 6395-7575 Fax: (65) 6536-0896

HONG KONG

Ms Carol Cheng (TTG Travel Awards 2012)
TTG Asia Media Pte Ltd
China.com Inc
11/F ING Tower No. 308 Des Voeux Road
Central Hong Kong
Tel: (852) 2237-7272 Fax: (852) 2806-0646

VOTING FORM A: TRAVEL AGENCY AWARDS

For voting by • Hoteliers • Airlines • Car rental companies • Cruise operators • National Tourism Organisations • GDS companies • All other travel professionals (except travel consultants, tour operators and destination management companies)

VOTE ONLINE AT
www.ttgasia.com/ttg-awards

Criteria

Best **Travel Agency** in its respective category in terms of:

- Professionalism and excellence in staff.
- Best value-added services to client.
- Best use of computer technology applications to help improve efficiency and effectiveness in services provided to client.

1.	Best Travel Agency – Australia	
2.	Best Travel Agency – China	
3.	Best Travel Agency – Chinese Taipei	
4.	Best Travel Agency – Hong Kong	
5.	Best Travel Agency – India	
6.	Best Travel Agency – Indochina (Cambodia, Laos)	
7.	Best Travel Agency – Indonesia	
8.	Best Travel Agency – Japan	
9.	Best Travel Agency – Malaysia	
10.	Best Travel Agency – Singapore	
11.	Best Travel Agency – South Korea	
12.	Best Travel Agency – Thailand	
13.	Best Travel Agency – The Philippines	
14.	Best Travel Agency – Vietnam	
15.	Best Corporate Travel Agency Best travel agency specialising in serving the needs of corporate travellers.	
16.	Best Online Travel Agency Best online-based travel agency offering the most user-friendly and effective interface to meet client needs. This online travel agency must also boast the best sales and marketing network in terms of service innovation.	

VOTER INFORMATION	Name:		Passport no.:	
	Job title:		Company:	
	Address:			
	Country:			
	Telephone no.:		Fax no.:	
	Email:		Signature:	

Please refer to the next page for
VOTING FORM B:
TRAVEL SUPPLIER AWARDS

VOTING CLOSES
3rd August 2012

VOTING FORM B: TRAVEL SUPPLIER AWARDS

For voting by • Travel Consultants • Tour Operators • Destination Management Companies

VOTE ONLINE AT
www.ttgasia.com/ttg-awards

Airline Awards

Criteria

Best **airline** in its respective category in terms of:

- Providing the best service, network and schedules.
- Most agent-friendly in terms of reservations, confirmations and commission payments.
- Most professional sales and marketing team in terms of innovative ideas, incentive programmes and servicing.

17. Best **North American** Airline
Best airline based in North America operating Asia-Pacific routes.
18. Best **European** Airline
Best airline based in Europe operating Asia-Pacific routes.
19. Best **Middle Eastern** Airline
Best airline based in Middle East operating Asia-Pacific routes.
20. Best **South Asian** Airline
Best airline based in the Indian subcontinent operating Asia-Pacific routes.
21. Best **South-east Asian** Airline
Best airline based in Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Singapore, Thailand or Vietnam operating Asia-Pacific routes.
22. Best **North Asian** Airline
Best airline based in South Korea, Japan, Chinese Taipei, Macau or Hong Kong operating Asia-Pacific routes.
23. Best **China** Airline
Best airline based in China operating Asia-Pacific routes.
24. Best **Pacific** Airline
Best airline based in the Pacific operating Asia-Pacific routes.
25. Best **Regional** Airline
Best airline based regionally operating Asia-Pacific routes.
26. Best **Asian Low-cost Carrier**
Best airline based in Asia-Pacific that operates on a low-cost strategy.

33. Best **Budget** Hotel Brand
Best hotel chain operating a network of economical properties within any one Asia-Pacific country.

HOTELS – Individual Property

34. Best **Luxury** Hotel
Best hotel catering to the upmarket traveller. This hotel must also boast the best visual appeal and ambience reflecting upmarket status.
35. Best **Mid-range** Hotel
Best mid-range hotel catering to the traveller who seeks three- to four-star quality and comfort.
36. Best **Budget** Hotel
Best hotel catering to the budget traveller.
37. Best **Independent** Hotel
Best non-chain (ie not part of a network of properties) hotel.
38. Best **Boutique** Hotel
Best small, fashionable and unique hotel.
39. Best **City** Hotel – **Bangkok**
40. Best **City** Hotel – **Delhi**
41. Best **City** Hotel – **Hanoi/Ho Chi Minh City**
42. Best **City** Hotel – **Jakarta**
43. Best **City** Hotel – **Hong Kong**
44. Best **City** Hotel – **Kuala Lumpur**
45. Best **City** Hotel – **Macau**
46. Best **City** Hotel – **Manila**
47. Best **City** Hotel – **Seoul**
48. Best **City** Hotel – **Singapore**
49. Best **City** Hotel – **Taipei**
50. Best **City** Hotel – **Tokyo**
51. Best **New City** Hotel
Best city hotel that opened in 2011/2012.
52. Best **Airport** Hotel
Best hotel – located within the vicinity of an airport – that caters to travellers in transit.

