
The Newsletter



Hong Kong Branch

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Chairman's Message

Dear Hong Kong Branch Members:

I am delighted to be writing this first Chairman's message for our new Newsletter. In order to not incur unnecessary expense it is our intention to attempt to publish newsletters on a regular basis at least once a quarter by e-mail. Although we have close to 300 members in our region only about half of those have given their e-mail addresses to Michelle who is running our Secretariat that is based at The Hong Kong Polytechnic University, and we would appreciate your making it easy by keeping her up to date at hmioh@polyu.edu.hk.

A main problem in the past under the old HCIMA was the lack of communications between the local members a situation that we are trying hard to resolve this time around. The newsletter is an important part of this effort, and we will also put a local region website once we see real progress with our branch. For the moment I'm very pleased to advise you that the Institute's new website www.instituteofhospitality.org went live on January 14th.

You will note that the format of the newsletter is very simple. It is intended to be brief, but useful. We really do need a little help from members to submit interesting stories, and information that will be beneficial to everyone, and I earnestly ask you at this time to send anything that you feel is appropriate, and hopefully not self serving to our Communications Director Mr. Mark Robson at mark.robson@portfolio-asia.com. Our friends at The Hong Kong Polytechnic will also publish some interesting events that we hope will be well supported. We are interested in Member's activities, Announcements, and letters from members.

I'm also pleased to announce that we will have our first get together at 6.30 p.m. on Thursday May 8th at The Park Lane Hotel in Causeway Bay. The event is very affordable at HK\$ 200 paid at the door, but we would appreciate an indication of attendance to assist us to cater. The evening will consist of a cocktail followed by a presentation arranged by InvestHK with a speaker from the Tourism Commission on the hot topic of the MICE sector of our industry. The event will conclude with a chance to network, and upwind at the end of the day for many of us. I sure hope to see as many of us as possible join us particularly with such long notice.

A handwritten signature in black ink, appearing to read 'Ted Theobald', with a stylized, cursive script.

TED Theobald, FIH

IoH Hong Kong Executives



***Ted Theobald, FIH
Chairman***



***Cynthia Leung, MIH
Vice Chairman***



***James Lu, FIH
Secretary***



***K K. Chopra, FIH
Treasurer***



***Amanda Scott, FIH
Director of Membership***



***Catherine Poon, FIH
Director of Education***



***Mark Robson, MIH
Director of Communications***



***Kaye Chon, FIH
Advisor***



***Michelle Lee
Secretariat***

Industry News

Hong Kong's Hotel Industry Performance in 2007

By James Lu, FIH

The hotel industry in Hong Kong achieved an average hotel room occupancy rate of 85.43% in 2007 versus 86.09% in 2006. There were 51,892 hotel rooms in Hong Kong from 140 hotels at the end of 2007 versus 47,128 hotel rooms from 126 hotels in 2006, or an increase of 10% in total hotel room inventory in Hong Kong. The hotel industry in Hong Kong also employs around 27,000 staff of which some 3% are recruited overseas.

Average industry wide hotel room rate in 2007 was HK\$1,117 or US\$144 versus HK\$1,011 or US\$130 in 2006, up 10.5%. High Tariff A hotels in Hong Kong, which are the equivalent of 5-star hotels in world cities, achieved an average hotel room rate of HK\$1,951 or US\$250 in 2007 versus \$1,725 or US\$222 in 2006, up 13%. This puts hotels in Hong Kong in the more affordable range and high value for money category.

Hong Kong Hotels Association, which has been the representative organization of the hotel industry in Hong Kong from 1961, recruited its 100th member in November 2007 and its membership includes all the major hotels in Hong Kong.

Hong Kong's visitor arrivals in 2007 were 28.2 million, from 25.3 million in 2006, or an increase of 11.6%. The China Market represents 55% of all visitors to Hong Kong, followed by South East Asia 10%, Taiwan, North Asia and Europe 8% each, The Americas 7% and Australasia 3%.

