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Business Traveller

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Australia's Gold Coast is ready for the spotlight

Collective strength

Independent hotel collections are hoping to attract modern travellers with experiential stays that cannot be replicated by mainstream hotel brands, writes Craig Bright

Among the many acronyms, phrases and travel industry jargon that business travellers have to contend with, perhaps the most common in recent years is “bleisure”, the slightly unseemly portmanteau indicating the combination of business trips with down time.

The rise of this (irritating-to-many) term does have some basis. In a survey released earlier this year, Booking.com for Business found that 49 per cent of business travellers in 2016 extended a work trip to enjoy the destination more, with 27 per cent intending to do so again in 2017.

One sector of the travel and hospitality industry ready to capitalise on this trend is independent hotels. An independent hotel is generally

defined as a hotel that is owned and operated individually and not by a larger company. However, over the past decade numerous “collections” of independent properties have started to emerge. These curated groups essentially allow individual players to compete against major chains – thanks to the strength of combined marketing and distribution forces – while also offering travellers an enticing alternative to mainstream hotel offerings.

With over 650 properties, Preferred Hotels and Resorts is one of the biggest such collections. According to Josephine Lim, the company’s managing director for Southeast Asia, being able to offer a different experience is a key strength: “This is the era of personal

choice and there’s been a coming of age for businesses that have a more unique, bespoke and individualised approach to supporting the travel experience,” says Lim.

“With the growing demand for authentic, indigenous travel experiences in any destination, more travellers view staying at local independent hotels as an integral part of the itinerary. Independent hotels are often born of an entrepreneurial hotel owner’s passion for the art of hospitality – focusing on service

and the personal touch rather than providing a simple lodging solution. These independent hotels deliver the authenticity of a destination – featuring the unique characteristics of specific cultures within their own brand of hospitality that allows discerning travellers to ‘live like the locals’, so they get a true sense of their destination, even if they never get the chance to explore outside, which can be the case on many business trips.”

Filip Boyen, CEO of Small Luxury Hotels of the World (SLH), agrees. What’s important is “the character of the hotel and the way in which it connects with the local community and destination,” he says. “That’s what the modern traveller is looking for – a more personalised experience.”

This demand is especially common among millennial travellers – a group on everyone’s radar. According to recent figures from the United Nations, 200 million millennial travellers generated some US\$180 billion in annual tourism revenue in 2016, an increase of nearly 30 per cent since 2007. Lim says younger travellers have a clear desire “to invest more in lifestyle and related experiences, in contrast to perhaps a more conservative outlook by some of the preceding generations”.

But it’s not just the younger generation hunting for experiential stays; growing demand for this trend can also be attributed to other groups, with Lim highlighting the rising numbers of outbound mainland Chinese travellers as another example.

In a *Business Traveller* Asia-Pacific online poll, 57 per cent of readers said they would consider staying at an independent hotel for business and leisure (24 per cent would do so only for leisure, and 20 per cent wouldn’t consider staying at an independent hotel at all).

CHAIN REACTION

So strong is this new trend that even traditional hospitality behemoths like Marriott International are getting in on the act. “We see a lot more business travellers who, when they come, are doing so for business and leisure,” says Carol Chung, vice president of global sales for Greater China at Marriott International.

Despite owning close to 30 brands, Marriott also operates three separate collections of independent hotels: The Luxury Collection, Autograph Collection and Tribute Portfolio.

Chung says: “This is a space that is growing, where business travellers combine a leisure trip

after their business. If they plan a trip like this, these independent hotels are where they can actually do their business and then have a different experience during their leisure time.”

