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# TTG

ASIA

No. 1693/September 20 – October 3, 2013



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# Phil casts net for more dive tourists

DoT steps up promotions to both shorthaul and longhaul markets

**By Marianne Carandang**  
**MANILA** Resorts and dive operators in the Philippines will stand to benefit from the big push the Department of Tourism (DoT) is giving the segment this year, first through increased exposure at the recent B2B event Philippine Travel Exchange (PHITEX) held in early September, followed by an extensive roster of upcoming tradeshow and sales missions in key regions of the world.

At PHITEX, 16 Philippine dive sellers showcased their offerings to some 160 buyers from 23 countries, an effort DoT believes might jumpstart arrivals, particularly from longhaul markets, according to Tess Mauricio, Tourism Promotions Board's head for Asia-Pacific and Oceania.

Although many dive operators have previously accompanied the DoT on dive shows and trade

missions to China, Europe and the US, diving had never been given this much emphasis until now, said Chris Heim, general manager of Sea Explorers, which operates four resorts and two dive centres in Visayas.

The Philippines will continue to participate in key upcoming dive shows in Dusseldorf, Las Vegas and Orlando, and will for the first time attend the Diving Resort Travel Expo this December in Hong Kong.

Recognising the challenge of creating awareness for the Philippines as a dive destination, Andrea Alessandrelli, booking manager of Italy-based Go Asia and a buyer at PHITEX, said: "Most Italians know Boracay, but not the fact that it is in the Philippines."

Go Asia recently launched its Go Scuba brochure focusing exclusively on the diving market,

covering South-east Asia, India, the Maldives and Oceania. The brochure lists 26 tour and resort programmes on the Philippines alone, including Puerto Galera, Donsol and Sorsogon as well as emerging destinations such as Camiguin.

Likewise, operators based in Luzon, Visayas and Palawan are now tailoring programmes based on their target markets' travel considerations, such as location, amenities, time of year and length of stay.

Bigs Eggert, manager for international sales at Atmosphere Resorts & Spa in Dauin, Dumaguete, said: "Australia is strong from June to August; the US, June to November; and Europe, December to May."

Atmosphere promotes dive activities at nearby Apolo Island

Continued on page 5

# Sister act

The Venetian & The Palazzo in Las Vegas hope to leverage on the brand equity of its iconic sister properties in Asia to bring more Asian guests to its doors. SVP for marketing Robert Rippee tells **Raini Hamdi** about it – see page 9



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# Division over scrapping of Thailand's luxury tax

**By Greg Lowe**  
**BANGKOK** Plans to axe the luxury import tax in a bid to bolster Thailand's reputation as a leading destination for high-spending tourists have run into opposition from within government and met with mixed responses from the trade.

The Fiscal Police Office last week floated the idea of removing the 30 per cent luxury import tax on items such as watches, cosmetics and clothing by year-end to attract more luxury shoppers to the kingdom and to encourage more Thais to shop for luxury goods locally rather than flying to other destinations in the region (*TTG Asia e-Daily*, September 10, 2013).

While some retailers and travel consultants said the move would only enhance the country's position as a luxury travel destination offering better value than its regional competitors, others said it would weaken the competitiveness of local brands.

Deputy finance minister Benja Louichareon was also reported as saying there is no guarantee that retailers will pass on the savings to consumers.

Nonetheless, many welcomed the change. Sakorn Thavisin, assistant vice president for marketing at Central Patana, Thailand's largest retail developer,

said dropping the tax would accelerate the trend of tourists coming to the country for shopping. They now account for half of shoppers at the group's malls, up from 40 per cent last year.



**Russell: good for shorthaul traffic**

"This (policy) would help bring in more tourists to Thailand as well as enable (it) to be able to compete with countries like Hong Kong and Singapore that already have such measures in place," he said.

Tim Russell, director of sales and marketing Asia-Pacific, Remote Lands, added: "It would increase the number of luxury shoppers, especially expats and locals from the region, to Thailand and especially to Bangkok."

However, he said the policy would have little effect on key longhaul markets such as the US, which do not normally come to Thailand for shopping.

Travel specialist John McGee at US-based Artisans of Leisure, which specialises in luxury tours, agreed. "This change won't affect our clients who buy unique local goods they can't find elsewhere," he explained.

Bangkok's luxury shopping options are set to expand with the opening of Central Embassy in December, while Emporium 2 and Magnolias Ratchadamri Boulevard will come online within the next two years.

## TTG Intelligence Analysis by Murray Bailey

### AirAsia still small among top 3 no-frills airlines

Data for the first half shows the AirAsia group\* growing at a still-fast rate – almost 19%. This is helped by much-faster growth at two of its divisions – Thailand (23%), now almost half the size of the original Malaysia division, and Indonesia (32%). Holding the totals back were the shutdown of AirAsia Japan after Q1, and just 6% growth at AirAsia X.

But AirAsia is slow in matching the size of the leading no-frills airlines in Europe and the US.

Although their growth was surprisingly slow in the first half – 1% for Ryanair and 0.1% for Southwest Airlines – relative sizes have not changed much since 2010. The AirAsia group has moved from a 17% share (of the total for the three) in 2010 to 19% this year.

*\*Indonesia, Japan, Malaysia, Philippines, Thailand divisions. Includes actual AirAsia X traffic (AirAsia X's public figures exclude traffic on flights it has since stopped – but include traffic on new flights).*



### Slower growth in hotel rates in APAC for 2014

Carlson Wagonlit Travel's (CWT) report on expected travel prices for 2014 indicates slightly higher growth for air tickets (2.6%) in Asia-Pacific than it expects for this year (2.5%).

But for hotels, CWT expects slower growth (2.7% against this year's 3.5%).

There appears to be no pattern in the relationship with general inflation – collected from another source. For instance, air ticket prices in Australia are forecast to increase less than inflation (1.7% against

2% general inflation). But for hotel rates, growth (2.5%) is above inflation.

In some markets, differences are standard. In Hong Kong, inflation is at 4.5% against an increase of 3.3% for air prices and 2.3% for hotel rates. In Japan, inflation is at -0.3%, but growth forecasts are 0.4% for air prices and 3.9% for hotel rates.

In India, the difference is the greatest – 5.6% inflation against 3.6% growth in air prices and a fall of 3.7% in hotel rates.

#### CWT travel prices forecast, % growth

Market	Inflation*	2014		Inflation*†	2013	
		Air	Hotel		Air	Hotel
Australia	2.0	1.7	2.5	2.2	0.3	4.9
China	3.5	5.2	2.5	2.5	1.2	1.6
Hong Kong	4.5	3.3	2.3	3.8	3.0	4.1
India	5.6	3.6	-3.7	10.6	1.1	-4.5
Japan	-0.3	0.4	3.9	-0.1	3.8	7.2
Singapore	3.5	3.8	2.3	4.3	4.3	8.3
Asia-Pacific	NA	2.6	2.7	NA	2.5	3.5

Notes: Estimates by Travel Business Analyst (TBA) from CWT data; average of high-and-low forecast in relevant annual report. Source: CWT, \**The Economist*, †actual for 2012, TBA.



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## From residences to hotels

Singapore's City Developments Limited (CDL) celebrated its 50<sup>th</sup> anniversary earlier this month. The once-small residential developer has become a global hotelier with over 100 properties in gateway cities through its London-listed subsidiary, Millennium & Copthorne Hotels. Among its latest projects is South Beach Hotel & Club in downtown Singapore. (From right to left): executive chairman Kwek Leng Beng, deputy prime minister Teo Chee Hean and managing director Kwek Leng Joo with CDL board members.



# PATA muscles up local reach

By Xinyi Liang-Pholsena

**CHENGDU** Expanding its presence in new countries and reviving inactive chapters will be the key focus for PATA in 2014.

During the PATA Chapter Colloquium in Chengdu last week, PATA CEO, Martin Craigs (right), emphasised the importance of local chapter support for the Bangkok-based association.

PATA is “reconnecting with the European chapter”, with Daniela Wagner, co-founder of London-based eWaterways, appointed the coordinator of PATA Europe, while the South Korea and Japan chapters will be prioritised for revival next year, Craigs added.

Ivy Chee, the association’s regional director of East Asia, told *TTG Asia*: “Our focus last year was South-east Asia, so next year we will give more attention to North-east Asia.”

To strengthen PATA’s profile, roundtable discussions will be organised with local members, which will offer opportunities to engage with non-members and show support to NTOs in these destinations.

Meanwhile, the PATA UAE Chapter is set to launch on September 25, while the PATA Laos chapter soft-launched earlier this year during the ASEAN Tourism Fo-

rum in Vientiane and is on its way to becoming a full-fledged chapter.

In addition, PATA will boost its support for its Myanmar chapter to assist the country along a sustainable path of development. Chee revealed: “We are working closely with the Asian Development Bank on the Myanmar tourism masterplan and are involved with Dusit International to

establish a hospitality school in Myanmar, as well as planning more roundtable discussions in the country next year.”

In recognition of Russia’s immense outbound potential and its importance as a visitor source market for many Asian countries, PATA has also drawn up plans to visit and organise roundtable discussions in Russia from 1Q2014.



## Cruising into town

**SINGAPORE** The third edition of Cruise Shipping Asia-Pacific, an annual exhibition and conference organised by UBM Live, UBM Asia and Seatrade, will kick off on October 9 at Marina Bay Sands Singapore with a beefed-up conference portion featuring several industry leaders as well as a new award to recognise an individual who has made notable contribution to the industry.

The event’s two-day conference, programmed by Seatrade Communications this year, will discuss topics such as the future of the region’s cruise tourism, cruise deployment, and operations and state of Asian source markets. Industry leaders who will lead these sessions include Celebrity Cruises president & CEO, Michael Bayley; Costa Crociere senior vice president Pacific Asia & China, Buhdy Bok; and Genting Hong Kong COO-cruise, William Ng.

Meanwhile, the inaugural Rama Rebapragada Award for Outstanding Contribution to the Cruise Industry in Asia, so named after the late veteran who played a significant role in developing Asia’s cruise industry, will honour an individual for his/her contribution to the industry; ability to significantly raise the profile, visibility and credibility of the industry; and representation of the industry in a dignified and professional manner.

Cruise Shipping Asia-Pacific 2013 will also offer its annual complimentary training programme, presented by CLIA Australia, to teach travel consultants best sales practices and how to maximise their earnings from cruise products. Held on October 9 and 10, subjects such as cruise sales and service, and ways to attract groups to cruising, will be addressed. Some 85 participants have registered to date, and seats are still available.

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## Tourism Data

In a study on Singaporean travel habits by Changi Airport Group, 61 per cent of Singaporeans ranked good food as the top hallmark of a holiday destination while trying local food was the number one must-do activity while on vacation, scoring 93 per cent of votes. Airplane food was second among what they most looked forward to on a flight.

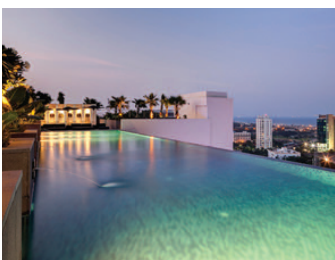
## Mystery Shopper

Greg Lowe discovers on his trip to Viva Voyage in Bangkok's Maneeya Centre a straightforward travel agency with decent service, but the devil's in the detail. Among his suggestions: the shop would benefit from a spring clean.



## Hot Deals

Ascott will give guests who book a Studio Executive apartment at Somerset Greenways Chennai (below) 30 per cent off best available rates, including daily buffet breakfast, Wi-Fi access and discounts for its F&B outlets; Hertz is dangling discounts of up to 33 per cent for car rentals in over 100 countries as part of a global sale.



# Business meets pleasure



Travelling for business must be pleasurable. It is no longer business or pleasure, but business *and* pleasure.

Gracia Chiang  
Deputy Group Editor and  
TTG Asia Editor

Not a week goes by without our newsdesk receiving press releases on yet another LCC route being launched in the region. Truth be told, some days we can barely keep up with the flood of announcements.

One can't help but wonder how these seats will be filled up. Surely not all by leisure travellers? While Asia's middle class and the number of people who can afford to vacation is on the rise, so too is corporate travel. In fact, some would argue that there is greater relevancy for middlemen among travelling executives rather than holidaymakers.