RESORTS – Individual Property

53. Best **Beach** Resort
Best resort located by a beach. This resort must also boast the best visual appeal and ambience reflecting local flavour.
54. Best **Resort** Hotel (Non-Beach)
Best resort not located by a beach. This resort must also boast the best visual appeal and ambience reflecting local flavour.
55. Best **New Beach** Resort
Best beach resort that opened in 2011/2012.
56. Best **Integrated** Resort
Best hotel offering comprehensive accommodation, shopping, dining, entertainment and sports.

SERVICED RESIDENCES

57. Best **Serviced Residence** Operator
Best serviced property catering to mid- and long-term staying guests.

SPAS

58. Best **Spa** Operator
Best managed and operated spa or network of spas in the region.

BT-MICE Awards

Criteria

- Best services and facilities catering specifically to the BT-MICE market.
 - Most professional sales and marketing team in terms of innovative ideas and servicing the BT-MICE market.
 - Most desirable and attractive incentives and value added services to business travellers and MICE planners.
59. Best **Airline – Business Class**
Best business class airline across the board.
Refer to Airline Criteria.
60. Best **Business** Hotel
Best hotel catering to the business traveller.
Refer to Hotel Criteria.
61. Best **Meetings & Conventions** Hotel
Best hotel catering to meeting and convention needs.
Refer to Hotel Criteria.
62. Best **BT-MICE City**
The city most friendly and desirable to business travellers and for MICE planners to host their events.
63. Best **Convention & Exhibition** Centre
 - Best facilities.
 - Best value for money.
 - Most flexible in catering to MICE planners.
 - Most professional sales and marketing team in terms of innovative ideas and servicing.
64. Best **Convention & Exhibition Bureau**
 - Most efficient, flexible and friendly in terms of response to enquiries and information.
 - Most effective in raising awareness of MICE at government and community levels.
 - Most professional sales and marketing team in terms of innovative ideas and servicing.

Hotels, Resorts, Serviced Residences & Spa Awards

Criteria

Best **Hotel Chain** in its respective category in terms of:

- Most consistent in products and services.
- Most professional sales and marketing team in terms of innovative ideas, incentive programmes and servicing.

Best **Hotel/Resort/Serviced Residence/Spa** in its respective category in terms of:

- Best services and facilities.
- Best range of value-added benefits.
- Most professional sales and marketing team in terms of innovative ideas and servicing.

HOTEL CHAINS

27. Best **Global** Hotel Chain
Best hotel chain operating a network of properties globally.
28. Best **Regional** Hotel Chain
Best hotel chain operating a network of properties in the region.
29. Best **Local** Hotel Chain
Best hotel chain operating a network of properties within any one Asia-Pacific country.
30. Best Hotel **Representation Company**
Best company providing the most agent-friendly products and services and showing the best marketing effort in generating sales for member hotels via agents.
31. Best **Luxury** Hotel Brand
Best hotel chain operating a network of luxurious properties within any one Asia-Pacific country.
32. Best **Mid-range** Hotel Brand
Best hotel chain operating a network of mid-range properties within any one Asia-Pacific country.

Travel Services Awards

Criteria

- Best product, services and facilities.
 - Most professional sales and marketing team in terms of innovative ideas and servicing.
65. Best **Airport**
 - Best facilities.
 - Most user-friendly, efficient and hassle-free immigration.
 - Most organised baggage claim.
 - Best planned floor layout, with easy ground access.
66. Best **GDS (Global Distribution System)**
 - Most comprehensive network offering ease of operation and user friendliness.
 - Most efficient and reliable system.
67. Best **Cruise** Operator
 - Best product in terms of service, routes and schedules.
 - Best onboard programme and facilities.
 - Most agent-friendly in terms of reservations, confirmations and commission payments.
 - Most professional sales and marketing team in terms of innovative ideas, incentive programmes and servicing.
68. Best **NTO (National Tourism Organisation)**
 - Most efficient, flexible and friendly in terms of response to enquiries and information.
 - Most effective in raising awareness of tourism at government and community levels.
 - Most professional sales and marketing team in terms of innovative ideas and servicing.
69. Best **Theme Attraction**
 - Best ambience.
 - Best facilities and services.
 - Most professional sales and marketing team in terms of innovative ideas and servicing.