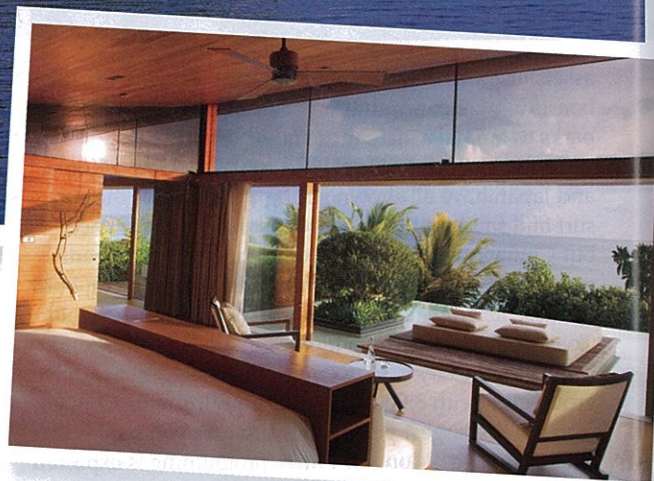
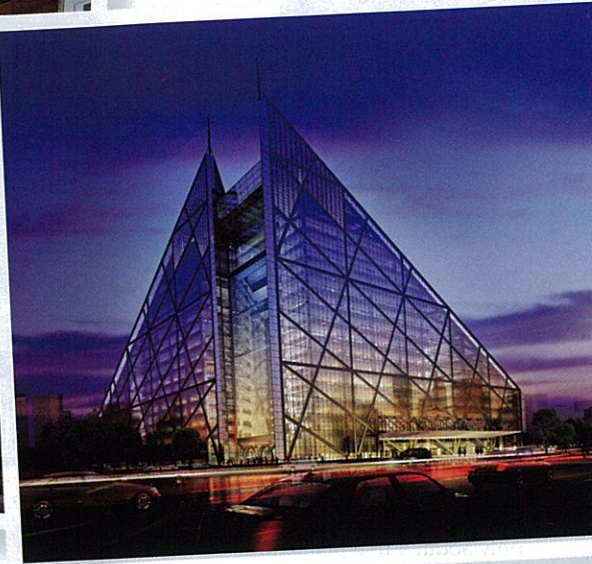
In June Marriott predicted its independent portfolio would grow by 20 per cent in 2017 and by nearly 50 per cent in 2019 – the group’s Autograph Collection made its debut in China earlier this year with the opening in March of The Shanhaitian Resort Sanya on Hainan Island.

In the same month another chain-brand hospitality giant, Wyndham Hotel Group, unveiled The Trademark Hotel Collection, its 19th brand. The new label launched with a pipeline of “more than 50 hotels and interested owners of both existing hotels and new construction opportunities in top urban markets around the world”.

QUALITY CONTROL

One of the advantages that large chains have traditionally enjoyed is the upper hand on maintaining consistent standards of quality – a must for most business travellers. However, today’s independent collections have introduced strict criteria for prospective members and stringent monitoring processes to close this gap.

Clockwise from opposite page: Coco Prive Island and Palm Residence master bedroom; the Cigar Lounge at the Hermitage, a Tribute Portfolio Hotel, Jakarta; and Hotel Eclat Beijing





"It's a thorough and lengthy process, usually taking about six months," says SLH's Boyen. "On a yearly basis we get between 900 and 950 applications, and only about 4 to 5 per cent of those are accepted. We do basic online research through websites like Tripadvisor to see what the customers think, and if we like what we see then one of our development team goes out to do a full inspection of the hotel, which is a physical inspection but also assesses the service levels, hardware and software, and so on."

This strict standard can actually result in a collection getting smaller, not larger, even when the sector overall is faring well. "We currently have 517 properties, which is less than last year," says Boyen. "If a hotel fails an incognito inspection, we give them detailed feedback of where they are falling short, and they have three months to come back up to speed or we terminate our relationship."

Greater visibility and marketing of independent properties has also helped consumers to feel safer with their choices, as it's become easier to know what to expect from an independent hotel before booking. "Preferred Hotels & Resorts aligns its hotels based on experience, allowing travellers to easily select the hotel that will meet their personal idea of luxury for each trip," says Lim.