Agencies, however, need to be able to respond to new trends in business travel. Technology is giving rise to new expectations of how road warriors want to book their work trips. Having done this for their personal getaways, they want to use smartphones and tablets to shop for flights and rooms for their overseas assignments. Aside from the large TMCs, do the rest have the relevant tools to facilitate this?

If agencies don't innovate, they will lose even more business to suppliers and other online booking platforms. As it is, the instances of employees making purchases outside of TMCs are forecast to grow as open bookings take off i.e. travellers being allowed to book through any channel as long as data can still be captured and minimal considerations such as budgets are taken into account.

Corporate customers also expect their booking experiences to be user-friendly and personalised. It bugs me whenever I have to point out to my company's travel consultant that my frequent flyer membership is missing from my itinerary (and this happens nine out of 10 times). You would think that with the number of trips I make in a year, the agency would have my profile and preferences saved in its system.

Besides new booking behaviour, an emerging

breed known as 'bleisure travellers' (see page 6) also demands that their unique requirements be met.

According to research released earlier this month by American Express Global Business Travel, US business travellers are travelling just as often – and some more frequently – than they did in 2012, but they are also increasingly taking time out for themselves while on the go.

"As Millennials begin to make up a larger portion of the global workforce, we're seeing more corporate employee travel behaviours that focus on alleviating travel-related stress," said Kevin Carey, vice president and general manager, Global Client Group, American Express Global Business Travel. "These travellers place a higher value on work/life balance and are savvy about how to travel efficiently. They make the most of their time on the road and maintain their mental and physical health while away from the office."

The survey showed that 44 per cent of US business travellers use the gym at the hotel, and on flights, 61 per cent said they would rather disconnect from work, as it gives them the chance to unwind. Two-thirds also say they have extended a business trip in order to take a personal vacation in the past year.

If the same results can be extrapolated to Asian clients, agencies will do well to ensure that they have access to the right inventory and the expertise to make suitable recommendations. Hotels, airlines and other suppliers will also have to tailor their products accordingly. Business hotels might not cut it anymore, while boasting that your premium economy seats offer great Wi-Fi connectivity may not necessarily be what this segment wants.

A clarion call has been sounded: travelling for business must be pleasurable. It is no longer business or pleasure, but business *and* pleasure.

## Most commented on www.ttgasia.com

### Princess Cruises reaches out to the Indonesian market

Having seen the report on Princess Cruises incorporating Indonesia into its sailing itineraries, Anoma Abeywickrema from Colombo asked: "Why not Sri Lanka? (It is) the fastest emerging holiday destination with the greatest diversity and so much to offer. I have sold many Princess Cruises and have yet to come across a destination as value-for-money as Sri Lanka."

### Public, private sectors to jump-start flood-hit Uttarakhand

MB Khadka from Kathmandu welcomed news that Uttarakhand would receive: "It's a good plan to set up new tourism businesses in Uttarakhand. Thousands of religious pilgrims visit (holy places such as Kedarnath and Badrinath), and many tour operators running pilgrimages go to Uttarakhand."



### Business not returning to Samet yet

Despite assurances from the Thai government that Koh Samet is safe for tourism following the offshore oil leak, business has not returned. However, Weera Bumrungrsee from Bangkok wrote: "Just returned from Koh Samet yesterday. I found no trace of the oil leak at all. Go now and you will find the most relaxing, peaceful white sand beaches. After sundown, cool drinks, beer and wine await right on the beachfront. The sea breeze, nice and cool, is just right for your holiday. Bring your family too."

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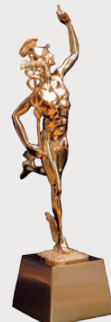
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Since 2002, TTG Asia Media has honoured luminaries that have won the prestigious TTG Travel Award for at least 10 consecutive times for the same award title in the Travel Hall of Fame.

At present, these exceptional organisations and their years of induction are:

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TTG Asia Media is pleased to announce that it is setting up a virtual TTG Travel Hall of Fame, which will enable us to showcase the accolades, artefacts and memorabilia of the region's most exceptional travel organisations in a far more effective way and to a global audience.





Continued from page 1

## From mid-market to high-end

and organises day trips to Siquijor and Oslo, Cebu. It also offers spa and yoga, which it believes will cater to the underserved high-end divers' market.

Attilia Bossi, DoT market representative for Italy, supports such an approach, agreeing that the appeal should be widened. "Resort destinations should appeal to families, so as to attract more combination visitors," she said.

Doing just that, Amun Ini, a high-end boutique resort in Anda, Bohol, has tapped the expertise of Atmosphere to set up diving services at its property.



Leung: attractive to Hong Kongers

While the Philippines is still primarily known as a mid-range dive resort destination, the trade is anticipating greater high-end demand in the near future, with tourists coming from both short- and longhaul markets.

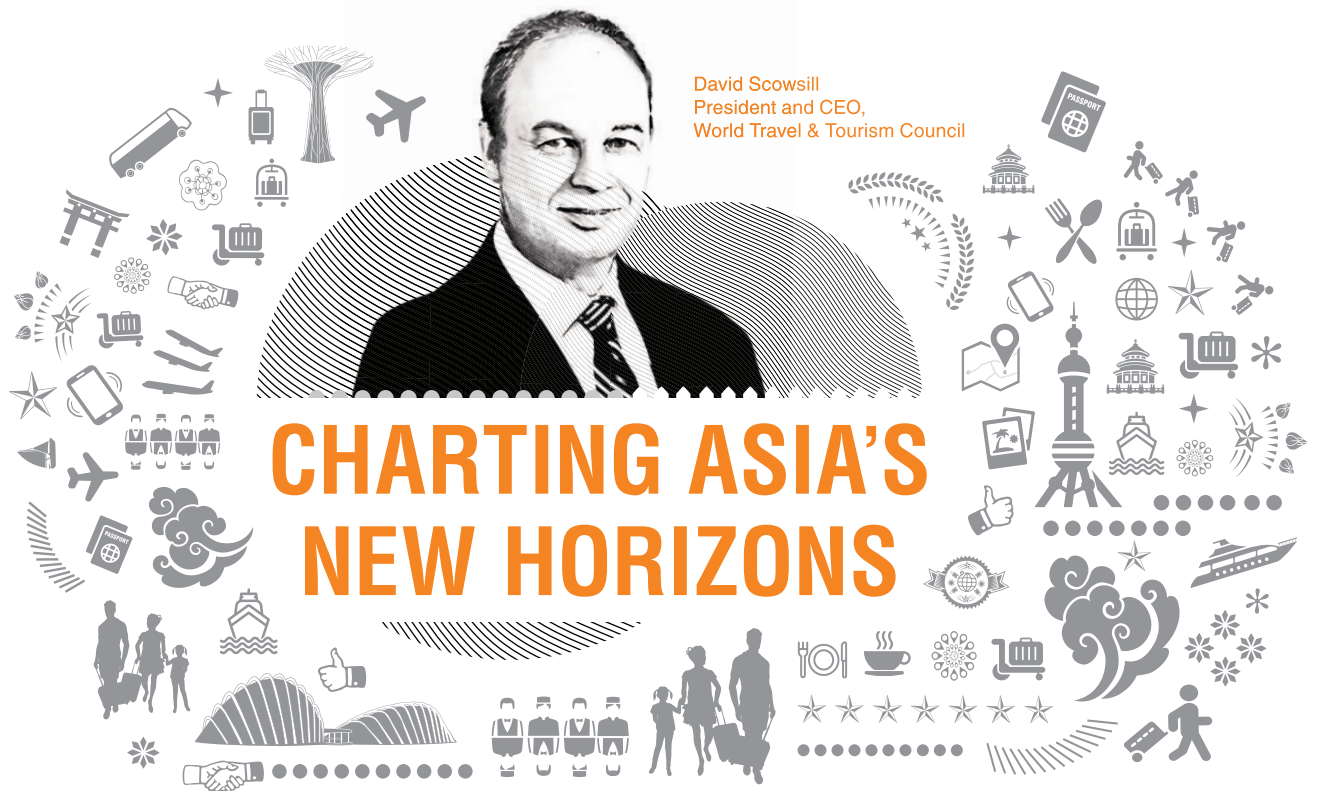
Marco Ignacio Santos, marketing director of Punta Bulata Resort & Spa in Cauayan, Negros Occidental and marketing manager of Aiyanar Beach and Dive Resort in Anilao, Batangas, said: "(For Aiyanar in Batangas), last year we focused on markets like China, Hong Kong and Singapore, which prefer shorter five- to seven-day trips, one-shot deals and direct flights."

David Leung, DoT market representative for Hong Kong, pointed out that the SAR's proximity and a reasonable price of about US\$40 per dive in the Philippines have also enticed travellers to head for Puerto Galera and Anilao, near Manila.

However, resorts that are farther away are adopting a different strategy. Santos explained that since two flights are needed for divers to get to his Negros resort, the target is for longhaul visitors planning to stay 10 to 14 days, such as the Australians, Europeans and Americans.

Meanwhile, resorts and tour operators are also offering multi-destination programmes. For example, Sea Explorers sells island-hopping packages of two to three days per location, with boat diving between resorts. This has been popular with markets like France, Spain, Germany, Switzerland, Australia and the US.

Sea Explorers' Heim suggests that the DoT come up with a system to regulate the varying diving fees charged by local municipalities. "More and more people are coming in with a package, which may carry a hidden cost of as much as 4,000-5,000 pesos (US\$90-130). They'll pay, but they would not be happy."



David Scowsill  
President and CEO,  
World Travel & Tourism Council

## CHARTING ASIA'S NEW HORIZONS

Established in 1990, the World Travel & Tourism Council (WTTTC) is an established non-governmental organisation and key forum for business leaders in the global travel

and tourism industry. President and CEO of WTTTC, Mr David Scowsill, provides a broad perspective of Asia's tourism development.

**By 2020, Asian travellers are expected to account for nearly half of global tourism expenditure. What are the implications of this rapid growth for the travel and tourism industry?**

The fast growing Asian Travel & Tourism industry requires leaders who can develop policies and programmes which are focused on long-term success and sustainable growth. This includes identifying a destination's potential areas of growth in order to develop corresponding infrastructure and services. Over time, such investments will lead to more sustained growth without the damage that can be caused by rapid and indiscriminate expansion.

In Asia, the issue of human resources and education is especially important and it is crucial to ensure that there will be enough individuals with sufficient skills to meet the needs of the industry as it grows.

As more Chinese and Indian middle-class consumers have the resources to travel, domestic tourism is projected to grow faster than international visitor spending over the next ten years. In China, domestic spending will grow by almost 9% per year up to 2023. Both countries thus need to place a strong focus on developing infrastructure and services to cater for this growth.

In addition, there will be more intra-regional travel in Asia and destinations now need to adapt by developing products and brands which cater specifically for these new Asian middle-class consumers.

**How resilient is Asia's travel and tourism industry against an uncertain global economy? What is the outlook for Asia's emerging markets apart from China and India?**

According to our latest economic impact research, Asia's Travel & Tourism indicators continue to hold up well despite overall difficulties.

A GLOBAL COMPARISON REVEALS THAT THE GROWTH OF TRAVEL & TOURISM'S CONTRIBUTION TO GDP IN 2013 WILL BE THE HIGHEST IN ASIA, EXCEEDING THE WORLD AVERAGE OF 4.4% AND OUTPACING EVEN OTHER FAST-GROWING MARKETS LIKE LATIN AMERICA AND THE MIDDLE EAST.

Countries with the strongest growth potential include Cambodia where total contribution to GDP is expected to increase by 7.2%, followed by Bangladesh (6.8%) and Thailand (6.5%). In addition to rising disposable incomes, other factors which contribute to a growing desire and ability to travel include recent improvements to visa processes and requirements.

In terms of domestic tourism, Mongolia is leading with a growth forecast of 9.3% per annum, while the Philippines (8.7%), Thailand (8%) and Indonesia (7.8%) can expect some of the highest growth in visitor exports – money that comes from international visitors to a country.

By 2023, Hong Kong, Macau, Thailand and China will be among the top ten countries for their share of visitor exports, while China and Singapore will also be among the top ten countries for their share of outbound spending.