VOTER INFORMATION

Name:		Passport no.:	
Job title:		Company:	
Address:			
Country:			
Telephone no.:		Fax no.:	
Email:		Signature:	

VOTING CLOSES
3rd August 2012



Promenada Resort Mall Chiang Mai

Chiang Mai's revival

Northern Thailand awakens to the potential of Eastern markets. By **Timothy France**

Arrivals Despite a year-on-year growth in arrivals in recent years, tourist numbers to Chiang Mai have been in overall long-term decline. There were 2.4 million visitors in 2009 and 2.8 million visitors in 2010, but the increase is not a fair representation given the post-financial crisis slump. Figures for 2011 were unavailable.

Managing director of Image D'Asie, Mingkwan Metmowlee, said the company had recorded a 20-30 per cent drop in arrivals over the past year, pointing out that the European debt crisis and tumbling euro had taken a heavy toll on business. The lingering concern over flood recovery was also causing travellers to divert to coastal destinations such as Phuket and Koh Samui, she added.

Local stakeholders admit that Chiang Mai has failed to react to changing market trends and lacks a strong brand identity and effective marketing campaign.

However, Vorapong Muchaotai, vice president, Chiang Mai Tourism Business Association, is confident that the destination is recovering as the business community adjusts to new opportunities. "We are losing the Europe-

ans due to economic problems, but the number of Asians is rising."

Access Thai AirAsia launched services to Macau in May, while Dragonair started flying from Hong Kong this month. The latter's seasonal service will operate until end-September, with four weekly flights. Other links to the Middle East, China and India are on the cards.

Eyes are also on the development of a high-speed rail connection from Bangkok, which has been hampered by turbulent national politics. Narong Kongprasert, president, Chiang Mai Chamber of Commerce, expects the service to be operational by 2017, if there is no change in government.

Hotels Hotel owners have traditionally been slow to react to the decline and have continued to develop new properties in the province, creating oversupply and resulting in rate cutting. However, according to the Department of Tourism data, no new properties opened last year, although there was a marginal expansion in room inventory.



"Chiang Mai has been asleep for a long time. Nothing here has moved. We have stayed loyal to only the European market."

Vorapong Muchaotai
Vice president
Chiang Mai Tourism
Business Association

As of 2010, there were 447 hotels and 23,292 rooms in Chiang Mai, up from 410 hotels and 22,493 rooms the year before. Average occupancy was 35.3 per cent in 2009 and 30.9 per cent in 2010. Figures from Horwath indicate that average occupancy climbed to 47 per cent in 2011.

Branding Chiang Mai's private sector is leading a cultural resurgence by drawing on the ancient Kingdom of Lanna, and this is translating into a new destination marketing campaign. Varapong said: "We want to combine everything into one identity. Chiang Mai is the most splendid city of culture, and Lanna culture is in our DNA."

Mövenpick is incorporating local design elements into an existing property it is rebranding, which is scheduled to open this year. Meanwhile Siripanna, RatiLanna, Mandarin Oriental and Khum Phaya, a member of the Centara Boutique Collection, have all adopted Lanna elements.

Other stakeholders are looking into a range of projects, such as training Lanna language speakers, wearing traditional clothing on designated days, staging activities and festivals,

and upgrading historical sights.

The Tourism Authority of Thailand's new Miracle of Lanna campaign is also lending support to the creative tourism initiative, which focuses on culture, cuisine, nature, handicraft, hospitality and value for money.

Products There are several major retail projects due to open, which will appeal to Asian tourists who love shopping. Slated to be completed by late 2012 is the new resort-style Promenada Resort Mall Chiang Mai, combining indoor and outdoor shopping, entertainment and leisure elements such as an outdoor theatre, a cinema, an ice skating rink, and lush greenery.

Narong said: "We have almost 100,000m² of retail space in the pipeline. We expect this will attract more Indian tourists to Chiang Mai because (things here are) cheaper and they can buy everything they can get in Bangkok."

Chiang Mai's MICE portfolio will also be strengthened. The Chiang Mai International Convention Centre is scheduled to open in December and boasts a Plenary Hall with capacity for 3,000 people.

Hotel glut requires attention

Occupancies continue to be weak as arrivals fail to keep pace with supply, says **Timothy France**

It has not been a bed of roses for hotel operators in Chiang Mai, who have been struggling to fill rooms amid declining tourist arrivals for many years.

