

**RATES SLIDE**

Asian hotel rates have continued to fall in the first two months of 2014

**FACE-TO-FACE**

Travel Daily chats with Preferred's new EVP for Asia, Middle East & Africa

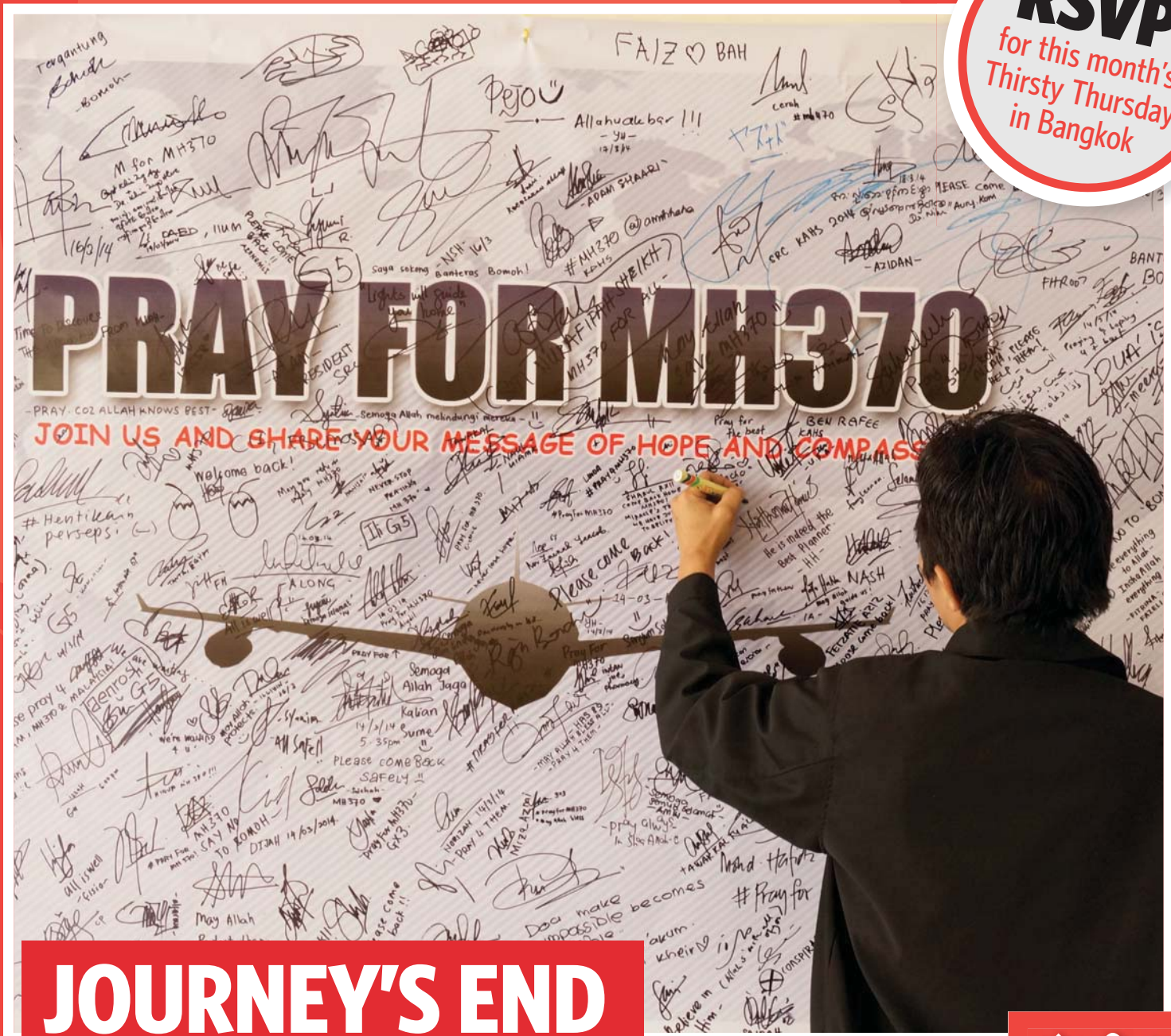
**TOURISM TRAILS**

Thailand is aiming to promote six new cross-border tourism routes



# TRAVEL DAILY ASIA

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for this month's  
Thirsty Thursday  
in Bangkok



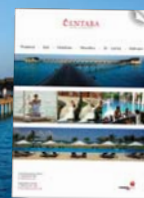
## JOURNEY'S END

Families told that MH370 crashed into Indian Ocean

ALL THIS AND MORE INSIDE







## DID YOU KNOW?

Thailand's land borders with Cambodia, Laos and Myanmar (4,357km) are longer than the total length of the country's famed coastline (3,219km)

## Sichuan Airlines connects Lanzhou and Harbin

Sichuan Airlines is launching a new route connecting key hubs in northwest and northeast China. From 30 March 2014 the carrier, which is based in Chengdu, will commence a new service between Lanzhou, the capital of Gansu province, and Harbin, the capital of Heilongjiang province. Services will operate four times a week (every Monday, Wednesday, Friday and Sunday), with a stop in Tianjin.

## Tigerair goes green with new aircraft deal



Tigerair is planning for a more fuel-efficient future, with a major order for 37 new aircraft.

