

10 Tips for Managing Hotel Programs in APAC

CWT Solutions Group

RoomIt 
by CWT

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When managing a local portion of a large, corporate hotel program, it's important to think about how your actions support your company's larger travel strategy and meet local needs.

These tips will help you accomplish both.

1 Traveling within APAC has added complexity

Many countries in APAC require visas. It is often necessary to hire a driver, even for simple trips from the airport to the hotel. Throw in the unique local regulations, risk of fraud and misuse, and the immense diversity across this region, and you'll find APAC can be very difficult to manage.

Work closely with experts or TMCs that have in-country experience to plan out your strategy before entering into these immensely complex markets.



2

Mobile adoption is everything in China

Of the 800 million active internet users in China, [98% of those are mobile](#) users. Today the Chinese do just about everything with their phones from communicating, to ordering taxis, paying rent, and applying for college. Among CWT clients, 90% of bookings in China are made online or with mobile booking platforms.

To support this high mobile usage, it's important that you or your TMC is partnered with a Chinese based travel technology company such as TravelSky.

Although China is completely immersed in mobile, other parts of APAC, [such as Bangladesh or Pakistan, still have lower adoption rates.](#)



3

Per Diems for hotels are heavily relied upon

Per diems can offer predictability and simplify travel expenses, but it is hard to adapt them equally to every market. Travelers might have too little when going to one city, while travelers in other cities may have too much. Per diems also incentivize travelers to stay at sub-par places that minimize their expenditure and maximize the allotment they can pocket. The problem is this reduces your ability to influence booking behavior and it puts travelers at a greater risk.

Work with stakeholders in this region to educate them on the importance of using more policy-driven tools, like rate caps and price tracking, to help keep costs low and predictable.



4

Payment is COMPLEX

We discussed the high mobile usage in China, but it's important to appreciate just how important mobile pay is too. There are restaurants that only accept mobile pay, and even the street vendors prefer payment via cell phone. It may be necessary to have travelers in the region setup WeChat Pay or Alipay, or visitors to the region may have to rely on a local to pay for meals and taxis.

Conversely, in smaller cities in other Asian countries, cash may be the only thing accepted. Although covering hotel rates with per diems might present problems for a travel program, keeping per diems in place for expenditures like food and taxis may still be a necessity.



5

Guest houses will be booked in India

[India is the world's fastest growing large economy in the world.](#) Hotel supply has been struggling to keep up with demand, so relying on less traditional properties in India is necessary. Guest houses are a very common, and acceptable form of housing for business travelers.

Work with your TMC and content provider in order to identify and upload guest houses into your corporate tools. Due to the nature of this lodging style, it is especially important that they are bookable, and more importantly, trackable through your corporate tools.

[Click here to learn more about accommodations in the Indian market](#)



6

Expect to use traditional Japanese inns

Similar to India, Japan also experiences high demand in major cities and low supply in secondary and tertiary cities. Ryokans (traditional Japanese inns) are being used more often by business travelers going to and traveling within Japan.

Many travelers today enjoy immersing themselves in the local culture, so when traditional hotels are not available, ryokans can be a fun and practical way of dealing with the lack of availability many travelers face in Japan.

It's a good idea to tell travelers about the options available to them in high demand cities like Tokyo, while also instructing travelers about the proper booking practices. Just be sure people are aware that ryokans are missing some modern hotel comforts, and that breakfast and dinner are usually included in the price.



7

GDSs aren't sufficient for Australia

Australia has holes in its hotel coverage as well. Although 90% of business travel on the subcontinent is to major cities, which are heavy in chain brand coverage, 10% is done in regional areas with limited supply of any kind, which is where GDSs struggle.

By including third-party content, RoomIt has been able to fill these gaps and helped a client increase their hotel attach rate within Australia by nearly 10%, minimizing leakage to direct bookings.

8

City rate caps by position is very common

It is often common in this region to assign rate caps by the employee's level. This adds an additional layer of complexity if you were used to only setting caps by region or city.

If this is true for your APAC office, consider using tools that allow you to set seasonal cap rates, that way you don't have to waste as much time adjusting caps throughout the year. Start with your highest volume markets and the highest priced cities when making adjustments, as prices tend to fluctuate more within higher priced cities.

If you aren't normally setting caps at a city level, you may want to reconsider this for APAC, since, for example, the average hotel rate in [Seoul, South Korea is more than double that of Busan](#).

9

Some countries pose a high travel risk

Countries in Western Asia, Myanmar and portions of the [South Pacific nations present high travel risk to travelers](#). Most of India is safe, but parts of the country still rank among the [most dangerous places for women to travel to](#).