However, tourism stakeholders *TTG Asia* spoke to said the industry was beginning to recover, thanks to a renewed marketing drive and festivals such as the Royal Flora Ratchaphruek.

Last year, the northern province's average occupancy rate was just 47 per cent according to Horwath, an improvement compared to the last two years. Based on local data, average occupancy was 35.3 per cent in 2009 and 30.9 per cent in 2010.

Room inventory on the rise

To be fair, it may be too early to suggest that recovery is underway as Chiang Mai is still seeing a growing room inventory, including recent openings of boutique hotels such as the 30-suite 137 Pillars House.

As of 2010, there were 447 hotels and 23,292 rooms in Chiang Mai, up from 410 hotels and

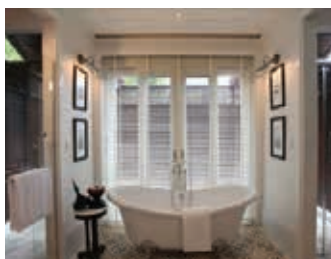
22,493 rooms the year before. According to the Department of Tourism, no new properties opened last year, although there was a marginal expansion in room inventory.

Many developers view Chiang Mai as a good long-term investment prospective, lured by government initiatives depicting the northern city as a creative hub, as well as development plans for a high-speed rail link from Bangkok.

Playing the pricing game

Hotel oversupply continues to exert a downward pressure on room rates in the city and surrounding regions. Consequently, local hoteliers are often engaged in a price war.

"Price cutting has become a (norm) for hotel operators in Chiang Mai. It has been going on for years, and this will not change until visitor arrivals reach a steady level," said Asdang Sukwises, general manager, Khum Phaya Resort and Spa of the Centara Boutique Collection.



Photos courtesy of 137 Pillars House



Kitibhum Yoswattakul, managing director of Belle Villa, which operates resorts in Chiang Mai and Pai, is trying to differentiate his properties from competitors through value-added offers, but admitted that "if you want business, you have to cut prices".

Some hotels have also started raising F&B prices in order to reclaim revenues lost through

devalued room rates.

Asdang said austerity was a necessary tool for survival in Chiang Mai.

"During high season you can play around with promotions, but you must be very careful with expenses in the low season. You must keep costs down to survive," he added.

Controls needed

Thai Hotels Association (THA) president, Surapong Techaruvichit, believes better market regulation is needed.

He suggested streamlining the hotel licence application process to encourage more operators to legitimise their business and, through enforcement, eradicate substandard properties that are not designed to accommodate guests on a daily basis and offer necessary support services.

To demonstrate the extent of the problem that exists not just in Chiang Mai, Surapong revealed that Bangkok had 332 licensed hotels, but a search online lists more than 530 properties.

Emphasising that it is not THA's intention to eliminate competition, Surapong said: "We don't want to close businesses down, but we just want to protect our industry and our customers."

Demand is key

While Khum Phaya's Asdang agreed that cutting out unlicensed operators is viable to controlling the hotel supply, he wanted the government to focus on raising the number of arrivals, particularly from emerging markets such as India.

For now, the launch of Thai AirAsia's daily flights between Chiang Mai and Macau, as well as Dragonair's seasonal Hong Kong-Chiang Mai services during the peak summer travel period should have a positive impact on visitor arrivals.

Overall tourism to Thailand has grown at a double-digit rate so far this year. However, sparking interest in Chiang Mai, rather than popular beach destinations, remains a challenge the industry has to tackle.



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FuramaXclusive Sathorn, Bangkok
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Products Play with elephants, enjoy Lanna culture and relax in luxury resorts



Khum Khantoke

RatiLanna Riverside Spa Resort Chiang Mai

The boutique property is among those leading the cultural revival that is currently sweeping through Chiang Mai. Its design draws on the ancient Wat Gate, a river trade area that occupied the same location 200 years ago.

Found on the banks of the Mae Ping River, RatiLanna Riverside Spa Resort Chiang Mai boasts 75 luxurious rooms each with private balconies. The Malin Pavilion commands waterfront views, and makes a perfect spot to enjoy evening cocktails. Just a few steps away is Mira

Terrace, which offers Asian and international cuisine. Adventurous adaptations of Thai food, such as the lychee duck curry, are prepared by a homegrown chef.

Contact

Tel: (66) 5399-9333
Email: info@ratilannachiangmai.com

Maesa Elephant Camp

No visit to the north would be complete without visiting an elephant camp, and this one is located just outside the city in the tropical jungle of the Maesa Valley. Visitors can feed the elephants, ride on them, watch them bathe and be enter-



Siripanna Villa Resort and Spa Chiang Mai

tained by their football skills and painting techniques. The completed canvases also make popular souvenirs.