**What is the value of platforms like TravelRave in spurring the travel and tourism industry forward?**

Getting the right people in the room together at the right time generates valuable ideas and opportunities which can lead businesses to thrive and succeed. Events like TravelRave,

through a strong programme line up, attract key industry leaders and set the stage for thought-provoking discussions and potential collaboration on pertinent issues facing the industry.

My experience at TravelRave has always been extremely positive. With a series of quality events held in the same week, it allows me to maximise my time and meet with leaders across the whole industry – lodging, airline, cruise, hotel, car rental, tour operator and travel agency, who are also here to attend the various events under TravelRave.

In 2011, WTTTC partnered the Singapore Tourism Board to research the global economic impact of business travel. As event organisers and delegates increasingly look towards Asia for new and relevant content to facilitate business growth, thought leadership platforms like TravelRave continue to serve as a key focal point for the exchange of valuable knowledge and insights on Asia's Travel & Tourism industry.

*In 2012, Mr Scowsill was a participant in the Asia Travel Leaders Summit (ATLS) and ITB Asia as well as a keynote speaker at the Asia Pacific Tourism Destination Investment Conference. This year, he will return to participate in ATLS 2013.*

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## How do you see the Indian market unfolding over the next few years?

The Indian travel market is growing impressively. According to PhocusWright, the Indian travel market grew by 11 per cent in rupee terms in 2012. This is despite the challenging macro-economic scenario and the ailing airline industry. Gross bookings for the Indian travel industry are expected to grow by double digits through 2015 to US\$28.8 billion.

Recent policy changes to encourage the influx of foreign investment in the Indian aviation industry have led to global players like Etihad Airways and AirAsia entering the Indian market. There is also focus on investment in the hospitality sector.

We expect online penetration to reach 43 per cent of the Indian travel industry by 2015, with online market growth continuing to outpace the total travel market.

What is unique to the Indian market is that it is still very under-penetrated by the Internet (broadband penetration is about 10 per cent) and underserved. Thus the opportunity to acquire new customers making the offline to online shift is possibly the biggest in the region.

## What is the impact of mobile and flash sales sites on the market?

An interesting fact is that mobile Internet has taken the lead on broadband penetration in India. Smartphone uptake is projected to expand more than 10 times

# Cashing in on India's explosive growth

MakeMyTrip founder and group CEO, Deep Kalra, is excited about how mobile bookings will transform the online travel landscape



between 2012 and 2016, with Internet-enabled smartphones growing from 10 million in 2011 to 264 million in 2016. Already, mobile and tablet access contributed to seven per cent of Indian online pages viewed in 2012. At MakeMyTrip, the mobile channel contributed to 20 per cent of all our traffic last year.

We expect online hotel bookings to increase, and mobile to be a big contributor to that. The market is fairly fragmented but there is demand for more inventory. New mid-level and high-end properties are expected to develop and contribute to the growth.

Mobile is the growth channel of the future. With one in five of the world's mobile youth population in India and mobile Internet users set to grow to 185 million by 2016, India can become a mobile-Internet country in 15-18 months (basis traffic, not transactions).

As for flash sales, we have seen that they work well for impulse travellers. Indian leisure travel-

lers plan larger breaks across the summer months and year-end holidays, while short-term advance purchase occurs for weekend breaks to destinations within driving distance from the city of residence.

## Who will be the winners and losers?

Local players have the advantage of local market knowledge, allied expertise and relationships with both local and established global suppliers. Global players, on the other hand, bring process knowledge and global best practices to the market. There is enough room for growth, and successful players will be the ones who proactively and dynamically respond to market needs and develop customer confidence and loyalty through innovative products and exceptional service.

There is also plenty of scope for newer lines of business to gain market share. Earlier this year, we saw South Africa-based Naspers acquire RedBus, a leading online bus ticketing company based in Bengaluru. Car

rental was also the fastest-growing segment in the travel industry last year, with new players emerging.

## How about traditional agencies?

Obviously, with low Internet penetration, people in Tier 2 and Tier 3 towns as well as rural areas require the services of travel agencies. These offline players cater to a large demand. However, this base is eroding since there is a continuous offline to online shift, catalysed by the growth of mobile Internet, bringing more and more customers to consider OTAs for their travel needs.

When we first launched in India in 2005, we offered telephonic support for queries and bookings. This channel is still relevant for holiday customers, but we have not effected purchase of a domestic air ticket through the telephone since 2010.

## What is MakeMyTrip's strategy going forward?

We have a dominant market share and want to continue to build on

our strength of providing value-based offerings and best-in-class travel services to Indians travelling to, from and within India. We are also focused on growing our revenue share from the hotels and packages business compared to the lower-margin air business. In this, South-east Asia is a key element of our strategy.

We believe that South-east Asia is transforming into an extension of domestic leisure travel from India due to competitive airfares and hotel rates as compared to several domestic destinations in India. We want to leverage the Indian customer base to grow hotel travel in Asia and build a stronger presence in South-east Asia. At the same time, we also want to leverage our supplier networks in Europe, a key market for outbound leisure travellers from India.

*Deep Kalra is a participant in the Asia Travel Leaders Summit 2013, one of eight quality travel and tourism-related events under the Travel-Rave umbrella (October 21-25).*

The increase in frequency of corporate travel in recent years has resulted in an explosion of requirements to adhere to the habits and quirks unique to this specific group of travellers. Understanding and meeting their needs is essential to stay competitive and capitalise on what can be an extremely lucrative segment of the market, bearing in mind that there is a shift in the behaviour of corporate travellers who now want to engage in both business and leisure activities.

Nowadays, one might be flying business class to Shanghai, then take a budget hopper over to Hong Kong. While this trend has been apparent for flight connections for a while, it is now showing a stronger impact on hotel bookings. Markets like Singapore see a strong increase of boutique hotels that not only attract European leisure travellers, but also a growing number of business managers.

The issue that many agencies face when choosing the right hotels for corporate travellers stems from the habit of using established yet one-dimensional booking systems, without easy access to additional venue information or pictures. While a GDS strives to fulfill corporate travellers' business and leisure requirements as best as possible, most systems cannot provide an intimate knowledge of the traveller's destination or a large enough selection of different hotels to re-

## How to cater to the bleisure traveller

Changing travel needs are making it more important than ever for agencies to play a consultancy role



**Christian Lukey, commercial director, HRS Hotel Reservation Service, Asia-Pacific**

ally cater to their needs.

When booking corporate travel, agencies often overlook the leisure capabilities of a hotel. A business traveller might need a hotel with good wireless capabilities and close proximity to the airport, but by offering a place with a state-of-the-art gym, unique rooftop bar and an excellent cigar selection, your traveller might be more than happy to go

for a hotel beyond the usual airport stay or a large chain branch.

What is being offered is more than just necessity and convenience – it is joy and a bit of luxury.

With many individual hotel chains and consolidated booking portals now available online, what you may really want to look for in your own and your customers' interest is that they offer a wide range of choice and real-time availability as well as flexibility to alter your booking if needed, as travel schedules are often unpredictable.

As booking portals are getting more advanced, it is now possible to greatly customise and filter your searches, ensuring your client's request for a nearby golf course or the best restaurant in town can be met. When you get access to better quality content, you would be able to find out more about destination options and provide insightful advice to your clients on the spot.

Finally there is one more advantage, you – and especially the traveller – will certainly like: being able to print out the booking confirmation in the destination's local language. Can you imagine how much easier that would make his arrival at the airport when telling the taxi driver where to go?

I strongly believe that an intuitive, easy-to-use online booking portal enables travel consultants to focus on providing business travellers with the right choice.

## Is this your agency?

**TTG Asia calls Classic Travels (CT) in Colombo, for a few ideas on family holidays this month**



**TTG** Hi, good afternoon. I am looking for some options for an overseas package tour.

**CT** Just a moment, sir (pauses), let me connect you to the package tours division.

**CT** (new voice) What can I do for you, sir?

**TTG** I am contemplating a family vacation. My daughter completes her examinations in a few weeks' time and the family needs a vacation. I need a package for four adults.

**CT** Where would you like to go?

**TTG** Maybe Malaysia, Singapore, Thailand or even Bali. Where would you suggest?

**CT** Either Thailand or Malaysia. We have some good packages to these countries.

**TTG** We may need some adventure.

**CT** There are many options. We can arrange a tour of Phuket and the Phi Phi islands in Thailand or a visit to Kuala Lumpur and Langkawi in Malaysia. You'll get to see culture and nature, and also have some adventure.

**TTG** On second thoughts, we would also need to relax because my daughter would have just finished her exams.

**CT** Whatever you need. Kuala Lumpur is about culture and theme parks, and Langkawi is about touring the mangroves. There is a nice resort in Phuket, while Phi Phi has some great things to see. We could reduce Phi Phi to a day trip instead of an overnight stay, with the rest of your holiday in Phuket if you need less adventure.

**TTG** How many days would these tours be? We hope to travel in mid-September.

**CT** Essentially three nights.

**TTG** How much would it cost?

**CT** Rs75,000 (US\$1,185) for two adults per tour. If you go to the islands, the cost would be different.

**TTG** What do I get for Rs75,000?

**CT** Everything – tickets, transfers and three-star accommodation. We'll email you the details.

**VERDICT** While the travel consultant was warm and friendly, she didn't provide enough details of the locations and its attractions. She also missed out the food component and assumed I was aware that the package only comes with breakfast and not all three meals. – **Feizal Samath**



# Explore the Myths and Mysticism of Asia's Mid-Autumn Festival

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Gilbert Chai



Robert Lohrmann



Nick Downing



Angel Gallego



Nattakorn Jaikeaw



Torsten Van Dullemen

**CHINA**  
**Yates Fei** has succeeded Harald Weber-Liel as the new general manager of **HRG China**. Fei was director of sales and account management.

**HONG KONG**  
Following his position as managing director – operations at Per Aquum Retreats, Resorts and Residences for the last five years, **Andrew Spearman** has now been appointed COO for **Rediscovered Limited**.

**MALAYSIA**  
**Dorsett Grand Subang** has appointed **Gilbert Chai** director of sales & marketing. He has worked at Pan Pacific Hotels & Resorts, Shangri-La Hotels & Resorts and Nikko Hotels International.

**MAURITIUS**  
**Frederick de Marcy Chelin** has been appointed director of sales & marketing for **Outrigger Mauritius Resort and Spa**, which will open in December. He was formerly director of corporate and groups sales at Starwood Hotels & Resorts.

**SINGAPORE**  
**Jetstar Asia** has appointed **Gareth Rogers** as CFO and **Javier Massot** as head of airport and network operations. Prior to their latest appointments, Rogers was senior vice president of ground operations at Spanair while Massot was Jetstar Group's operations development manager.

**Pan Pacific Singapore** has named **Kurt Macher** as resident

manager. He joins from The Peninsula Hong Kong where he was executive assistant manager.

**Daniel Chong** has been appointed director of revenue account management & global strategy, Asia-Pacific, Middle East & Africa for **Preferred Hotel Group**. He was previously corporate director at Banyan Tree Hotels & Resort.

**GTA** has promoted **Andrew Hughes** from head of sourcing for the Middle East and Africa to vice president of Asia Pacific hotel sourcing.

**SWITZERLAND**  
**FRHI**, the parent company of hotel brands Fairmont Hotels & Resorts, Raffles Hotels & Resorts, and Swissôtel Hotels & Resorts,

has promoted **Jennifer Fox** to president, international chief and **Jeff Senior** to executive vice president and chief marketing office. Both positions are based in Zurich.

**THAILAND**  
**Robert Lohrmann** now leads **Centara Grand Mirage Beach Resort Pattaya** as general manager. He was general manager of Renaissance Shanghai Zhongshan Park Hotel.

**Nick Downing** has assumed the role of vice president at **Per Aquum Retreats, Resorts and Residences** in Bangkok. He joins from general manager of W Retreat Koh Samui.

**Amadeus Asia Pacific** has seen a leadership change with **Angel**

**Gallego** replacing David Brett as the new president.

**Rory Campbell** is now director of sales and marketing for **Outrigger Laguna Phuket Beach**. He was last director of sales and marketing – rooms at Hilton Barcelona.