The outlook for 2008 continues to be positive and the strong momentum of visitor arrival growth during the last quarter of 2007 of around 15% gives us the confidence to project a visitor growth rate of another 8-10% in 2008, to take our total visitor arrival number to over 30 million. This projection assumes that there will be continued economic and political stability around the world to offer the same level of sustainable travel conditions and incentives for world travelers. The China Market will again be the major contributor to this growth and we expect to have another 5,000 new hotel rooms in 2008.

James Lu, FIH, is Executive Director of Hong Kong Hotels Association (email: james@hkha.org)

Price pressure challenge for institutional catering industry

By Cynthia Leung, MIH

As the continuous escalating food prices from Mainland China and the tremendously soaring fuel prices prevailed in the past few months, this has been undoubtedly causing huge pressure on various industries especially the institutional catering industry. Due to the unique business nature, the selling prices of meals have been mostly bound by the contract period and the opportunity of price review lacks flexibility compared with the other food and beverage sectors such as restaurants, hotels and other commercial eateries. In view of this challenge, industry players seek solutions from different aspects such as bulk volume purchasing discount, substitution of raw ingredients of similar quality, and menu design re-engineering. Apart from the above measures, this is time for the institutional caterers to look at issues such as price war, low margin business competition with other competitors. Annual review of meal prices is a more practical and feasible measure to avoid tying up by the fixed meal prices when the contract is in force with the client. This is to set up a fair business term with the client and to let the customers know the importance of having a long-term business partnership with the caterer instead of letting the clients taking control in facing the macro-environmental challenge. The importance is to educate the clients that the caterers cannot be alone to expose to all the risks that might affect the service quality.

Cynthia Leung, MIH, is Assistant General Manager of LSG Sky Chefs (email: cynthia.leung@lsgskychefs.com)

Recruitment Asia

By Mark Robson, MIH

With growth continuing unabated, the demand for talent in the region is reaching crisis point. Exciting as the current situation is in Asia, hoteliers from all countries and hospitality sectors are finding it increasingly difficult to attract and retain quality human capital.

There are four key areas that should be considered in the current market place:

The Recruitment Process.

With a wide choice of prospective employer, the candidate is in the enviable situation of being able to pick and choose. Often the recruitment process can appear cumbersome and disjointed with discernable gaps in stages. If the process is carefully managed the employer will come across as organised, efficient and put the onus back on to the candidate to make decisions. Simplify, monitor and measure your process.

Training & Development.

The only surefire way to create success is to train and develop your own staff internally. In an ideal world this would be the be all and end all. In reality however, hotels need to spend a great deal of time training but also developing their talent into the managers of tomorrow. Too often we see great prospects leaving their employers due to feeling under-valued with no prospect of promotion. The reverse of that is the current fad of over-promotion, but that's another story!

Compensation & Benefits.

Regular reviews in Comp & Ben are crucial. Benchmarking against your competitor set is required. A common complaint in Asia is the willingness of staff to move for a few extra bucks and although, sensibly, most hotels don't fall into the trap of over-inflating salaries, it is an increasing problem. Make sure your benefits are comparable and, more importantly, relevant and wanted.

Succession Planning

Seems like the buzzword of the moment but it is an accurate description of what is required. Putting into place measures to maintain continuity in key positions is fundamental to the ongoing success of your operation. Far too often employers are reactive rather than pro-active in replacing employees wasting valuable time and causing disruption in service standards.

Mark Robson, MIH, is Asia Director of Portfolio (email: mark.robson@portfolio-asia.com)

IoH's Hospitality Accreditation

By Catherine Poon, FIH

With a big applause, I welcome the reactivation of IoH's Hong Kong branch. One of IoH's main roles being hospitality accreditation, it has accredited 10 courses (7 Higher Diplomas and 3 Diplomas) currently run by the Institute of Vocational Education (IVE) of the Hong Kong Vocational Training Council, a major provider of vocational education/training in Hong Kong. The accreditation has given the students assurance of the standard and quality of their programs, and when they graduate, they promptly join the workforce, become quickly productive, and progress capably in their career and professional development – locally or internationally.

