



Land-scarce Hong Kong will embrace a new wave of luxury five-star hotels starting late this year when The Murray, Hong Kong, a Niccolo Hotel opens later this year with

336 rooms, followed by the 398-room Rosewood Hong Kong and the 129-room St Regis Hong Kong next year, and the 460-room Fullerton Hong Kong Hotel Ocean Park in 2020.

the short term, he expects the city's rates might be affected but will return to current levels soon thereafter.

With the booming growth of new luxury hotels across Asia, Harbour Plaza Regent's general manager Christina Cheng thinks that the luxury hotel sector will come under pressure in terms of service and pricing strategy.

She said: "In Hong Kong, five-star guestrooms share 27 per cent of hotel supply YTD 2017 with average occupancy around 84 per cent, reflecting sufficient supply in the market. This new wave creates price competition that will spread from (within) same class hotels to lower ranking hotels, affecting the average rate over the whole industry."

She added: "Luxury hotels are recording lower average rate compared to the same period last year for the first five months, which explained why upscale hotels have been reducing their prices for optimum yield to maximise the market share... mid-range hotels are still benefiting from tourists with less spending power looking for affordable lodging."

With rates coming under pressure from the increase in luxury room supply, Swiss Travel, managing director, Gloria Sletthaug

already observed a 5.4 percent drop in average room rate for Jan-May 2017, welcome news as the competitive rates help travel agents to roll out more attractive offers for Hong Kong.

"(Greater competition) should drive luxury hotels to differentiate products and services and create additional value for customers e.g. some hotels have short three-hour itineraries for hotel guests seeking leisure. In addition, agents can also use this opportunity to develop leisure programmes."

"Like Bangkok and Singapore in the region, an ample number of luxury hotels will help to drive the meetings and incentives sector and make Hong Kong more competitive as a MICE destinations," she elaborated.

However, W Travel Services' managing director Wing Wong does not think the new luxury hotels will benefit leisure agents much.

He explained: "As I focus on groups and leisure business, the luxury hotels are too expensive for our clients. It's typical for VIP or high-end guests to book direct rather than via agents. Unless I am a corporate travel agent, I don't think our service is needed."

MY WAY

Charlotte Harris

Head of sales and marketing,
Charlotte Travel



What's the biggest challenge you face in Hong Kong's tourism business? This issue is probably not unique to Hong Kong, but clients think they can do everything themselves and then call for help when they've made an error in their online bookings. Many travellers in Hong

Kong are falling behind (the global counterparts) because they still believe that doing things themselves will get them exactly what they want.

If I had my way to change things, I would... encourage travel advisors to create a personality for themselves on social media so they can share their own personal travel experiences to connect with millennials and new clients.

Besides having a good online reputation, the ability to deliver and connect with clients offline is important for mil-

lennials. US research has shown that the use of travel advisors is highest among millennials, who are time-poor, crave insider knowledge and are willing to pay for expertise and more personalised holiday experiences.

A good travel advisor has relationships with decisionmakers at hotels, cruise lines and airlines, which can open doors to VIP treatment for guests. As well, when something goes wrong, you will always have someone who has more clout to assist you.