**Nattakorn Jaikeaw** has been promoted from group assistant director of sales – leisure to group director of sales – south region of **Mercure** and **ibis Erawan Thailand**.

**THE PHILIPPINES**  
**Torsten Van Dullemen** has been picked to head **Mandarin Oriental, Manila** as general manager. He was most recently general manager of Mandarin Oriental, Chiang Mai.

# What's on the shelves

In this section, we round up the latest product news in the marketplace, from hotel openings and airline developments to new tours and tech solutions

[ ACTIVITIES ]



**1 Luang Prabang Film Festival** Taking place from December 7-11, 2013, the 4<sup>th</sup> Luang Prabang Film Festival is an annual event that celebrates South-east Asian cinema. Screens will be set up on garden lawns, at the central market and on the walls of hotels and residences around Luang Prabang. Attendance is free. Khiri Travel has been appointed the official travel partner for the festival this year.



**2 Luxury Travel rolls out new B2B Brochure** Hanoi-based Luxury Travel has launched its latest brochure for travel professionals, a 140-page compendium of travel products in Indochina, Thailand and Myanmar.



**3 Hotel de la Paix Cha Am Beach launches exploratory excursions** The Caves, Karsts and Catch of the Day experience is a programme offered by Hotel de la Paix Cha Am Beach to showcase Thailand's Petchaburi province. Ideal for small groups or couples, the excursion features a cave visit, a cable car ride to a hilltop palace, views of limestone mountains and a beach barbecue at sunset.

[ HOTELS ]

<b>Carlton City Hotel Singapore</b>  <p>Carlton City Hotel Singapore soft-opened in the Tanjong Pagar business district on August 5. The 386-room upscale business hotel offers complimentary Wi-Fi, four dining outlets and an outdoor pool.</p>	<b>Royal Wing Suites &amp; Spa</b>  <p>Royal Cliff Hotels Group's Royal Wing Suites &amp; Spa in Pattaya recently underwent a renovation, and now boasts the three-bedroom Presidential Heritage Suite and the two-bedroom Presidential Platinum Suite.</p>
<b>Agora Fukuoka Hilltop Hotel</b>  <p>Launched on September 1, the 48-room resort sits atop a hill, with facilities such as Japanese restaurant Koyomi, an open-air garden terrace, a library, a fitness club and the Hilltop Spa and Terrace.</p>	<b>One&amp;Only Hayman Island</b>  <p>Hayman Island in the Great Barrier Reef will undergo a multi-million dollar renovation and be relaunched as One&amp;Only Hayman Island in April 2014, marking the first One&amp;Only resort in Australia.</p>

[ TRANSPORT ]

**Princess Cruises sails into Indonesia** Princess Cruises will make its first call to Indonesia when the *Sapphire Princess* is deployed in South-east Asia for a four-month season from November 2014 to February 2015. Homeporting in Singapore, the 2,670-pax ship features more than 200 suites (some with private balconies), a spa, F&B outlets, boutiques and more. The itineraries are customised for the Asian market, with ports of calls in Singapore, Indonesia, Vietnam, Malaysia, Thailand, Cambodia and Brunei. Cruise lengths vary from three to 11 days, and the highlight for Indonesia is a 10-day sailing visiting Jakarta, Bali, Komodo Island and Lombok.

**Point Yamu by Como**  


Como Hotels and Resorts' second property in Thailand, Point Yamu by Como, will debut in Phuket this November. The 106-key resort will have three restaurants, a swimming pool and the Como Shambhala Retreat, plus outdoor excursions.



### What was the impact of the US economic downturn on Las Vegas, and is business back fully?

Las Vegas felt it more than any other US city. It's not difficult to understand – real estate in Las Vegas, for example, was severely impacted by the US economic downturn. What you see today, and what's happening in many other destinations in the US, is a gradual recovery. We've been feeling that since end-2011 up to today. Certainly we're seeing a lot of visitors now and some growth in occupancy – stronger during the peak season and weaker during the slow season.

People are spending more, so the shops are busy again and you read a lot about how the economy is improving, how people are buying houses again, how cars are selling again. Consumers are spending more on durable goods and discretionary items like travel.

### Can Vegas absorb more new supply in the future, including the entry of Malaysian Genting Group's first destination resort on the strip\*?

Supply has been pretty static in the last couple of years, but there is certainly some change on the horizon. But, by Las Vegas' standards, it's a small percentage change. Las Vegas is probably the only destination in the world where a 3,000-room hotel is kind of small to average (laughs). Can the market absorb new supply? If the conditions continue to improve, it's fair to say it can. A new development always helps a destination in general, because it raises awareness that things are happening there.

*\*Genting has acquired from Boyd Gaming Corp a 35-hectare parcel at the Echelon site along the Las Vegas Strip on which it will build a "transformational new development". Resorts World Las Vegas will have 3,500 rooms in the first phase, 16,258m<sup>2</sup> of total gaming space across several gaming floors, several luxury dining and retail outlets, and convention space.*

### Is there an influx of emerging markets in greater numbers, Asia for instance, that will enable Las Vegas absorb more new supply?

Asia is particularly big for us because of the footprint we already have in Macau and Singapore. Those are two brands (The Venetian Macao-Resort-Hotel and Marina Bay Sands Singapore) that are highly regarded and their success bodes well for us in terms of our brand presence in Asia. We benefit from that. When you travel somewhere you are not completely familiar with, you naturally gravitate towards brands that you are comfortable with. That is true for anyone, not just Asians.

### Have you seen a significant shift in Asian numbers since the opening of the two resorts?

I was not here when Marina Bay Sands opened so I can't say but I do know that Asian guests have always been an important part

and, going forward, we want to make the market an even larger percentage of our business. We're doing a number of things here in Las Vegas to deepen our relationship with the Asian market and to leverage the power of Marina Bay Sands and the Venetian in Singapore and Macau, so that we can capitalise on some of their strong equity.

### Such as?

We're building a better marketing infrastructure, to start with. We now have a dedicated Asian leisure sales team and have hired a new director of Asia-leisure sales, Elizabeth Hanson, based in Las Vegas – she's in Beijing right now (at the time of interview) – whereas before Asia was part of our overall leisure sales. Elizabeth is Chinese and has lived in Las Vegas for seven years. With people in place who contextually understand the social and cultural nuances of a market, and understand the product well, we are better able to adjust the experience to match the expectations. Having a dedicated Asian sales

ly small and our goal is for it to be a major part of our leisure mix which, right now, is overwhelmingly the US/Canada. Las Vegas has always been that way.

The number of inbound Chinese to Las Vegas is a little over a million currently and the goal is to grow that by 10 per cent a year. So we look at what our fair share of that should be. We want visitors who like the luxury or high-end, or they like the brand because they are familiar with it from Macau or Singapore. We think we will do quite well because we have a product that is high-end, appealing and has a strong reputation behind it.

Marina Bay Sands is truly an iconic building – that's one of the things our guests love about us, i.e., the experience we offer is iconic, innovative and world-class. So if they have been to Marina Bay Sands but not to Las Vegas, they perceive that when they come here it is going to be of equal calibre to Singapore.

### Does Marina Bay Sands put pressure on the product here?

on the operations side who focus on the importance of the guest in the things they deliver everyday. How do you create an impact in even small ways? We pay attention to small details.

### How important is hotel operations to the owners versus gaming?

It's huge. Brands today are not what marketing creates but what operations deliver. You form your impression of the brand by the experience you have when you go there, especially in resorts like these, which are very experiential places. They are not just hotels where you go and sleep overnight. You come for all the experiences that are being offered to you.

### But how do you overcome the sameness on the strip?

By trying to understand what's interesting to guests, and trying to be unique and different. Sometimes you experiment – it could be a restaurant concept, giving a chef a chance to open a new restaurant, a new show that has not been here yet. This

company never copies, we innovate. The universal traveller to Las Vegas wants something new and interesting although he also understands that some things are just classic and still in style.

### Isn't there still the misconception of Vegas as being just gaming?

Yes, but at the same time in our connected world, where everyone has a smartphone and access to information, it is easy to understand that that is not true. There are certain types of resorts that are still heavily committed to gaming but we offer such a diverse array of experiences that a traveller who does not like gaming is going to have a fantastic time. Like the Australian couple I met while riding in the elevator. They have been coming here every year since we opened. Coming from Australia, I thought naturally one key reason was they liked gaming. But the gentleman said: "We don't gamble at all. We love the restaurants, the shows and you're always bringing something new. And we love the experience and the staff here because they remember us."

So that's an example of a couple that's completely engaged to this brand.

On the other hand, there are those who love casinos and the fact that we have one of the most modern casinos in the nicest environment, with the newest electronic games you won't find anywhere else on the strip, is a plus for us to attract those who want gaming.

Robert Rippee, senior vice president marketing,  
The Venetian & The Palazzo, Las Vegas

# Sister act

The Venetian & The Palazzo in Las Vegas hope to leverage on the brand equity of its iconic sister properties in Asia to bring more Asian guests to its doors. Rippee tells Raini Hamdi about it

team will also deepen our relationship with wholesalers in the market.

### Which Asian markets are you particularly eyeing?

We know from Elizabeth, and from industry projections, that it's China, Japan and (South) Korea. So much of it is a function of visa waiver\* and the projected numbers of travellers. So we look at what a 10 per cent rise in inbound Chinese arrivals would look like – that's more growth probably than from the state of Florida (laughs).

*\*Procedures to schedule appointments, pay visa application fees and deliver passports free to home or office have been streamlined and implemented in China and Hong Kong. Asian countries such as Taiwan and Singapore are included in a Visa Waiver Programme.*

### What's the percentage of Asian guests at Venetian/Palazzo?

Of leisure guests, it's relative-

No, because we're first. This is where it all began; we developed the iconic destination resort concept – the high level of service, the huge variety of experiences under one roof, etc – and it became the template for new-generation (Las Vegas Sands developments). Now they (the newer sisters) improve on things, sure, but nonetheless, a visitor coming here is going to find an equally high-calibre experience – beautiful suites, retail stores, great restaurants, an impeccably clean building, great service – as the swift and friendly check-in you experienced.

We have a lot of talented people





## Cosying up to boutique residences

Serviced apartments are scaling down in size as discerning travellers increasingly seek intimate accommodation. *TTG Asia* gives a low-down on what chains and independents are offering in the region



### Village Hotels & Residences

**Operator** Far East Hospitality

**Brand background** Launched in 2009, the Village Hotels & Residences brand underwent a major revamp in June this year with a sharpened brand proposition as part of the group's holistic plan to rejuvenate the guest experience.

**Brand promise** "The brand promises Singapore-inspired hospitality for guests who seek comfort without excess. Guests can choose from a wide range of apartment types at reasonable price points at convenient locations in Singapore's cultural and ethnic enclaves," said Raphael Saw, COO, Far East Hospitality.

The homegrown brand is a "differentiator" by infusing personal touches such as a regularly updated Walking Guide, masala tea tasting and cooking demonstrations, with the recent Far East Heritage Festival as an example of engaging guests through local activities, Saw added.

**Current network** There are four residences under the Village Hotels & Residences portfolio: Village Residence West Coast (51 keys), Village Residence Robertson Quay (71 keys), Village Residence Clarke Quay (127 keys) and Village Residence Hougang (78 keys).

**Future expansion** No new Village properties are planned in the pipeline, but refurbishment projects currently underway will be completed by 2013.

**Average length of stay** One to three months for singles, six months to two years for expatriate families, and one to two weeks for families on vacation.

**Average rate** From S\$2,800 (US\$2,197) per week for a one-bedroom apartment to \$13,100 per month for a three-bedroom apartment. – Lee Pei Qi

### Fraser Place

**Operator** Frasers Hospitality

**Brand background** Frasers Hospitality's current portfolio, including those in the pipeline, stands at more than 14,000 apartments across 83 properties in 45 key gateway cities worldwide. In addition to Fraser Place, the company has several brands under its portfolio, including Fraser Suites, Fraser Residence, Modena by Fraser and Capri by Fraser.