The mahout training courses, which last from one to three days, are also popular with tourists who are taught basic handling methods and elephant husbandry. Maesa Elephant Camp opens daily from 07.00 to 14.30.

Contact

Tel: (66) 5320-6247
Email: maesaele@loxinfo.co.th

Siripanna Villa Resort and Spa Chiang Mai

Conveniently located within the city, Siripanna Villa Resort and Spa Chiang Mai is modelled on the ancient city of Wiang Kum Kam and built around the Lanna culture. There are 74 rooms in five categories, all fitted with contemporary amenities.

A dedicated Thai Lanna House can accommodate wedding services of up to 200 people, which tour operators say are gaining popularity with foreign travellers. The resort also has the Panna Spa,

which offers a range of techniques from conventional Thai to *tok-sen*, a Lanna-style massage. Traditional activities such as weaving, cooking and planting paddy fields are also available.

Contact

Tel: (66) 5337-1999
Email: info@siripanna.com

Khum Khantoke

Khum Khantoke, a traditional dinner and dance show, allows guests to enjoy meals while being entertained by cultural performances. Guests sit in an open-air piazza, bordered by traditionally designed pavilions, and dine from a wooden Khantoke tray. Three set menus offering halal and vegetarian variations of Lanna cuisine are available. The halal and vegetarian dinner costs 600 baht (US\$19) and 550 baht per adult respectively. The Khantoke Parade starts at 19.45 followed by war dances, umbrella dances and hill tribe dances.

Contact

Tel: (66) 5330-4121
Email: booking@khantoke.com

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RatiLanna Riverside Spa Resort Chiang Mai

Silver spoon

Artur Restaurant



Manhattan-style
steakhouse meets
Parisian glamour, Artur
Restaurant is a unique
find in Bangkok that offers
great value besides, discovers *Raini
Hamdi*

LOCATION In the centre of Bangkok in Soi Tonson just 200m from Central Chidlom Department Store and the BTS Skytrain network.

AMBIENCE Manhattan-style steakhouse meets Parisian glamour, Artur is an escape into the charmed life. You forget immediately that you're in Bangkok, even though you're smack in town in the Ratchaprasong district, in a nondescript serviced residence building.

Floor-to-ceiling velvet curtains divide the restaurant into two areas, resulting in intimate spaces with just the right amount of lighting and an inordinate amount of warmth – perfect for tête-à-têtes between friends or lovers. It's the kind of place that makes you feel you're Audrey Tautou if you're a girl – chic, funny, flirty, alive. So transported I was that I would not be surprised if I saw the French actress walk in.

MENU Steaks and seafood prepared classic French-style with Gueridon service.

As I was in a mood to enjoy myself fully, I ordered oysters (Artur has fresh Atlantic oysters flown in regularly) to start, with a tulip of champagne of course.

This was followed by Caesar salad and the tableside preparation by the service staff elevated both the presentation and the taste of what for me was a humble and ordinary first course.

For mains, I ordered a steak and what came out was extraordinary: a beautiful American steak of the highest quality, grilled to perfection and carved so effortlessly at the table by no other than the owner himself, the immaculately dressed Artur Kluczewski.

The art of carving and serving has disappeared, or most restaurants don't bother anymore about it. Artur brings it back without pretence or fuss, making it seem the most natural thing to do when a steak is ordered.

PRICING A good steak costs about 1,500 baht (US\$48) which makes this restaurant awesome value for money, not forgetting the quality of the steak, the perfect taste, the presentation, the service and the ambience.

The same dishes ordered at a five-star hotel restaurant would set me back by more, without the same personalised attention as you would get in a small, in-

dependent restaurant where the owner is understandably motivated, passionate and hungry to win customers' hearts.

SERVICE Artur and his wife Suriya run the place as if they are hosting friends at

Name Artur Restaurant

Location Ground floor, Bliston Suwan Park View, 9 Soi Tonson Ploenchit Road, Bangkok

Opening times 11.30 to 14.00; 18.00 to 22.00 daily

Contact Tel: (66) 2 658 6288

Verdict

Legend must recommend to clients
 good
 recommend @ your own risk

home. They have also trained their staff well, as they too showed a lot of care, respect and recognition for guests. And that made all the difference.



Photos courtesy of Artur Restaurant



The first time an early dinner went past closing time.