Such are the benefits of IoH accreditation. They are real experiences because they have all happened to me. I was a student member of HCIMA (IoH's former name) some 30 years ago, and have become a full member since qualified.

The new Hong Kong Branch of IoH indeed timely signifies the flourish of the hospitality industry in Hong Kong. It also symbolizes Hong Kong being the hub for hospitality managers and educators in the region. It has given us a new meaning, and it would not have happened without the goodwill and effort of all concerned parties, particularly Mr. Edwin Theobald FIH, Ms. Cynthia Leung and Professor Kaye Chon. To them we should heartily drink a toast!

Catherine Poon, FIH, is Head of Department, Department of Hotel, Service and Tourism Studies, Hong Kong Institute of Vocational Education (Chai Wan) (email: ykcpoon@vtc.edu.hk)

TOO MUCH GOOD NEWS???

By Ted Theobald, FIH

I had an interesting conversation the other day with Richard Paine the MD of Fine Vintage (Far East) Ltd.

Last year the tax on wine was reduced from 80% !! by 50% to 40% the implication being that in order to enable Hong Kong's wine trade to take full advantage of the massive region market there was a possibility that in the near future all taxes on wine would be eliminated. What a wonderful prospect in this world of death & taxes!!

The wine & hospitality took some negative flack last year since not all the reduction was passed on to the end user for several reasons including that wine companies still had plenty of stock on which duty had been paid, the weakening HK dollar linked to a sinking US\$, and frankly some opportunism on the part of many of us.

Interestingly many in the trade are AGAINST zero tax on wine! It would seem that it is hardly going to increase the competitive situation of the wine traders in Hong Kong since presently if they re-export through the proper channels such trades are already duty free. Also a real concern that zero tax would stimulate a huge smuggling business to China where the tax remains at 44%, as well as local opposition to the trade for encouraging more drinking, and loss of business at the Duty Free shops on our borders.

Ted Theobald, FIH, is General Manager of Park Lane Hotel (email: ted_hcima_acc@yahoo.co.uk)

10 Mega-trends in Asia Pacific Tourism

By Professor Kaye Chon, FIH

PolyU's School of Hotel and Tourism Management, in collaboration with the United Nations World Tourism Organization, undertook a study to analyze the industry major development in the industry, particularly in Asia Pacific. A content analysis of 776 travel reports published in recent years has identified major trends developing in the travel industry in Asia Pacific. Some of the major trends are highlighted below.

- 1. Travel has become more activity-interest based rather than destination- based.** Tourists decide what activities they want to participate in, and then choose the destination that offers these activities. This trend is largely driven by availability of low cost air travel and "good" packages on offer. In the past, it was expected that travelers would first decide where to go and then decide what to do. The opposite appears to be happening now.
- 2. China and India continue to be the two main drivers of tourism industry and tourists generating countries/regions in the Asia-Pacific.** It is obvious that the 21st century will be the century of Asia. Asians are predominating the world travel scene. This trend will be largely driven by increasing number of middle class in two most populous nations of the world – China and India. China for example is expected to become one of the four major contributors to international tourism in the next few years, along with Germany, US and United Kingdom. However, with a massive growth of international tourism volume, the pressure on the ecological environment and human resource shortage will also become acute.