**Brand promise** Designed as chic and contemporary properties with a more boutique slant, each Fraser Place property enjoys a prime location in the city with close proximity to shopping, dining and entertainment. Residences under this brand endeavour to maintain a healthy work-life balance for guests with facilities such as lounges stocked with a range of beverages, a recreation hub with game consoles and space for a host of activities.

According to Tonya Khong, Frasers Hospitality's area general manager of Asia Pacific, what sets the operator apart is the "Fraser Difference" across all its brands, which sees its staff going the extra mile to help travellers integrate and settle into their new country of residence through a variety of social and recreational activities.

**Current network** In Singapore, Fraser Place Fusionopolis has 50 one-bedroom work-loft serviced residences ranging between 46m<sup>2</sup> and 99m<sup>2</sup>. Elsewhere in Asia-Pacific, the 89-unit Fraser Place Manila offers one-, two-, three- and four-bedroom units in Salcedo Village in Makati's CBD, while the Fraser Place Melbourne offers 112 serviced apartments across three categories.

**Future expansion** The 85-apartment Fraser Place Gurgaon is due to open in December 2013.

**Average length of stay** Between one and six months at Frasers' serviced residences in Singapore.

**Average rate** Rates at Fraser Place Fusionopolis start from S\$7,000 (US\$5,513) per month. – Lee Pei Qi

### Ovolo

**Operator** Ovolo Hotels

**Brand background** Ovolo was founded in 2002 by Girish Jhunjhunwala as an upscale serviced apartment brand with modern interior design, cutting-edge ensuite technology and all-inclusive services as the brand's cornerstone features.

**Brand promise** "Our mission has always been to match modern traveller expectations with effortless living experiences, by creating tech-driven interiors and providing everything guests need, from Wi-Fi and breakfast to minibar and happy hour drinks, as complimentary. Additionally, our highly flexible leasing and check-out policies allow (guests) to adjust (their) schedules with us on the fly," said Jhunjhunwala.

**Current network** Ovolo currently owns and operates four hotels and two serviced apartment properties – 222 Hollywood Road at Sheung Wan and 111 High Street at Sai Ying Pun – in Hong Kong, as well as a hotel in Melbourne.

**Future expansion** "We are actively looking for opportunities to grow the Ovolo brand outside of Hong Kong," said Jhunjhunwala. The group's portfolio is expected to grow to eight properties and nearly 500 rooms by 2013. Besides Brisbane and Sydney, the group is also considering Singapore and the UK as future Ovolo destinations.

**Average length of stay** Three months.

**Average rate** HK\$40,000 (US\$5,158) per month for 222 Hollywood Road; HK\$38,000 per month for 111 High Street. – Prudence Lui

### Lodgewood by L'hotel

**Operator** L'hotel Management Company

**Brand background** L'hotel introduced the new boutique hotel cum serviced apartment brand, Lodgewood by L'hotel, in response to the rising demand for boutique hotels in Asia-Pacific.

**Brand promise** As a hotel cum serviced apartment, Lodgewood by L'hotel properties will focus on delivering efficient and homey services to its guests with contemporary facilities such as freshly brewed coffee served 24/7, a complimentary 'grab & go' breakfast corner, a self-service coin laundry as well as complimentary Wi-Fi throughout the property.

The property also boasts strong green credentials, with LED lighting installed in the rooms and a touch screen eConcierge in the lobby to provide updated information on shopping, dining and places of interest in the city.

**Current network** The 87-room Lodgewood by L'hotel Mongkok Hong Kong, which soft opened in April 2013, marks the group's first property.

**Future expansion** The 92-room Lodgewood by L'hotel Wanchai Hong Kong is due to open by 2014. The group is also keen to explore the China market.

**Average length of stay** Around two days.

**Average rate** HK\$1,000 per night. – Prudence Lui

### Oaks Hotels & Resorts

**Operator** Minor Hotel Group, the hospitality division of Minor International

**Brand background** Created in the early 1990s, Oaks Hotels & Resorts is one of Australia's largest hospitality players specialising in serviced apartment management. In March 2011, Minor International acquired a majority stake in Oaks, marking the Thailand-based company's foray into the Pacific.





**Brand promise** Oaks specialises in affordable and comfortable service apartments and hotels to provide premium-quality, extended-stay accommodation to suit all budgets. Its centrally located properties in capital cities' CBDs and resort locations will suit corporate or leisure guests seeking fully furnished, self-contained apartments for longer periods.

**Current network** The brand added a number of properties to its portfolio in 2012, including the 115-key Oaks Bangkok Sathorn in Thailand – the first of its planned expansion into Asia – and most recently the 54-key Oaks Liwa Executive

Suites in Abu Dhabi, expanding its total inventory to 42 properties in Australia, New Zealand, the UAE and Thailand.

**Future expansion** The 122-key Oaks Sanya will debut in China in late 2013, in addition to three more Oaks-branded properties in Queensland, Australia.

**Average length of stay** Three nights for Oaks Bangkok Sathorn.

**Average rate** 1,725 baht (US\$54) for Oaks Bangkok Sathorn. – **Greg Lowe**



Ovolo at 222 Hollywood Road, Hong Kong

## Aston @

**Operator** Archipelago International

**Brand background** Archipelago International pioneered the condotel concept in Indonesia, and now operates seven condotels under the Aston Hotel & Residence brand as serviced apartment hotels.

**Brand promise** Designed for discerning travellers who want to spend quality lounging time in stimulating surroundings, Aston properties are equipped with free Wi-Fi, while rooms feature improved lighting, hook-ups for mobile phones and computers, as well as wider beds with cosy duvets and ergonomic headboards to make it easier for guests to read or watch TV.

**Current network** Aston @ Kuningan Suites is the only non-condotel boutique serviced residence in Archipelago's portfolio of more than 60 hotels throughout Indonesia, Malaysia and the Philippines.

Aston @ Kuningan Suites sits in the heart of Jakarta's Golden Triangle between Jalan Jend. Sudirman and Rasuna Said roads, with 100 newly renovated two- and three-bedroom serviced apartments, an Italian restaurant, a wine boutique, a fitness centre and a rooftop swimming pool.

**Future expansion** Archipelago International has plans to expand the Aston @ brand to suitable high-end, independent serviced residences in Jakarta, Surabaya, Bali and Malaysia, according to Archipelago's vice president of sales & marketing, Nobert Vas.

**Average length of stay** 16 nights.

**Average rate** US\$135 per night. – **Mimi Hudoyo**

## The Forest by Wangz

**Operator** Wangz

**Brand background** Wangz was first established 15 years ago when the owners started a premium serviced office, Wangz Business Centre, before diversifying the brand with the launch of Wangz Hotel, a 41-room boutique hotel in Tiong Bahru, in December 2009. The Forest by Wangz, a 38-apartment boutique serviced residence, was opened in Novena in December 2011.

**Brand promise** Positioned as boutique establishments, guests' experiences are the main emphasis for the Wangz brand with the team's personalised service and attention to details. From the unique architecture and contemporary interiors that define both properties, the overall design merges the comforts of home with the luxuries and functionalities of a high-end hotel to attract both



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corporate and leisure travellers.

**Current network** There are two properties under the Wangz brand: Wangz Hotel and The Forest by Wangz.

**Future expansion** The owners have recently started a hospitality management company and are currently talking to some hotel owners to manage their properties under the Wangz brand, according to Wangz’s director, Wang Tjang Yuin. There are also plans to develop new properties in the region where there is potential for hospitality growth.

**Average length of stay** Two months.

**Average rate** The best available rate for a studio apartment starts from S\$275+ per night (minimum of seven nights required). – **Lee Pei Qi**

Astoria Plaza

**Operator** Astoria Hotels and Resorts

**Brand background** Astoria Hotels and Resorts (AHR), founded in 2010, has taken over the management of Astoria Plaza in Ortigas Center, Pasig City since last year. The property first opened its doors in 2001.

**Brand promise** AHR seeks to offer guests a private-retreat experience at its properties in established city locations. Astoria Plaza is known for having some of the largest suites in the Philippines.

**Current network** The flagship Astoria Plaza is currently the only serviced residence under the Astoria brand. The 120-unit property offers one-bedroom suites measuring between 60m<sup>2</sup> and 72m<sup>2</sup>, while two-bedroom suites range between 101m<sup>2</sup> and 132m<sup>2</sup>.

**Future expansion** No other serviced residences are in the pipeline although AHR has just rolled out 32 new rooms at Astoria Boracay to bump up the resort’s inventory to 71 keys. Astoria Bohol will commence its Phase 2 development by 2014 to add 40 more rooms to its present eight-villa inventory. Astoria Palawan will debut on Honda Bay in 2014.

**Average length of stay** Three to five nights.

**Average rate** 5,900 pesos (US\$135) at Astoria Plaza. – **Rosa Ocampo**

The Picasso Boutique Serviced Residences

**Operator** Hospitality International, Inc. (HII)

**Brand background** Founded in 1998 by president Luis Monserrat, HII specialises in the management and operation of residential condominiums, hotels and hotel residences.

**Brand promise** No two properties under HII are the same, and each serviced residence is a brand in itself with a unique identity. For example, The Picasso Boutique Serviced Residences, which was launched in December 2010, takes design inspiration from the art of Pablo Picasso, while the upcoming Y2 Residence Hotel revolves around a yin-yang concept with black-and-white suite interiors.

**Current network** HII’s serviced residences include the 72-key Joya Lofts and Towers and the 136-key Picasso Boutique Serviced Residences in Makati, as well as the 124-key Parque España Residence Hotel in Alabang, and the 216-key Exchange Regency Residence Hotel in Ortigas, Pasig City.

**Future expansion** Opening by this year-end is The Y2 Residence Hotel with 172 rooms in Makati, the KL Mosaic Serviced Residences (room count unconfirmed at press time) in Legaspi Village and the Azumi Boutique Hotel with 187 rooms at the Madrigal Business Park in Alabang.

**Average length of stay** N.A.

**Average rate** 4,389 pesos per night for a Malaga Studio at The Picasso Boutique Serviced Residences. – **Rosa Ocampo**

Fahrenheit Suites Kuala Lumpur

**Operator** Nusansuria Development

**Brand background** Launched in April 2011 on Jalan Bukit Bintang, the property boasts 90 spacious and contemporarily designed suites.

**Brand promise** Fahrenheit Suites offers affordable city living with its central location on Jalan Bukit Bintang, boasting close proximity to entertainment and shopping hotspots as well as easy accessibility to public transportation options such as monorail, taxis and buses.



Astoria Plaza, Philippines

**Current network** Only this property.

**Future expansion** “(Expansion) is a possibility provided we find a suitable property to manage in Malaysia,” said Victor Lee, director of Fahrenheit Suites Bukit Bintang.

**Average length of stay** Three nights.

**Average rate** RM360 (US\$110) per night – **S Puvaneswary**

The Maple Suite

**Operator** MapleLee Property

**Brand background** Opened in 1997 to meet the rising demand for serviced residences in Kuala Lumpur, the 90-unit property comprises one- and two-bedroom apartments, and three-bedroom penthouses. Each unit features a fully

equipped kitchenette and a washing machine. Facilities include a swimming pool, a gym, squash courts, a business centre and meeting facilities.

**Brand promise** Located on Changkat Raja Chulan Road next to Kuala Lumpur Tower, The Maple Suite sits in the heart of the city’s business district with easy access to shopping centres and restaurants. Providing good service is central to the The Maple Suite brand too.

**Current network** Only The Maple Suite in Kuala Lumpur

**Future expansion** None

**Average length of stay** Three to four days for short stays; a month for long stays.

**Average rate** From RM880++ – **S Puvaneswary**

What does the trade think of boutique serviced residences?

**Wing Wong**  
Managing director, W Travel Service

“We welcome these new hotels and serviced residences as they further alleviate the pressure of supply shortage (in Hong Kong). With the new supply over the last couple of months, we are better off this summer, compared with last year.

Unlike big operators who focus on tourist groups, these boutique operators target FITs, so it makes our life easier. We have an option not to rely totally on big players as they may limit our room allotment or increase our group rates based on supply and demand.”

**Vibhav Singh**  
Consultant, CWT Solutions Group, APAC

“The USP of these residences (over hotels) is to provide long-stay travellers a home-like feeling and also allow employees’ spouses and children to be accommodated during relocations.