"As the definitions of hospitality evolved dramatically, the company made a paradigm shift in March 2015 by rebranding, with the goal of appealing directly to the consumer



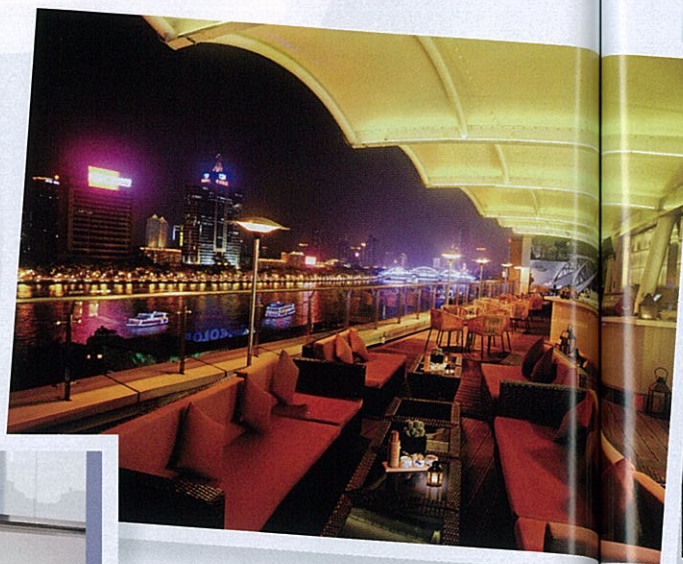
and making the hotel search an effortless, intuitive process." This has involved categorising all its 650 properties into one of five different collections (Legend, LVX, Lifestyle, Connect and Preferred Residences), based on location and design, food and beverage, décor and recognition from local and international travel organisations.

The group's Legend Collection, for instance, is reserved for its most luxurious properties and currently only 10 per cent of Preferred's portfolio have qualified. The Lifestyle Collection, meanwhile, is focused more on memorable and authentic moments.

REWARDING EXPERIENCE

Another key area that frequent travellers are concerned about is loyalty programmes, and it is here that larger hotel groups such as Marriott or Wyndham can often offer considerable added value. Travellers staying at Marriott's Autograph Collection, Tribute Portfolio or Luxury Collection hotels, for example, have access to the company's substantial Marriott Rewards, SPG and Ritz-Carlton Rewards programmes.

Clockwise from this page top left: Shilla Stay Seocho guestroom; LN Hotel Five; Tokyo Station Hotel; and 8 On Claymore Residents' Lounge



But the smaller, standalone independent collections are fighting back with their own loyalty schemes. Preferred Hotels and Resorts has the iPrefer Hotel Rewards programme, one of the largest points-based loyalty programmes for independent hotels. The programme's two-tier structure (members attain Insider and then Elite status) provides the same sort of benefits travellers are used to in the chain hotels (late checkout, room upgrades, etc), and the group also launched its iPrefer mobile app in April, which provides exclusive offers and member rates.

Meanwhile, SLH revamped its old The Club programme in June, now going under the name Invited. The programme has three set tiers – Invited, Inspired and Indulged – along with a fourth "secret" tier (members "won't know what it is until they get there", according to Boyen).

"Invited is about the little things that are important in life, the meaningful details," Boyen says. "For example, we called a very good SLH customer in New York and asked him if there was anything he would really like to do there. He said he'd seen a helicopter circling the Statue of Liberty and thought 'that would be cool'. Three hours later he and his family were on a helicopter doing just that – arranged and paid for by us."

Despite these sorts of perks, dedication to smaller loyalty



programmes can be difficult to foster. From a business traveller's perspective, if staying at an independent hotel during a work trip is only an occasional option, being part of a programme that rewards stays in both independent and chain-brand hotels is naturally the better choice.

Some collections, however, cross the divide. For instance, members of Starwood Hotels and Resorts' SPG programme receive certain benefits (eg points earning and status credit) when staying at participating Design Hotels properties. (Design Hotels boasts 280 independent properties but is not directly

affiliated with Starwood – and by extension Marriott.)

Weighing up the pros and cons is ultimately a personal decision, but there's no denying that independent hotels are becoming an increasingly viable option for business travellers. Even travel managers are starting to see the benefits of offering independent hotels to employees: "[Independent hotels] are increasingly in demand, and when we talk to our corporate customers they are actually very happy to have this kind of hotel in our system," says Marriott's Chung. "These days, travellers are on the road all the time and they want a different experience." ■

slh.com, preferredhotels.com, starwoodhotels.com/luxury, autograph-hotels.marriott.com, starwoodhotels.com/tributeportfolio, designhotels.com



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