3. **The development of low-cost carriers (LCCs) makes intra- and inter-regional travel more affordable and will change people's travel habits and patterns.** Lower airfares are likely to encourage travellers to shift from annual long-haul holidays to multiple short-haul short breaks, and hence further boosting the intra-regional travel demand. LCCs are also forcing legendary airlines to cut commission paid to travel agents and develop online sales channels, which have forced travel agents to transform themselves into travel consultants/advisors. Many variations of LCC's are appearing. Hong Kong's Air Oasis is a good example. It specializes only in long haul flights. Some LCC's are increasing their connectivity and joining alliance with more traditional airlines or other LCC's. Air Asia for example now offers a massive network of international routes using several hubs and sub-hubs as their stations of operation. As an example of inter-airline alliances, Air Macau is working with Oasis Air to from Seoul to Macau, connect by ferry to Hong Kong and put passengers on a long haul flight to London or Vancouver. More of these complicated and sophisticated alliances are likely to emerge in the years to come.
4. **The vaporization of middle classes in the developed countries is likely to boost the polarization of travel spending.** It appears that when it comes to travel, the middle class is disappearing. New resorts and packages tend to be focusing either on luxury market or budget market. This is certainly true in the development of hotels in Asia – most active development takes places in upper market or budget market but not in between.
5. **Online transactions and promotion will continue to grow.** Airlines, hotels, travel agencies are the industries that have been most influenced by the Internet. IT suppliers and Global Distribution Systems (GDSs) will witness huge growth and become centres for profitability. This trend is already changing the marketing infrastructure of hospitality and travel industry.
6. **There will be competition and cooperation among sub-regional national tourism organization;** for example, ASEAN countries and countries of Great Mekong Subregion (GMS), Singapore and Malaysia, and Thailand and Cambodia.
7. **Tourists will place more emphasis on travel experiences, quality service and customized tours.** Today's travelers are experienced and sophisticated. They are more demanding than ever before. Quality of experience and services is critical for survival of hotel industry. There is a trend towards development of specialized and customized tours for highly specialized market segments.
8. **Business travel will grow exponentially,** of which women business travel will be the fastest growing segment. Asia will also become the international convention hub. In some hotels in the US, they found as high as 40% of corporate bookings are by women business travelers, which is a big contrast to a mere 4% 30 years ago. This requires the change in the design of guest services and service operations. Cathay Pacific installed a full length mirror on all their business class lavatories because they found women travelers value such amenities.
9. **Continued aging population will see more travels by senior citizen or the so-called 'young seniors' (aged between 50 to 65).** Today's senior citizens are active in their lifestyle and they have a significant level of wealth. They are known to favor soft adventures and cultural tourism.
10. **Travel safety and health remain top concerns for tourists.** National tourism organizations need to take proactive media policy in order to mitigate any negative impacts on their destination images caused by irresponsible and incorrect reporting.

Prof Kaye Chon, FIH, is Chair Professor and Director in the School of Hotel & Tourism Management, The Hong Kong Polytechnic University (email: hmkchon@polyu.edu.hk)

What's On

Institute of Hospitality (IoH) Information Evening

Ms. Cynthia Leung, Vice Chairman of Institute of Hospitality, Hong Kong Branch, addressed a group of 75 final-year students of Higher Diploma in Hotel & Catering on 21 February 2008, at the Hong Kong Institute of Vocational Education (Chai Wan).

Ms. Leung introduced IoH's history, its mission and its work. She also explained IoH professional standing and membership grades. The event was a success as the students have found it very informative and are looking forward to applying for MIH membership as soon as qualified.



Calendar of Events

SKAL Events

SKAL Luncheons. February 27, 2008 The Hong Kong Jockey Club
March 26, 2008 Novotel Century Hong Kong
April 30, 2008 Pearl on the peak
May 28, 2008 The Langham Hong Kong
June 25, 2008 “Ladies Day” Holiday Inn Golden Mile Hong Kong
July 30, 2008 The Park Lane Hong Kong
August 27, 2008 Renaissance Kowloon Hotel Hong Kong

SKAL Asian Congress May 21 to 25, 2008 Koh Samui <http://www.skalsamui.org/congress.htm>

SKAL World Congress October 2008 Taipei (further notice will be announced)

IoH Hong Kong Branch Functions

May 8th “The First Official Function of the IoH Hong Kong Branch”
Cocktail reception at the Park Lane Hotel Hong Kong
Further notice will be announced

Conferences

May 9-10, 2008. “The 2nd International Forum on China Hotel Brand Development”, Guanzhou, China;
Contact: Qu Xiao; Email: hmqxiao@polyu.edu.hk;
http://www.polyu.edu.hk/htm/conference/2nd_chbd_8124.pdf