These residences tend to offer a differential pricing based on lengths of stay. Longer-stay tenure often translates into an assured occupancy and cheaper rates as compared to short stays.

In recent years, the hotels have also been willing to offer extended stay rates and sometimes just the benefits such as laundry discounts and F&B discounts in order to lure long-stay travellers.”

**Andy Muniandy**  
Director of sales and business development, Asian Overland Services Tours & Travel

“Boutique operators help to meet the demand for serviced residences in the

city, especially during the super peak Middle East season when families from Gulf countries opt for such accommodation because of the fully equipped kitchenette.

However, standalone boutique operators are not as aggressive as international chains in marketing and promotions; they need to invest more on marketing and promotional activities, and their sales people need to meet regularly with (travel consultants). When there are requests for such accommodation, at least we know who to call.”

**Ine Faustino**  
General manager, CCT 168 Travel and Tours

“Longer-staying guests and those with families like to stay at service residences because they offer more space than a hotel room – it’s like living in your own house. Returning Filipinos or *balikbayans* also like to stay in serviced residences as they can invite families and friends for tête-à-têtes and reunions.

The complete kitchen is an advantage, especially for travellers from the Middle East who cook their own food due to the limited availability of halal food in the city.”

**Marjorie Aquino**  
Sales and marketing manager, Blue Horizons Travel and Tours

“The Picasso Boutique Serviced Residences is featured in our brochures for Switzerland and Germany, as Europeans like the space and artistic design of this property. Another plus is that it is located within walking distance of the Salcedo market, malls, business and financial establishments.”



The Picasso Boutique Serviced Residences in Makati, Philippines





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# Maintaining status quo

Occupancy and room rates remain steady despite new supply, reports **Prudence Lui**

## Arrivals

The city expects another record year in 2013. According to Hong Kong Tourism Board's (HKTb) latest figures, there were 12 million overnight visitor arrivals in 1H2013, representing an 8.7 per cent year-on-year increase. Of these, tourists from China reached 7.8 million, up 16.2 per cent. However, both shorthaul and longhaul arrivals dropped 4.2 per cent and 4.1 per cent year-on-year respectively.

Emerging markets were a bright spot, with overnight arrivals rising 7.2 per cent, mainly due to increased flight capacity. For instance, Russia saw robust growth, with overnight arrivals up 24.6 per cent. This makes it Hong Kong's second biggest European market, just after the UK.

## Hotels

Average hotel occupancy for the first seven months maintained at 88 per cent compared to the same period last year, but average room rate dropped two per cent to HK\$1,404 (US\$181).

The Excelsior, Hong Kong, general manager, Michael Ziemer, said his hotel had seen more guests from China. "Occupancy

increased in 2013 but average room rate remained flat," he noted. "Most of the new openings are budget hotels or serviced apartments, so it might not affect the luxury five-star hotel market. We expect next year's room rate to be about the same as 2013's."

New to the city are the 87-room Lodgewood by L'hotel Mongkok Hong Kong (April) and the 695-room Pentahotel Hotel Hong Kong, Kowloon (July) in San Po Kong, close to the Kai Tak Cruise Terminal.

Hong Kong Hotels Association chairman, Victor Chan, said: "New hotel supply in the next few years will be more or less balanced by the increase in demand and visitor arrivals. We just had an increase of 4,500 rooms from last year, so we are still digesting the increase. By that measure, we have done reasonably well."

## Airlines

In addition to Jetstar Hong Kong's application for a licence, Hong Kong Express Airways also recently announced it would venture into the budget travel market. The carrier plans to fly to Tokyo, Kunming, Tai-chung, Kota Kinabalu, Phuket and Chiang Mai.

Welcoming the low fares, Mi-



"We are at last year's levels for both occupancy and room rates...With the start of the high season, room rates will be five to 10 per cent higher than the first eight months of this year."

**Victor Chan**  
Chairman  
Hong Kong Hotels Association

ramar Travel's general manager, Alex Lee, said: "We may consider using LCCs for our FIT and group tours, but it will depend on whether their reservation systems are compatible with ours. In fact, we have clients who don't want to spend too much money on airfares, so there is potential."

According to Hong Kong International Airport's statistics, passenger traffic increased 5.2 per cent to 34.3 million from January to July.

## Cruises

For the first six months, the city logged a total passenger throughput of 355,693, a 5.1 per cent increase over the same period last year.

In order to boost cruise travel, the first-ever Cruise Holiday Expo is being held this month. Organised by the Travel Industry Council, its executive director Joseph Tung said about 17 cruise lines and 30 travel agencies are participating, with the first day open to trade visits and the other two days for consumers. Some 30,000 visitors are targeted.

Exhibiting at the show, Towa Tours' head of project and business development, Rosanna Leung, said: "We will promote unique, themed cruise products

for the FIT market such as wedding anniversary celebrations or wine-tasting courses as well as cruise incentives for incentive groups."

## Products

To commemorate the 40<sup>th</sup> anniversary of the passing of kungfu star Bruce Lee, the Hong Kong Heritage Museum has organised the *Bruce Lee: Kung Fu • Art • Life* exhibition, running until July 20, 2018. Major highlights include a 3D hologram animation of Lee and a 3.5m-tall statue. More than 600 relics are on loan from local and overseas collectors, including his costumes, books and gym equipment.

Once the tallest building on Hong Kong Island, Gloucester Luk Kwok Hong Kong is also celebrating its 80<sup>th</sup> anniversary with *The Witness of Time: Luk Kwok Reminiscent Collection Exhibition*. Ending on November 15, exhibits include the menu of its Chinese restaurant when a bowl of bird's nest soup and shark's fin soup cost only HK\$1.

Meanwhile, Madame Tussauds relives the Chinese legend by adding five main characters from 3D film *The Monkey King* to its soon-to-open Fantasy Kingdom.



# Boutique hotels heat up the scene

A clutch of brands emerge, but take-up among corporates is still limited, notes **Prudence Lui**

**1** Who are the newcomers in Hong Kong's boutique hotel scene? New operators have cropped up in recent years, including Ovolo Hotels, Butterfly Hotel and Serviced Apartment Group, and The Fleming. Among these, Ovolo has been most aggressive, opening its seventh property in the third quarter in Wong Chuk Hang.

Meanwhile, traditional hotel chains are venturing into this space. Having soft opened in Mongkok in April, L'hotel Management Company's sub-brand, Lodgewood by L'hotel, is scheduled to open another property in the fourth quarter in Wanchai. Hotel Pennington by Rhombus under Rhombus International Hotels Group is also getting ready to welcome guests in 2014 at Causeway Bay. Other new kids on the block include Miramar Group's Mira Moon (4Q2013) and Regal Hotels International's Regal iClub (2010).

**2** How successful have boutique hotels been in getting corporate business? Rhombus



Lodgewood by L'hotel Mongkok Hong Kong's m.suite

founder and CEO, Calvin Mak, said Hotel LKF by Rhombus at Lan Kwai Fong had been sending bids after building a strong rapport with financial firms like Goldman Sachs since opening in 2006. In order to make its brand more visible among MNCs, Ovolo is also linked to one of the world's largest RFP platforms.

Meanwhile, Butterfly is focusing on SMEs for business instead, having expanded its sales team and drummed up interest in its five properties through EDMs. Executive director & group general manager, Bill Chan, said: "SMEs tend to have more flexibility than MNCs when making decisions on hotel stays. They let their staff decide which hotels to

stay in, while MNCs stick to contracted international brands."

According to HRG Hong Kong's general manager, Tim Hannan, clients are increasingly open to booking boutique hotels. "Corporate buyers are seeking accommodation choices that meet the increasing requirements and expectations of their travellers, where emphasis is placed on service, functionality and convenience. This is especially true for event and MICE planners, and has caused the popularity of distinctive boutique establishments to stand out with their competitive rates and ability to offer a high level of personalised service and quality facilities."

However, he conceded that

many corporate travellers still patronised hotels by internationally known brands due to familiarity and company travel policies.

The DMC – Destination Management Company managing director, Jenny May, agreed, noting that her clients preferred brands such as Grand Hyatt and Shangri-La. "Boutique hotels have limited capacity and are usually situated in out-of-the-way locations," she explained.

**3** What are boutique hotels doing to wrestle corporate buyers away from the usual business hotels? Ovolo's COO, Dirk Dalichau, said: "We work with corporate event planners, and the feedback we've received is that corporates look to independent hotels for value, flexibility, more personalised service and a touch of creative flair apart from the norm. At Ovolo, we tick these boxes by being an all-inclusive hotel brand that provides free Wi-Fi, free breakfast and free mini bar for guests every day."

On the other hand, Butterfly's

Chan stressed the need to ensure comfortable stays in order to bait repeat guests. "We don't have big budgets for advertising or marketing, so we rely highly on word-of-mouth referrals," he said.

**4** How can boutique hotels attract more business travellers? Amway Hong Kong's general manager, Louisa Chan, said location, banqueting and conference facilities, rates and personalised support were key factors.

"While boutique hotels are unique and special, their ability to serve a large group and work with (partners) is important."

HRG's Hannan added: "To attract a business traveller, a boutique hotel has to have competitive rates and facilities on or above par with other hotels – all of this packaged with a unique aesthetic appeal or concept. Basic amenities such as Wi-Fi, leading edge technology and concepts throughout the property, as well as the added advantage of a convenient location can definitely make or break a deal."



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# A Special Evening

## With Mr Patrick Yeung



▲ A captivating performance by Yeung



▲ Leading man of the evening Yeung and venue host Aloysius Lee of South Beach Consortium

Chief Executive Officer of Dragonair  
23 August 2013 | 6.30 to 8.30pm | South Beach

Airline veteran Mr Patrick Yeung gave old industry peers and friends an irresistible reason to get-together – the golden opportunity to hear him sing opera. The musically-talented Yeung belted all-time favourites in solid tempo and passionate fervor to an appreciative audience that reciprocated with a standing ovation. The evening was more than just a shining moment for Yeung as ties and friendships were rekindled and memories reminisced amidst the presence of a well-loved industry star.



▲ Here to show their support is Yeung's fleet from Cathay Pacific



▲ Mr and Mrs Aloysius Lee of South Beach Consortium, and Mr and Mrs Patrick Yeung



▲ The South Beach Consortium team led by Aloysius Lee (right), with (left to right) David Goh, Patrick Wong and Chua Cher Kiang



▲ Sarah Umar (left) and Kay Tang (right) of South Beach Consortium with Michael Chow of TTG Travel Trade Publishing



▲ Yeung with his accompanying violinist, pianist and Simon Wong of Hong Kong Tourism Board



▲ Mr and Mrs Michael Tan of Etihad Airways and Kellvin Ong of South Beach Consortium share a toast



▲ Mr and Mrs Patrick Yeung With Connie Lai of Resorts World Sentosa Singapore and Peter Skalberg of McCann Singapore



◀ Michael Chow of TTG Travel Trade Publishing (2nd from right) with Alex Chan of Hong Thai Travel Services, Anthony Chan of Chan Brothers Travel, Wilson Yam of Cathay Pacific and Kellvin Ong of South Beach Consortium

This event was hosted at South Beach's mock up room. The team uses this space to test out the facilities' functionality while acquiring valuable feedback from users.

South Beach is a mixed-use development, strategically located on Beach Road bordering Singapore's Central Business District. A joint venture between City Developments Limited and IOI Group, it will seamlessly blend the four historic buildings on site with two new towers to feature approximately 500,000 sq ft of office space, 190 luxury residences, a 654-room designer hotel, around 85,000 sq ft of retail space and an approximately 29,000 sq ft exclusive membership club.