The low-cost carrier has ordered 37 Airbus A320neo aircraft, which will be powered by Pratt & Whitney's new PurePower engines, which are designed to reduce fuel burn. As a result, Tigerair has now cancelled a previous order for nine A320s, although the new purchase agreement also gives the airline the option of adding a 13 additional aircraft to the order, and converting the A320neos to the larger A321neo model.

"We have recalibrated our strategy and taken the necessary steps to re-position Tigerair for a

brighter future. This deal effectively dissipates some concerns over a potential capacity overhang in the next couple of years. It also allows us to continue building on our leadership position in budget travel at a measured pace," said Tigerair's group CEO, Koay Peng Yen.

Tigerair has been adjusting its regional strategy recently, having divested stakes in its Australian and Philippine units to Virgin Australia and Cebu Pacific respectively. Questions remain over the future of Indonesia-based Tigerair Mandala, while the airline is also planning to launch Tigerair Taiwan in partnership with China Airlines.

Tigerair said the cancellation of

the existing nine orders, together with the staggered delivery of the new A320neo aircraft over a period of eight years from 2018 to 2025, will allow it to "optimally manage its capacity going forward, improve its cost efficiency, and advance its fleet modernisation plan".

The new A320neo will be Airbus' most fuel-efficient single-aisle aircraft to date when it launches next year. As well as the new engines, the jets will feature large wing-tips, and these new design features are expected to deliver approximately 15% greater fuel efficiency than the current A320. The transaction has a list price of US\$3.8 billion. [Click here for full story.](#) →

## FACE TO FACE

### Anthony Ross

Executive vice president, Asia Pacific, Middle East & Africa, Preferred Hotel Group

• You recently secured a deal with the Himalayas Group in China that will see two new hotels added to your collection. Does this partnership also have scope for further expansion and cooperation in future?

We like to focus on delivering results on a unit by unit basis. If owners find the results we deliver positive, we believe we put ourselves in a position to grow with that partner. Regarding the Himalaya group, we are very much focused on contributing to the success of the hotels in Qingdao and Nantong respectively.

• As well as the Himalayas deal, Preferred is also rolling out the 'China Ready' strategy. What proportion of your business is currently driven by Chinese guests, and to what extent do you expect this to increase in future?

Our business from Chinese guests varies from city to city, and from hotel to hotel. For sure, the numbers are on the upward trend with Chinese outbound travel looking to smash the 100 million mark by the end of 2014. The Chinese have also surpassed Germans as the biggest travel spenders in the world.

To ensure that we capitalise on this, Preferred Hotel Group introduced China Ready last November. In addition to this, the company will be adding microsites for all of our hotel members in China, and those located in major gateway cities around the globe in our Chinese corporate website. We are also looking into increasing our presence in the various Chinese social media channels like Sina Weibo and WeChat.

Preferred Hotel Group has also beefed up our resources in China – in the last year alone, the company has established a new sales office in Beijing in addition to its Shanghai office, and recruited key personnel to facilitate our development plans and support our current Chinese hotel members.

• What further plans do you have to increase your collection in China?

China is a very important market for Preferred Hotel Group – it has become a major focus for the company in terms of development in the last three years. We are very happy with our current portfolio of hotels in the capital city of Beijing, and are now shifting our focus to the second and third tier cities in the country. This includes further development in Shanghai, and the addition of Guangzhou, Chengdu, Hangzhou, Dalian, Shenyang and Nanjing to the portfolio, just to name a few.

Chinese hotel owners are also beginning to realise the value proposition of a soft brand, de-flagging from large international chain brands to develop their own brands to compete in the international hospitality arena. Preferred Hotel Group is able to offer these independent and small hotel groups the

competitive advantage of our international sales network and connectivity to achieve their goals. We are confident that we will add more hotel members to our current portfolio by the end of the year.

Just as Chinese hotels want to reach out to the world, hotels around the world also want to connect with China. It is a thriving and dynamic reciprocal relationship at the moment that will serve to fuel the momentum of global travel in the years to come.

• You have also launched a new loyalty programme, iPrefer. How has the take-up for this been in the Asian market, and how can Asian members benefit from it?

There are currently about 50,000 iPrefer members in Asia Pacific, out of 1.3 million members worldwide. Since its launch in August 2013, about 3,000 new members from Asia Pacific have signed up for the programme.

iPrefer is the first global loyalty programme that rewards travellers with points for choosing the independent hotel experience. It is truer today than it has ever been that travellers are looking for something new and different, yet high in quality, in their hotel experience. With iPrefer, travellers no longer have to choose between the unique perspective of an independent hotel experience and the appeal of a points-fuelled loyalty programme. The programme provides the best of both worlds.

Unlike the constantly changing earning-and-redemption structure of the points programs from the chains, iPrefer presents a simple and flexible model that allows the traveller to dictate where, when, and for what they want to redeem their points. This structure stands out as an attractive alternative to the common "points-for-rooms-only" model.

• What are Preferred expansion plans for broader Asia region? And which of the company's brands do you think will drive this growth?

Preferred Hotel Group is looking to expand our reach within Indochina – in particular Ho Chi Minh City, Yangon, Mandalay and Cambodia. Australia and New Zealand are major sources of outbound travel for many countries in Asia, and we are also looking into increasing our presence in these two markets with quality hotel members across all our brands, beginning with the key gateway cities of Sydney, Melbourne and Auckland.