April 23-27, 2008. “The 4th World Conference for Graduate Research in Tourism, Hospitality and Leisure”, Antalya, Turkey; Contact: Metin Kozak; Email: M.Kozak@superonline.com;
<http://www.anatoliajournal.com/conference>

May 21-25, 2008. “6th Asia Pacific CHRIE Conference & THE-ICE International Panel of Experts Forum”, Perth, Western Australia; <http://www.apacchrieconference.com/>

June 3-4, 2008. “7th Asia Pacific Forum for Graduate Students’ Research in Tourism”, Petaling Jaya, Malaysia; Contact: Y. Sulaiman; Email: sulaimanyusof@gmail.com

July 3-5, 2008. “The 8th Biennial Conference on Tourism in Asia – Tourism, Hospitality & Foodservice Industry: Growing Role of Asia in the World Tourism”, Angers, France; Contact: Philippe Violier; Email: philippe.voiolier@univ-angers.fr; <http://www.asia2008.fr/>

July 9-12, 2008. “14th APTA Annual Conference, Tourism and Hospitality in Asia Pacific”, Bangkok, Thailand; Contact: Sang-Mi Lee; Email: smlee@dau.ac.kr; <http://siameng.siam.edu/apta2008>

July 28 – August 2, 2008. “2008 I-CHRIE Annual Conference”, Georgia, USA; Contact: Meetings Manager, Jessica Brim; Email: jbrim@chrie.org; <http://www.chrie.org>

May 18-20, 2009. “International Convention & Expo Summit 2009”, Hong Kong SAR, China; Contact: Kaye Chon; Email: hmkchon@polyu.edu.hk; http://www.polyu.edu.hk/htm/main_confinfo.htm

May 21-23, 2009. “International Conference on Impact of Movies and Television on Tourism”, Hong Kong SAR, China; Contact: Kaye Chon; email: hmkchon@polyu.edu.hk

Conference Announcement & Call for Papers

International Convention & Expo Summit 2009

18-20 May 2009, Hong Kong



The 2009 International Convention & Expo Summit will be held in Hong Kong SAR, China on 18-20 May 2009. This Summit is jointly hosted and organized by School of Hotel & Tourism Management, The Hong Kong Polytechnic University and the William F. Harrah College of Hotel Administration, University of Nevada, Las Vegas (Singapore Campus).

The Summit will provide educators, academics, researchers, industry practitioners and representatives of professional industry associations in the conventions, meetings and expositions field with an interdisciplinary forum for exchange of information. The program will feature keynote speeches by prominent industry leaders and educators as well as paper and poster presentations by both academics and industry practitioners alike.

WHO SHOULD ATTEND?

- Academics and educators in hospitality, travel, tourism, convention, exhibition, marketing, events and related fields;
- Industry practitioners in convention and exhibition fields;
- Industry consultants;
- Representatives of professional industry associations;
- Students and others interested in the field

CALL FOR PAPERS

The Summit will focus on a broad range of topics related to research and education in the convention and exposition/incentives and events field. Papers with any of the following or related subjects would be highly appropriate for presentation:

- Convention and exposition marketing;
- Effective use of audio-visual materials;
- Event Management and Marketing;
- Exhibition management and marketing issues (e.g.: selling exhibit space, exhibit floor layout, booth design, exhibitor and attendee marketing) ;
- Human resources issues for the convention & exposition industry;
- Impact of technology (e.g.: electronic meetings, virtual trade shows);
- Impacts of conventions and expositions on their host communities;
- Incentives;
- Issues facing conventions and expositions in the twenty-first century;
- Legal aspects of conventions and expositions;
- Meeting management and marketing issues (e.g.: site selection, housing,