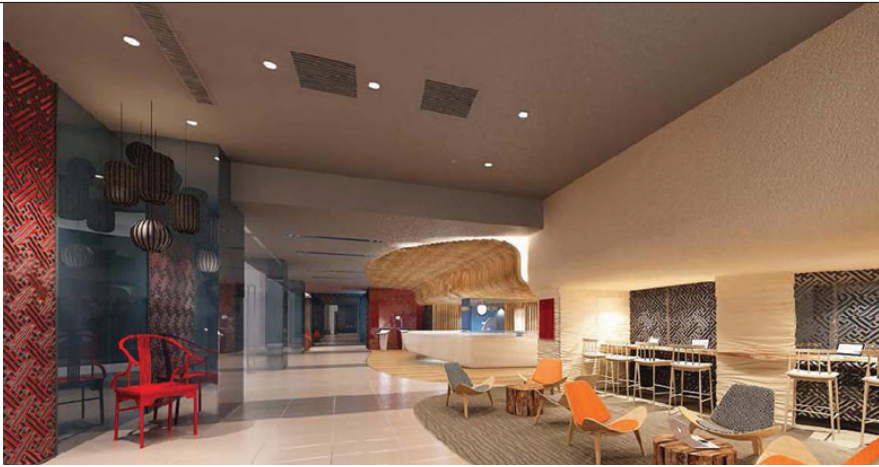
Checking in

Ozo Wesley Hong Kong



Prudence Lui is charmed by this hotel's convenience and personalised touches

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No. of rooms	251
Rate	From HK\$1,100 (US\$142)
Contact details	
Tel:	(852) 2292-3000
Fax:	(852) 2292-3001
Website:	www.ozohotels.com



**LOCATION** Ozo Wesley wins hands down, being right next to the tram line in Wanchai, and in between Wanchai and Admiralty MTR stations. It's also only a five-minute stroll to Admiralty MTR station and close to the dining and lifestyle precinct of Starstreet.

Located along Hennessy Road, the many office blocks, mixed-use buildings and F&B outlets make this a lively area during the day. However, the 21-storey hotel is in a stand-alone building, so guests still enjoy private access to the lobby.

**ROOMS** Once the Wesley Hotel, the property now dons a new look after a complete revamp. While both the number of rooms and room size remain unchanged, the new in-room design is refreshing. There are four room categories, and I stayed in the 20m² Sleep Room, which is comparable to a standard room.

Simplicity is key as most amenities such as the fridge, coffee maker and safe can be found inside a built-in cabinet with a sliding door. Instead of having to flip through a directory, I was advised to make use of the smart TV to obtain hotel information and even set my alarm clock.

In the bathroom, towels and hairdryers are placed in wall cabinets without doors. As there is no storage drawer, you have to hang up your belongings or keep them in the cabinet. Toothbrush and toothpaste are available upon request, so just give housekeeping a ring.

**F&B** Efforts are taken to ensure food served at both outlets cater to health-conscious guests. Natural ingredients are preferred, while less salt, sugar and oil as well as no artificial flavours and MSG are used.

At Chinese restaurant Zaan, Malaysian head chef Barry Lim gives classic Cantonese recipes a twist, bringing out different Asian flavours. Dim sum is a must-try during lunch, and I recommend the pork dumpling with black truffle. Signature dishes such as the Scallop Kimchi Pot Stickers and Braised Pork Belly with Jasmine Tea also whetted my appetite.

O2Go on the street level embraces a takeaway concept, offering choices from salads, soups and sandwiches to fruit cups, tea and coffee.

**SERVICE** In line with the green trend, the check-in process is paperless, and guests simply sign on an iPad.

The creative Vocal Local programme capitalises on the strengths of staff, who are asked to share their experiences with guests. This value-added service also encourages more interaction between staff and guests. For instance, one of the three profiles displayed in the lobby was of Dennis, who loves hiking and can give sound advice on where to hike.

Staff are young and energetic.

**VERDICT** The excellent location and attentive staff make for a pleasant stay.

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Silver spoon

Il Milione Bar & Ristorante Italiano



The best of Umbrian cuisine is dished out in a cosy setting that doesn't intimidate, says **Prudence Lui**

**LOCATION** Named after the book of travels by Marco Polo, Il Milione debuts as the first restaurant in Asia for Michelin-starred Umbrian chef Marco Gubbiotti, boasting to be the only Italian joint serving Umbrian cuisine in town.

**AMBIENCE** Walking through the brass door, I was greeted by the informal cocktail bar, the latest project of reputed mixologist Giancarlo Mancino. One is spoiled for choice, with options ranging from Italian classics like Negroni cocktails to regular mocktails. Most importantly, the stunning array of 70 gin labels is Asia's largest gin collection, making the bar an ideal venue for

pre-dinner drinks. In the main dining area, the dark ceiling lined with gold circular mirrors creates a warm and romantic ambience. As seating capacity is only for 60 people, generous space is allocated between tables. If you require more privacy, an 11-seat room is also available.

**MENU** The enticing set lunch menu, a la carte menu and dessert menu highlight Central Italian cuisine, changing regularly in order to showcase Umbria's seasonal vegetables and fresh ingredients. For example, wild game and truffles are served during the winter period.

I was impressed by the high-quality extra virgin olive oil. Also known as Umbria's liquid gold, the one I tasted had just been harvested last November.

The culinary team infuses modern touches to give dishes their unique flavours, while cured meats and produce such as



lentils and chickpeas are imported from all over the world.

Meanwhile, some traditional recipes are also featured, such as tomato sauce with breadcrumbs and the oldest bread prepared without salt. According to general manager Emanuele Birtolo, this recalls the days of old when salt was precious and breadcrumbs helped enrich the meal.

The eatery supports the slow food movement, not only selecting to work with small producers of natural food in Italy, but slowly cooking the ingredients to unlock the original taste of the food. Chef Gubbiotti visits the outlet every two months and usually stays for two weeks to ensure food and service quality.

**PRICING** Prices are reason-

able considering its location in the heart of Central. Set lunches cost HK\$290 (US\$37) and HK\$340 for two and three courses respectively. On the a la carte menu, the caramelised foie gras with smoked eel in apple stock, diced vegetables and ginger antipasto was priced at HK\$250 for example, while the main of suckling pig, roasted baby pork belly and pan-fried baby pork back rib with fresh vegetables was at HK\$360. A tasting menu (HK\$1,100) is also available.

**SERVICE** Staff were patient and responsive to my various requests. Moreover, culinary director Andrea Santilli played the role of restaurant ambassador and chatted with guests amiably.



**Name** Il Milione Bar & Ristorante Italiano  
**Location** 16-21, G/F Hutchison House, 10 Harcourt Road, Central  
**Capacity** 110 seats  
**Opening hours** 12.00-22.30 (Mondays to Saturdays, closed on Sundays)  
**Contact details**  
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# NATAS

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Email [events@natas.travel](mailto:events@natas.travel) or 6577 3151 (Magdalene) or 6577 3152 (Jeffrey).

### 1.30 pm Registration

### 2.00 pm Introduction/ Welcome Remarks

Mr William Tan, President, NATAS

### 2.15 pm Keynote Address: Opportunities in Challenging Times

SPEAKER



**Mr Ho Kwon Ping | Executive Chairman, Banyan Tree Holdings**

Mr Ho is Executive Chairman of Banyan Tree Holdings, which owns listed and private companies engaged in the the development, ownership, and operation of properties around the world. Mr Ho launched Banyan Tree Hotels and Resorts in 1994, and was recently awarded CNBC's Travel Business Leader Award Asia Pacific 2012.

### 3.00pm Mergers & Consolidation

Learn how mergers, consolidations and collaborations can benefit your business, and gather insights from the Delta Air Lines/Northwest Airlines merger and consolidation process.

SPEAKER



**Mr Yeoh Hock Thye | General Manager Singapore, Malaysia & Indonesia, Delta Air Lines Inc**

Mr Yeoh oversees Delta's commercial activities in Singapore, Malaysia and Indonesia and manages relationships with key regional partners such as BCD Travel. His 23 years in the airline industry include management positions in Singapore Airlines and Northwest Airlines.

### 3.20 pm How Travel Agents Can Operate An Efficient And Profitable Business

Discover ways to operate an efficient and profitable business while being financially prudent. Gain valuable consumer insights for travel and explore opportunities in ancillary revenues with MasterCard.

SPEAKER



**Ms Julianne Loh | General Manager, MasterCard Worldwide Asia Pacific**

Ms. Loh oversees all aspects of the business in Singapore, with the objective of promoting the MasterCard family of brands as a solution to drive business results for Singapore.

### 3.40 pm Growing Sales Opportunities Harnessing Technology

Find out how GDS booking fees have impacted airlines and travel agents, and learn best practices for partnerships with GDS.

SPEAKER



**Mr Brett Henry | Vice President, Commercial, Abacus International**

Mr Henry is responsible for sales, marketing, product deployment, customer services and business development for 31 markets across Asia-Pacific. He has over 20 years of travel industry experience.

### 4.00 pm Why Should Travel Agents Go Into Niche Marketing?

Learn why niche marketing is the way to go for travel agents, and find out what opportunities this sector can offer you. Learn how to build your clientele for special interest tours.

SPEAKER



**Mr Chang Theng Hwee | Managing Director, Country Holidays Travel**

In 1993, Mr Chang founded Country Holidays Travel, which has flourished to become a leading travel company in Asia Pacific. It specialises in high-quality trips to adventure and exotic destinations, and unique experiences in popular destinations.

### 4.20 pm How Can Travel Agents Partner With Google In Challenging Times?

Learn how a partnership with Google can benefit travel agents and other industry players in these challenging times, and how you can use technology to better serve business and clients.

SPEAKER



**Mr Alan Gertner | Industry Manager, Online Travel Agencies, Google**

Alan leads the online travel business for Google Southeast Asia, working with online travel agency partners across the region to create innovative and impactful solutions that drive travel business forward.

### 4.40 pm Panel Discussion with all speakers

Moderator: Ms Jacqueline Chow, Host, Fly Entertainment

### 5.15 pm Networking Coffee Break

\*One free registration per NATAS Member on a first-come-first served basis. A refundable S\$80 commitment fee applies for all free registrations.

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Koh Samui is hot among Asians searching for honeymoon and wedding getaways

# Seeing Samui in a new light

The beach destination is appealing to emerging markets with its other options. By **Greg Lowe**

## Arrivals

Foreigners accounted for 82.9 per cent, or 881,829, of the 1.1 million hotel guests who descended on Thailand's third-largest island last year, according to the Tourism Authority of Thailand (TAT). Koh Samui's top five source markets were Thailand (182,397), Germany (89,569), the UK (61,336), Australia (55,632) and Russia (34,560). China ranked ninth (22,815).

C9 Hotelworks' data shows that from January to June 2013, hotels received some 874,824 guests, with more than half coming through Samui International Airport. Interestingly, the consultancy's statistics put Germany as the top source market during the first half of this year, followed by Thailand. Legacy market the UK, on the other hand, slid to fifth place. Russia and China were the leading growth markets, while Australia and India posted double-digit growth.

The proportion of FITs also declined from 55 per cent last year to 51 per cent due to the rise in group travel from growing feeder markets.

Amari Palm Reef Koh Samui general manager, Martin Kunzmann, said: "The traditional Eu-

ropean market is declining, and so are their habits of lying in the sun all day before going for an evening meal."

## NTO

TAT Surat Thani office assistant director, Saiphayom Somsuk, said Koh Samui needed quality Asian tourists who could "afford to stay there" and "would mix well with the Europeans". Promoting it as a honeymoon and wedding destination has proved successful so far, especially with South Korean and Taiwanese visitors. TAT will also be taking 40 hoteliers on a promotional roadshow in Malaysia and Singapore from September 22 to 27.

Saiphayom added that the authority has tried to improve dialogue with the local government and hotels about recent challenges such as water shortages and power blackouts.

"We have encouraged them to focus on keeping Koh Samui green. Most of the southern part of the island is a green area, and most of them seem to know it's better to develop more green products and activities in the long run," she said.

On its part, TAT is also attempting to highlight more



**"New source markets (like China, India and the Middle East) are more interested in activities and shopping. This is reflected in current developments such as new water parks and the upcoming Central Festival shopping centre."**

**Martin Kunzmann**

General manager  
Amari Palm Reef Koh Samui

green activities, such as mountain biking, to make use of the island's underdeveloped jungle-clad hills and demonstrate that maintaining their natural beauty would help local businesses remain profitable in the long term.

## Access

Earlier this year, Bangkok Airways signed important codeshare agreements with Qatar Airways and British Airways, increasing to 12 the number of airlines operating codeshares to Koh Samui.