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More rooms will come up on Hong Kong Island, where the popular shopping district of Causeway Bay is located (pictured)

Hong Kong Tourism Board

Supply on the move

Hong Kong will benefit from more hotel openings, but demand may be slowing. By **Prudence Lui**

Arrivals

The upward trend prevailed in the first five months of this year. According to the Hong Kong Tourism Board (HKTb), a 14.8 per cent year-on-year increase was recorded, totalling 18.7 million visitors. Biggest growths came from mainland China (21.3 per cent), the Philippines (17.8 per cent), South Africa (11.3 per cent), India (9.5 per cent) and South Korea (9.2 per cent).

However, Paul Leung, managing director, Holiday World Tours, said the Indian market was showing signs of weakening. "Traffic has slightly slowed as more groups are bypassing Hong Kong. They take the Macau ferry at the airport, and if direct flights from Macau to India materialise, it would be bad for (Hong Kong)," he explained. Leung added that the suspension of Kingfisher Airlines flights earlier in the year could also be a factor for the slowdown.

Hotels

Industry watchers are hoping this year's sizeable crop of new hotels will ease the tight supply situation. In the first five months, average room rate rose 12.2 per cent to HK\$1,475

(US\$190) and occupancy rate slipped to 87 per cent from 88 per cent, both comparing with the same period last year.

Properties scheduled to open in the second half of the year include the 550-room Ibis Hong Kong Central & Sheung Wan, 359-room Crowne Plaza Hong Kong Kowloon East, 300-room Holiday Inn Express Hong Kong Kowloon East, Miramar Group's 91-room Mira Moon in Wan-chai and Ovolo's apartments on 2 Arbuthnot Road in Central. The long-awaited 325-room Auberge, Discovery Bay Hongkong on Lantau Island will also begin operations, offering 1,300m² of meeting and event space, and a first-of-its-kind seaside chapel.

Other recently opened hotels include the 60-room Ovolo 286 Queen's Road Central and the 254-room L'hotel élan in East Kowloon.

Sylvia Chung, general manager, hotel development and operations, L'hotel élan, said: "Our key challenge is the location as the district is not well-known. We are targeting business travellers due to the rising number of office complexes nearby." The boutique-inspired property emphasises connectivity, with the availability of iPad 2s in every



"A key challenge is escalating operation costs, which make the city costly and hard to promote. The only way is to push for a multi-destination strategy with our neighbours. Hotels should also re-lease contract rates as early as possible."

Paul Leung
Managing director
Holiday World Tours

room and free Wi-Fi.

Cruises

Hong Kong's credentials as a cruise hub are being boosted. Besides the new Kai Tak terminal due to open mid-2013, the existing Ocean Terminal in Tsim Sha Tsui will also get a new four-storey building, which will add some 8,752m² in gross floor area. To meet the growing demand, about 3,000m² of the space will be dedicated to cruise facilities including immigration and customs, quarantine areas and a baggage hall, as well as government offices. The government has also extended Wharf Holdings' management of the terminal for another 21 years.

Paul Zimmerman, CEO, Designing Hong Kong and former executive director of Jebson Travel, said: "We need both (cruise terminals). Liners will prefer Ocean Terminal for its location and proximity to destinations, while Kai Tak can handle larger vessels. The availability of slots and prices will be important."

Products

Ocean Park and Hong Kong Disneyland will each unveil new attractions this month, namely Polar

Adventure and Grizzly Gulch respectively.

Last month, sky100 Hong Kong Observation Deck launched a tour allowing transit passengers to catch 360-degree views of Victoria Harbour.

Hong Kong Foodie has also rolled out a new three-and-a-half-hour Central and Sheung Wan tour for visitors to savour Cantonese cuisine at six traditional eateries. Food is included in the HK\$600 ticket.

MICE

The first quarter saw 4.6 per cent growth in overnight MICE visitors (300,000), compared to the same period last year. China remained the biggest source, contributing over 120,000. North Asia achieved the best growth at 16.2 per cent, and arrivals from Taiwan was up by nearly 10 per cent.

According to HKTb executive director, Anthony Lau, trade mission activities from China have slowed, while the sensitive meeting and incentive segments have been conservative. However, he was not worried. Said Lau: "I don't see any negative MICE growth as the relaxed travel policy in China will drive numbers up."

My choices

Hong Kong

Compiled by
Prudence Lui



Wing Wong
Chairman
Hong Kong Association of Registered Tour
Co-ordinators



Dominique Berhouet
General manager
Crowne Plaza Hong Kong Kowloon East



Tim Hannan
General manager
HRG Hong Kong

What is your biggest challenge right now?

Volatile hotel rates remain a key challenge as the variation between peak and low seasons is big. We handle many incentive groups, and need to prepare quotations about four to six months in advance, but hoteliers won't release rates until a later date.

