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Views, Analysis, Opinion



Mr Welf Ebeling: "Today's luxury customers are after local and authentic

Uber luxury: Everyone wants a bite. Do you?

Super luxury, uber luxury, premium, six star - call it what you will but it is clear that when it comes to customer segmentation, there is no way to go but up. This month's P@SSPORT takes a look at global trends, shares a new study that will help you understand this market better and looks at what Singapore is doing to capture a slice of the luxury dollar.

It's about flawless guest experiences

There is a new catchphrase in the travel industry and that's "the new luxury" - travellers paying big bucks for exclusive, dream experiences that only big money can buy.

President of Leading Hotels of the World, Mr Welf Ebeling, says luxury is about delivering flawless and memorable guest experiences that start even before the guest arrives.

"The experience begins at the moment of reservation - it's about ease and convenience and helping your customer make his or her choice. It's about personalised call centres and not global call centres where the guest ends up talking to someone in Bangalore reading off a piece of paper.

"It's about reservations agents who act as concierges and who do more than book the room."

Where the rich stay to play

From retreats such as Como Shambhala Estate in Begawan Giri, Bali, which has villas and residences priced from US\$1,000 to US\$2,500 a night to resorts such as Naladhu in Maldives at US\$1,400 a pop for its 19 villas, hotel developers and investors are seeking out the super luxury end of the market.

At the Hotel Investment Conference Asia Pacific (HICAP) held in Hong Kong last month, a session on "the new luxury" was packed to standing room only as players gathered to hear about the latest trends driving this market.

London-based Emaar Hotels & Resorts is developing three Armani designer hotels in Dubai, London and Marrakech. India's Oberoi Hotels & Resorts, known for its luxury hotels and cruisers, is expanding worldwide, with 50% of its resorts now located outside India.

Dubai-based Jumeirah is aggressively seeking new shores for its high end properties. Four Seasons has gone into tented camps in Chiang Rai Thailand and has just opened an exquisite villa resort in Koh Samui that is destined to win rave reviews.

Singapore steps into the play

Onto this gilded platter enters Singapore, as it steps up the ante in gunning for the luxury dollar.

On Sentosa, a new resort by Capella Hotels and Resorts, opening mid-2008, will cater to the top two percent of the market.

The Singapore Tourism Board (STB) is organising and supporting events pitched at the high end market. Events such as the JewelFest, SIWA (Singapore International Watch Auction) and World Gourmet Summit are all designed to woo the luxury lifestyle consumer to Singapore.

And to cater to this influx of Commercially Important Persons (CIPs), a new luxury JetQuay CIP Terminal has opened at Changi airport. The facility caters to members who have to pay a S\$2,000 first-year fee and buy points to use its services.

Buggies or limousines take them to their departure gates or private plane. The lounge boasts plush armchairs, three Osim massage chairs, five plasma TVs, wireless Internet access and about 20 computers. There are nap rooms, an in-house Aspara Spa, a mini-gym and private meeting rooms.

Private jets for those who can pay



Events such as the JewelFest are aimed at luring the luxury customer to Singapore.

Goldheart Sultry Splendour
Photo courtesy of Singapore
JewelFest 2006 - Goldheart

And Singapore's skies are going high-end too. Executive Jets Asia, based in Singapore, is the first company offering fractional jet ownership in Asia. It's a cheaper alternative to owning your own jet, if a first class seat doesn't meet your definition of exclusive luxury.

It works a bit like timeshare - you buy a share of a private jet for a sum which entitles you to a minimum time usage. The company takes care of everything including paperwork. All you have to do is state where you want to go and when, and show up.

The price of a share ranges from US\$500,000 to US\$1.5 million, depending on aircraft type, with a maximum of six shares sold per aircraft. Each share entitles the owner to 70 hours a year of flying time. The company now has three jets - Lear 35s, Lear 45 and Lear 60, all based in Singapore - and has sold seven shares so far.

Industry observers say it makes sense for a destination like Singapore to go upscale. Its size, which limits it from going mass, is perfect for a specialist luxury play, especially when it is looking to triple tourism receipts by 2015 under the Tourism 2015 plan rolled out by the STB.

But what makes a luxury experience and does Singapore have what it takes to compete with destinations like Dubai or the Maldives which are seeing an influx of high scale developments?

Blurring of the luxury segment

Mr Ebeling, who calls his company the oldest luxury brand in the world at 180 years old, says that by its definition, luxury cannot be common. "It is everything that is not available in abundance."

Yet, he sees the segment in danger of becoming confused as more players enter the market, claiming to be six or seven stars when there is no such recognised standard in the industry.

While the concept of luxury is global, he says the interpretation has to be different locally. "It is about individuality and luxury brands have become too homogenous. There is a cookie cutter approach going on among some players, especially the bigger hotel groups that are entering the market.

"Today's luxury customer is after authentic and local experiences. For example, if I am in the middle of Bora Bora, do I want a classical French restaurant?"

"It's the same old schnitzel served with two or three different dressings."

And it's about brand authenticity

LHW, which represents 420 member hotels, resorts and spas worldwide, counts 72 members in its Asia Pacific portfolio. It only has one hotel member in Singapore, the Marina Mandarin. It also has a Leaders Club to which members pay US\$2,000 per year to belong to.

Mr Ebeling, whose company has its Asia Pacific headquarters in Singapore, believes Singapore has what it takes to become a luxury destination provided "it has brand authenticity".

"It shouldn't try to be a New York by the sea, instead it should concentrate on the special things that it has. At some point, Singapore almost did away with its cultural heritage but luckily, it stopped and now it's bringing the cultural heritage back."



Singapore JewelFest 2006

While he says Singapore has a fine tradition of luxury hotels such as The Raffles and The Fullerton, which has just been voted the top hotel in Asia by Conde Nast Traveler, he says: "There are very few independent hotels in this segment. There is a lack of authentic luxury brands."

Added Mr Ebeling: "It is important for local companies to claim their identity and place for themselves.

"Why is it that Singapore needs a Ritz Carlton, Four Seasons or a St Regis, when there are luxury brands coming up that are local and understand the culture and environment better?"

[Find out more about Leading Hotels of the World](#)

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