However, access remains limited due to Bangkok Airways' monopoly at the airport, which it owns. No LCCs serve the island, while high landing fees are levied on the few airlines that operate flights there. While this has been criticised, many within the trade see a positive side to the price barrier, as it lowers the risk of overdevelopment.

"If other airlines were free to come and go, this would open the floodgates. Infrastructural issues such as waste disposal, water supply and road capacity need to be addressed before we can handle a large increase in visitor volume," said Amari's Kunzmann.

Ticket price is also not an issue for some travellers. Diethelm

Travel Thailand managing director, Hans van den Born, said: "Our clients are more concerned about hotel rates. If you can afford to spend three to four weeks in Thailand, the added expense of getting to Koh Samui isn't a problem."

Koh Samui's airport is Thailand's sixth busiest with 1.9 million passengers last year, according to the Department of Civil Aviation. Total passenger arrivals rose 28.9 per cent to 490,572 in 1H2013, over the same period five years ago, according to C9 Hotelworks. The international gateways of Hong Kong and Singapore contributed 70 per cent of incoming passengers, though 87 per cent of flights were domestic.

## Events

The island's marquee event, the annual Samui Regatta, continues to attract some 500 participants from 20 countries for its races, while seven nights of events and parties attract a significant number of tourists.

The Samui Latin & Jazz Week is also becoming popular, showcasing a line-up of international and regional musicians each September.





## Best Western enters the exciting city of Malang, East Java

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

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## THAILAND: BRIEFING/INSIDER

# More midscale in high-end Samui

How will the arrival of affordable rooms impact existing hotels? **Greg Lowe** finds out

**1** What is the current status of Samui's hotel sector? Recent research from C9 Hotelworks has given Samui's hotel sector a clean bill of health, a position supported by other travel consultants *TTG Asia* spoke to.

According to the consultancy, the island hosted some 874,824 hotel guests from January to June. Mid-year occupancy rose seven per cent year-on-year to 75 per cent; average room rate (ARR) also increased seven per cent; and RevPAR jumped 18 per cent to break through the US\$100 mark.

The luxury and high-end segments posted the largest rises in ARR, while the budget and economy tier achieved the strongest growth in RevPAR and occupancy, up 23 per cent and 12 per cent respectively.

**2** What is in the development pipeline in the near term? The 106-room Anantara Bophut Koh Samui Resort & Spa is set to reopen in November after having closed in April for renovation. The launch of Escape Resort, Ozo Chaweng Samui and Prana Resort Nandana will also see another 337 rooms enter the market over the next half-year.

### Battle for customers

# 319

The number of midscale rooms due to join the already overcrowded segment on Koh Samui

**3** How will new supply impact room rates? According to C9 Hotelworks, some 319 midscale rooms are due to come online, which could lead to increased price competition within that overcrowded segment. Ozo Chaweng Samui, which marks the arrival of the brand in Thailand, is seen as the key mid-level entry.

However, the consultancy believes there is growing demand for economy and budget rooms on the island based on the segment's strong RevPAR growth.

C9 Hotelworks' managing director, Bill Barnett, said: "Much of the midscale hotel supply are

older hotels built for legacy markets. With newer modern hotels coming and strong demand from volume markets like China, rates will become more volatile.

"RevPAR can hold up with volume, but it does put pressure on hotels in outlying areas."

Martin Kunzmann, general manager of Amari Palm Reef Samui, said: "There has been a big expansion in the economy/midscale market, which will certainly spur competition, but with the number of tourist arrivals remaining basically the same, it will be the older and less attractive properties that miss out."

"Guests are becoming more savvy and are looking for places that provide quality services and comfort at a reasonable price."

Not all travel consultants agree there is such demand for mid-range and economy rooms, or that lower-end properties are financially viable due to the island's high land prices.

"Samui doesn't need more economy hotels," said Asia World Enterprise managing director, Stephen McEvoy.

"I see a greater need for family-friendly four-plus-star hotels, as the market for boutique hotels is saturated."

**4** Will these developments affect Samui's reputation as a luxury destination? The short answer is no. Industry members broadly welcome the development of greater diversity within the hotel sector but do not expect the arrival of cheaper rooms to result in a major price war. Limited space, high land costs and expensive flights are mostly seen as positive limiting factors that will curb the rate of development.

Greater choice at the mid- and low-ends may ease the burden of flight costs on travellers with tighter budgets who do not want the hassle of journeying to Samui by train and boat from Bangkok. However, it will not significantly change the island's reputation as a luxury destination.

William Heinecke, chairman and CEO of Minor Group, said: "Samui is a very expensive destination. It has the most expensive flights in Thailand and there are no LCCs (serving the island)."

"A lot of people will pay the airfare, then stay in a three-star hotel. On the other hand, others think (Samui) is such a unique place that they will happily pay the expense and stay at the best hotels."

### Products

## Choose from more stay, retail offerings

### A splashing good time

The June opening of KC Beach Club & Pool Villas added 42 rooms to the island's luxury hotel supply. The five-star property located in the heart of Chaweng, Samui's busiest and largest town, is divided into two areas – the main building and pool villas. With eight one- and two-bedroom pool villas and 37 rooms, 11 of which have pool access, the property is ideal for couples and small families. There is also plenty of entertainment at the beach club. The property has its own spa, though dining facilities are relatively limited.

**Contact**  
Tel: (66-077) 428-088  
Website: [www.kchotelsresorts.com](http://www.kchotelsresorts.com)

### Refurbished, refreshed

Anantara Bophut Resort & Spa will reopen in mid-November after a full refurbishment. The overhaul has seen the 106-key property increase its room and suite types from six to eight with the addition of two new suite styles – Deluxe Garden View and Deluxe Sea View at 70m<sup>2</sup> and 75m<sup>2</sup> respectively. Private pools for the beachfront suites were also expanded. Most of the property's public spaces and key



Anantara Bophut Resort & Spa

outlets, such as High Tide restaurant, Eclipse Bar, the Library, lobby and meeting and event rooms, were also upgraded.

**Contact**  
Tel: (66-077) 428-300  
Website: [www.anantara.com](http://www.anantara.com)

### Noise-free bedrooms

Ozo Chaweng Samui will launch early 2014, marking the brand's arrival in Thailand. Operated by ONYX Hospitality Group, the 208-room development will target travellers looking for comfortable, good-value accommodation. The brand's noise-free bedrooms are its unique selling point. Located on Chaweng Beach, the hotel's facilities will include swimming pools for both adults and children, two restaurants and a bar.

**Contact**  
Website: [www.ozohotels.com](http://www.ozohotels.com)

### Attention: small events

Now taking bookings for 1Q2014, Prana Resort Nandana is a contemporary low-rise property that blends modern design and architectural elements inspired by the *khwaang*, a traditional Thai wicker fishing basket. The resort targets business and leisure travellers, offering 60 rooms and suites, a kids' club, two dining venues and a spa. It is geared up for smaller-

scale meetings and events with the Seabreeze Ballroom, which can be divided into two smaller spaces, and Rattan Room, a 20-pax meetings venue.

**Contact**  
Tel: (66-077) 246-362  
Website: [www.pranaresorts.com](http://www.pranaresorts.com)

### New paradise for shopaholics

Samui's retail options will be bolstered with the launch of the 11,000m<sup>2</sup> lifestyle venue, Central Festival Samui, which is slated to open in 1Q2014. The complex is located near popular Chaweng beach and is expected to draw 36,000 shoppers per day. It will also feature The Port, a cluster of high-end gastro and dining clubs targeting high-spending tourists and locals.

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Prana Resort Nandana



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# Aiming for higher targets

Growing intra-region travel, particularly from China, has boosted arrivals for Thailand. **Greg Lowe** reports

Driven by surging arrivals from Asian markets, most notably China, Tourism Authority of Thailand (TAT) is expecting international arrivals this year to exceed 22.2 million, with a foreign exchange revenue of 966 billion baht (US\$30 billion). For 2014, TAT has set a target of 28 million international arrivals and a revenue of 1.3 trillion baht.

From January to July 2013, Thailand's top five source markets were China (2.7 million), Malaysia (1.6 million), Russia (986,215), Japan (852,241) and South Korea (720,382); two-thirds of visitors originated within Asia, followed by Europe (24.7 per cent) and the Americas (4.5 per cent). Strongest year-on-year growth was shown by China (90.3 per cent), Brunei (43.7 per cent), Indonesia (40.9 per cent), Russia (36.5 per cent) and Myanmar (35.9 per cent).

The number of Chinese tourists to Thailand has risen steeply this year, in part catalysed by the



Amphawa Floating Market, a popular attraction in Samut Songkhram

Chinese hit movie *Lost in Thailand* and the ongoing territorial disputes between China and Japan over the Senkaku Islands, which have dented travel between the two countries.

Growing intra-Asia travel is smoothing out the peaks and troughs between high and low seasons, resulting in more stable year-round business, said Mi-

chael Lynden-Bell, general manager, Exotissimo Travel Thailand.

"Much of this (tourism) growth is coming from the Chinese and Russian markets alone, but high-value markets like Western Europe and Australia are stable in terms of arrivals.

"Even in what used to be called the 'low season', the country is still busy with tourism and

doing well. Thailand is becoming more of a year-round destination. I expect Thailand will have a very busy high season this year."

While tourist arrivals are on the rise, crime and rail and road accidents unfortunately are also on the up, according to Andre van der Marck, general manager of Khiri Travel Thailand, who urged the Thai authorities to ad-

dress these problems.

He said: "A key challenge is public transport, especially the railway system. We have had more than four accidents over the last few months with derailling trains – this is becoming a real issue. The same goes for the so-called 'VIP' buses."

Uncontrolled hotel development, land encroachment, oil spills, the lowering of standards for tour guides and a lack of English-language capacity within the travel trade were other key challenges, he added.

On the positive side, van der Marck has observed an increase in requests for themed tours for smaller groups to explore Thai culture in greater depth, from Buddhist art and Khmer temples to local cuisine and eco-friendly products.

This emerging trend fits well with TAT's *Customise your Experience* strategy, which aims to promote higher value, niche travel products within the kingdom.

## Asia and Europe fuel MICE growth for Thailand

Spurred by strong demand from Asian feeder markets and expanding trade from Europe, Thailand's MICE industry grew 12 per cent over the past three quarters, chalking up a revenue of 64.3 billion baht (US\$2 billion), according to the Thailand Convention & Exhibition Bureau (TCEB).

TCEB is confident the industry will bring 940,000 delegates to the country with a revenue of 88 billion baht this financial year which ends in October.

Nopparat Maythaveekulchai, TCEB's president, said: "We expect the fourth quarter shall bring (similar) growth. The progress will be (driven) by the execution of strategic marketing movements... as well as the strengthening of Thai MICE to tackle the launch of AEC (Asean Economic Community in 2015)," he said.

International conventions were the key driver of the industry's growth during the first three quarters of the current financial year, drawing 223,463 delegates, or 29.9 per cent of total MICE arrivals, and generating a revenue of 22.1 billion baht. Incentives drew 196,088 travellers (26.3 per cent), generating 12.5 billion baht, followed by meetings (174,701 delegates, 18.2 billion baht) and international exhibitions (152,820 delegates, 11.5 bil-

lion baht).

Asia accounted for 72.7 per cent of MICE travellers (543,016 delegates), delivering revenue of 46.8 billion baht. During the same period, 83,772 European delegates visited Thailand, generating 7.2 billion baht, while MICE arrivals from the US were 43,165, contributing 3.7 billion baht.

Thailand-based DMCs have witnessed similar trends.

James Drysdale, director of Inspired Event Travel, said: "The MICE market has been very buoyant, driven primarily from the Asian markets. We have seen both conference and incentive groups coming into Thailand from Australia, the UK, Europe and the US, so while Asia is the larger of the feeder markets, the other markets are performing too. Yields from Australia, the UK and the US remain higher than Asia,

as has typically been the case."

"Quoting activity is up on prior years. However, we are seeing significant downward pressure on costs. Clients are looking more than ever to maximise the reach for their spend," he added.

Asian Trails also saw growth in its MICE business but had not experienced shortening lead times from Asian clients, which is an emerging trend across the industry. – **Greg Lowe**

Expanding sector

# 12

Growth, in per cent, of Thailand's MICE industry over the last three quarters, delivering US\$2 billion

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