- scheduling, promotion);
- Negotiation with suppliers, clients, and labor unions;
- Planning and development issues for convention and exposition destinations
- Studies relating to key industry players (e.g.: convention & visitors bureaus, convention and exhibition venues, meeting managers, exhibition organizers, exhibition managers)
- Other topics relating to the theme of the Summit



Co-organizers:

SUBMISSION GUIDELINES

- Three-page abstracts (typed, single-spaced) of proposed papers should be submitted for final selection process. Indicate the author's name and affiliation only on the cover page of the abstract and they should not be indicated anywhere in the abstract.
- Submit abstracts to Summit Co-Chairman, Professor Kaye Chon by electronic mail to hmkchon@polyu.edu.hk
- Paper Review Committee will conduct a refereed screening of abstracts. Authors of accepted abstracts will be asked to submit Full Papers follow by the provided specification.
- Abstract Submission Deadline: 6 February 2009
- Accepted abstract will have to submit the Full Paper before 31 March 2009
- Once the paper is accepted, at least one of the authors must register for and present the paper at the Summit.

PUBLICATION PLAN

Final copies of accepted papers will be published with ISBN/ISSN number.

SUMMIT REGISTRATION

All presenters and participants are requested to register for the Summit. Summit registration fee includes participation in all sessions in three days, participation in all scheduled meal functions and refreshment breaks, opening reception, and a copy of conference proceedings (to be made available at the Summit). Registration fees and remittance guidelines as shown below:

	Full Fee	Full-time Student*
Early Bird (by 31 March 2009)	US250	US150
Standard Registration (after 31 March 2009)	US350	US250

* Full-time students are required to produce a letter /certification / student ID at the time of registration.

- Payment: Payment of the registration fee will be accepted by bank draft, bank transfer or credit card. Both Visa Card and MasterCard are accepted (American Express Card is NOT accepted). A photocopy of bank slip must be faxed with the registration form to the Secretariat. All payment must be made in US\$.

- **Cancellation Policy:** If cancelled before 1 April 2009, a refund will be made less US\$75 administrative charge and notice of cancellation must be received in written form. No refund after 1 April 2009.

CONFERENCE VENUE

Details regarding conference venue and hotel accommodation will be announced at http://www.polyu.edu.hk/htm/main_confinfo.htm soon.

CONFERENCE ADMINISTRATION

Please direct abstract submissions to:

Professor Kaye Chon, Summit Co-Chairman
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Please direct inquiries to:

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Email: hmawls@polyu.edu.hk

Please visit http://www.polyu.edu.hk/htm/main_confinfo.htm for more details.



First Announcement

The 2nd International Forum on China Hotel Brand Development

第二届中国酒店品牌建设国际论坛

9-10 May 2008 | Guangzhou, China

The 2nd International Forum on China Hotel Brand Development will be held in Guangzhou, China on 9-10 May 2008. The Forum will be co-organized by the School of Hotel & Tourism Management, The Hong Kong Polytechnic University and the School of Business, Sun Yat-sen University.

Who Should Attend?

This Forum is designed for industry practitioners, academics and government officials to discuss the development and management of hotel branding. Participants may include:

- Senior managers in the hotel industry;
- Government officials in tourism administration;
- Academics, educators and professionals in the fields of hotel and tourism management;
- Graduates of hotel and tourism management studies;
- Researchers and consultants on branding and brand management;
- Hospitality industry consultants and international hotel chains;
- Suppliers and vendors for hotel industry;
- Others with an interest in the forum topics.

Scope of the Forum

The Forum will be organized around, but not limited to, the following topics:

- Hotel brand development and management: what we can learn from the other industries
- Brand development experience of famous international and domestic hotel companies
- Current issues and future prospects in hotel brand development
- Managing the brand development process in China: system establishment and crisis management
- Hotel brand development and management strategies: International, state-owned and privately-owned hotels
- Brand development strategies of deluxe and budget hotel chains

Enquires & Contact

Please contact the programme Co-Chairs:

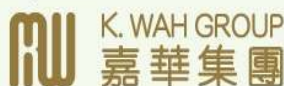
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Title Sponsor:



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