Having to open all 359 rooms, three restaurants and two bars at one go in September, and ensuring faultless operations and services. As the first five-star international hotel in the area, we also aim to promote Tseung Kwan O as a vibrant new location for business and leisure travellers.

Hong Kong is a receiver, as opposed to a driver, market. The majority of large MNCs here have their HQs in Europe or the US, so the global economic uncertainty has a direct impact. Financial institutions are tightening their policies, and bringing in more control and approval processes.

What must be done?

I hope hotels can offer a stable rate in advance, so we can minimise inaccuracies and variations when quoting for our overseas clients. Other cost components like cars and tour guides are stable with predictable increments, but not hotels.

We need to be able to bring in more business and leisure visitors by building the third runway at Hong Kong International Airport with minimal environmental impact. We need to increase air traffic, and attract international conferences and events.

Driving cost savings is a key priority, so we are encouraging our clients to look at the unmanaged areas of travel such as hotels, meetings and even taxi/chauffeur services. We also assess the suitability of online booking tools and how they can be best implemented.

What do you need from...

the government? Both the Hong Kong Tourism Board and the Tourism Commission should give more support to inbound operators in terms of incentives. Macau, for example, as a Strategic MICE Market Stimulation Programme, and the subsidies are useful.

the government? The Hong Kong Tourism Board is exploring new source markets, e.g. India, Middle East and Russia, to diversify visitor mix, as well as developing more attractions for first-time and returning visitors. We are looking forward to seeing results soon.

travel managers? They need to take a 360-degree view of all travel and related services, and consolidate them into a managed programme. Communication on preferred suppliers and booking channels will be particularly important as travellers use mobile apps more frequently.

What are the prospects for 2012?

The market is starting to slow compared to 2011, partly because regional traffic switched to Hong Kong, Macau and China when Japan and Thailand suffered natural disasters last year. The European debt crisis is also a factor.

Despite the current global economic uncertainty, we are bullish. Hong Kong is known internationally as a beautiful and dynamic city, and people come here for all kinds of purposes. I think the hotel industry here is going to stay very strong.

We foresee a growing demand for the collection, validation, analysis and use of data. Our clients want enhanced flexibility, including pre-trip spend data and aggregation from different sources, and more intuitive displays.



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The sky is not the limit

Air access has grown, but Hong Kong's airport is the weak link, says trade. By **Prudence Lui**



An aerial view of the Hong Kong International Airport; Terminal 1's central concourse; exterior of Terminal 2

1 What are the new flight developments?

In the last six months, new links have included Kalibo (Philippines), Lijiang (China) and Jinjiang (China). The airport also welcomed Mongolian Airlines Group, and a couple of new players will set foot in Hong Kong over the next few months.

Philippines' AirAsia and Japan's Peach Aviation will inaugurate daily Hong Kong-Clark and daily Hong Kong-Osaka services respectively this month, delivering a boost to low-cost capacity. Air Astana, Kazakhstan's flag carrier, will also launch direct flights between Hong Kong and Almaty this year.

Gray Line Tours managing director, Michael Wu, said: "With the entry of more LCCs, this creates pressure on traditional carriers to adjust their prices, which will benefit tourists. In fact, corporates have been cutting their travel budgets these days and tend to choose airlines like AirAsia."

2 Where are the gaps in air access?

Travel consultants are urging for more flight connections to India and Russia, new emerging markets for Hong Kong. Currently, only Cathay Pacific (three weekly services to Moscow) and Aeroflot (daily flights to Moscow and twice weekly to Vladivostok) link the two destinations, as Hong Kong Airlines and Transaero Airlines have suspended services. For India, flight connections cover Mumbai, Delhi, Chennai and Bengaluru, with some 56 passenger round-trip services providing about 32,620 seats a week.

W Travel managing director, Wing Wong, said: "The (Indian) market is growing, and existing flights are not sufficient, especially after Kingfisher Airlines and Air India stopped services. At this stage, flights to and from Russia are not overwhelmingly full but if the market grows further, (the airlines) may not be able to cope."

3 Has the Hong Kong International Airport (HKIA) reached its capacity limit?

According to IATA, the airport is operating at about 90 per cent of its capacity. Based on government statistics, number of passengers handled by the airport grew from 45 million in 2009 to 53 million in 2011. Number of passenger flights also soared from 235,802 in 2009 to 274,445 in 2011, while number of airlines climbed from 64 in 2009 to 80 in 2011.

Released last year, the HKIA Mas-

ter Plan 2030 proposed two options: for the airport to meet growth demand up to 2020 by enhancing terminals and air-field facilities; or to construct a third runway to cope with the expected traffic up to 2030 and beyond.