Some travel safety tips:

- Learn local customs and etiquette
- If you can, start and end your days early to avoid being out at night
- Never walk alone on city streets at night
- Wear more conservative clothing
- Avoid street food and tap water in China, India, Taiwan and Thailand to name a few
- If taking the train, purchase the highest-class train tickets in advance
- Have emergency contact information available

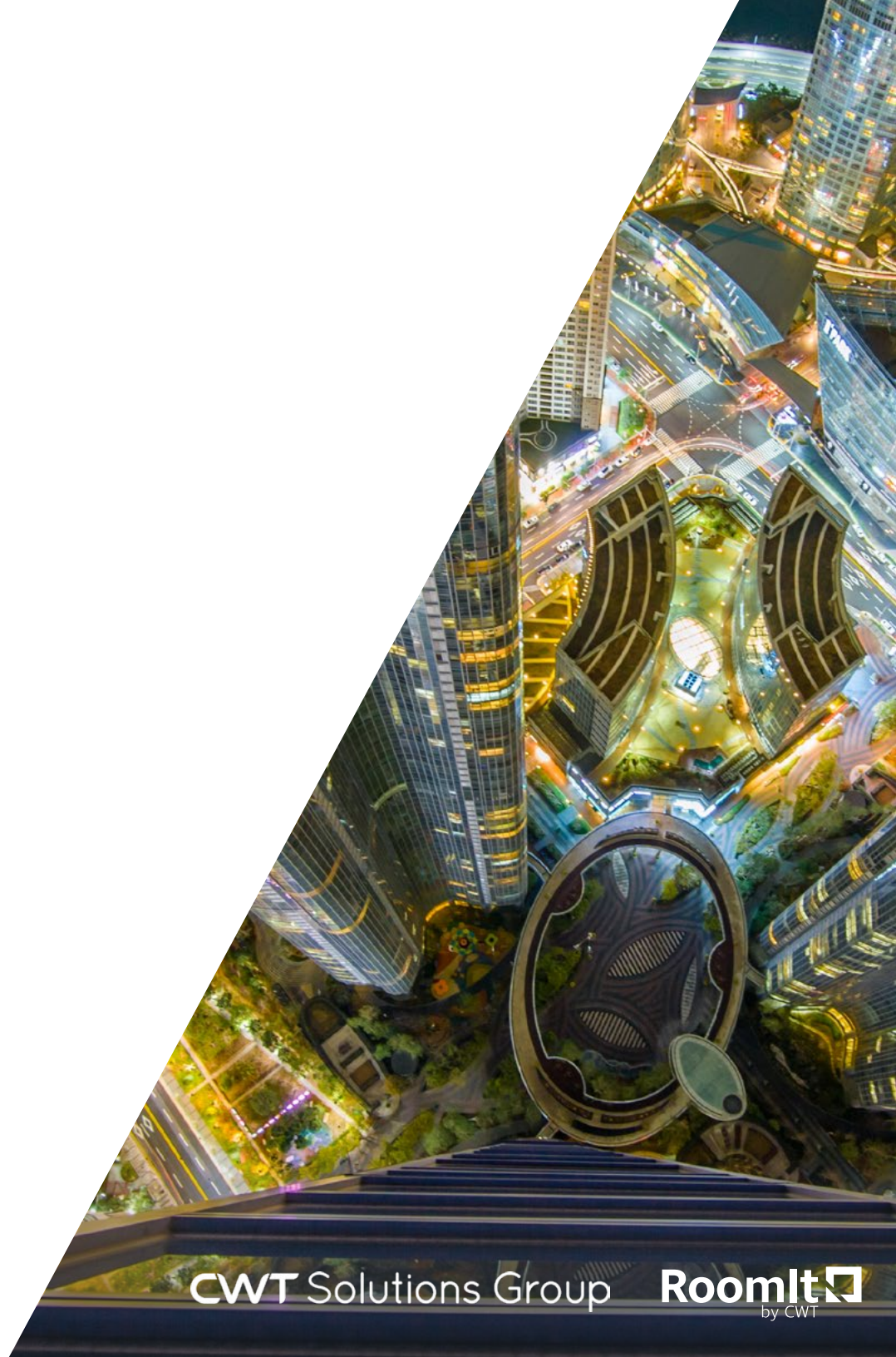


10

Be creative with your sourcing

In tertiary cities restaurants can be few and far between and other modern conveniences may be lacking as well, so travelers may have to rely on hotels for a lot including restaurants, Wi-Fi and ground transportation. Use this to your advantage during negotiations to help prove hotel-related expenditures that go beyond room rates.

Hotels have shown a willingness to negotiate on these terms, especially as more recognize the importance of additional revenue sources beyond traditional room management.



Contact your [program manager](#) to learn more about managing travel in APAC.

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