In March, the government approved in principle the third-runway plan, which IATA has also been pushing authorities to adopt. The association forecasts that the Hong Kong market will grow by 6.7 per cent annually to 62.2 million in 2014 and rank as the 10th largest market for international travel.

Airport Authority Hong Kong chairman, Marvin Cheung, said: "The planning and development of airport infrastructure is very complex and requires a long lead time. Once the process is completed and the environmental permit is obtained for proceeding with a third runway, we will finalise the necessary associated design details and develop suitable financial options for discussion with the government."

"In other words, it will take about three years, subject to the granting of all required approvals, before we can start building the third runway and its associated facilities."

4 What does the trade think?

Gray Line Tours' Wu said: "We definitely need it to stay competitive, and undoubtedly, (HKIA) will reach its saturation point earlier than what is predicted. Just look at the additional flights mounted during the peak holiday periods, for instance. Since it will take at least 10 years (for the new developments to materialise), why don't we kick them off as soon as possible?"

W Travel's Wong had a slightly different take. "Saturation has not happened, and it's good to plan in advance given the huge demand predicted. However, I don't feel that it should be an urgent priority because Terminal 2 does not have that many flights, so we should make good use of the available space."

5 What about business travel?

According to local news reports, aircraft movements at the Hong Kong Business Aviation Centre (HKBAC) have nearly doubled to 600 a month from about 300 in 2008.

Swire Travel general manager-business development, Edmund Tsang, said: "We have about one to two bookings for business jets every year, and there has been no obvious surge. Of course, clients may

make direct bookings without going through us. In fact, HKBAC needs to expand in the long term, as China has become a popular market. Apart from CEOs or senior management, I think more and more MICE clients would use this service in the future."

Metrojet director of marketing and client relations, Wyn Li, said: "The growth potential for business aviation in Asia, China in particular, is enormous. From


the order books of aircraft manufacturers, there are 1,000 private jets coming to the region in the next decade – 100 a year on average.

"The major challenge is the readiness of infrastructure and facilities across Asia to accommodate such fast growth. In light of this, we have opened in May a maintenance facility in Clark, Philippines, which should ease the overloading situation in Hong Kong."


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Test drive

Cathay Pacific's Premium Economy Class



Prudence Lui revels in the wider seats, up-graded meal choices and personalised service, but suggests some improvements to round off the experience

WHY Cathay Pacific Airways believes its newly launched Premium Economy Class will cater to leisure travellers willing to splurge on a superior option, business travellers who have to comply with non-Business Class travel policies and accompanying family members of Business Class customers, said its COO, Ivan Chu.

WHAT I boarded the brand-new Boeing 777-300ER to Vancouver, which was equipped with a separate cabin for the 32 seats sandwiched between Business and Economy Class. I was given an aisle seat in the middle section of the cabin, which was designed in a two-four-two seat configuration.

I was grateful for the 38-inch seat pitch (six inches more than Economy Class) that gave me plenty of legroom and a larger range of recline. However, there was still the typical get-up-and-sit-down exercise to make way for my neighbour during the 13-hour flight. Notably, there was no separate lavatory for Premium Economy Class customers, and I had to use the ones in Economy Class.

Kudos to the larger meal table, cocktail table, three-position footrest, spacious overhead stowage bins and generous 10.6-inch personal TV. I also enjoyed the Griffin entertainment system, which featured a USB docking point and an iPod/iPhone outlet for charging devices and downloading videos onto the screen. Food wise, the welcome champagne and juice were nice Business Class-style treats. There were also enhanced entrée and a variety of snacks.

Due to the fewer number of seats, flight attendants were able to give more attention to each passenger. In fact, personalised service started from the check-in process as there were dedicated counters with priority boarding. Premium Economy Class passengers were also given more baggage allowance from 20kg to 25kg.



Name Cathay Pacific Airways' new Premium Economy Class

Rate Approximately 50-80 per cent more than Economy Class. For example, a Premium Economy Class seat on the Hong Kong-Vancouver route costs HK\$16,040 (US\$2,068), while an Economy Class seat costs HK\$11,160 in June.

Contact

Tel: (852) 2747-1888

Website: www.cathaypacific.com

HOW Premium Economy Class is available only on selected longhaul flights for now, but by the end of this year, it will be offered on 48 aircraft. It will be progressively introduced on Boeing 777-300ER, Boeing 747-400, selected Airbus A330-300 and Airbus A340-300 aircraft. Desti-

nations include New York, Sydney, London, Toronto and Vancouver.

VERDICT The higher price for extra legroom and a comfy seat is reasonable, but perhaps a special lavatory for Premium Economy Passengers could be considered.



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