

## PRESS RELEASE

### **China Hotels Encouraged to Embrace Online Marketing and Social Media 600 Participants Gathered at 2011 China Hotel Development and Financing Conference**

Beijing, March 25, 2011

The 7<sup>th</sup> Annual China Hotel Development and Financing Conference, organized by Horwath HTL, STR Global and the China Tourist Hotels Association (CTHA), was held at the Crowne Plaza Sun Palace in Beijing. This 3-day event ended today amidst calls for China hotels to embrace online marketing and to utilize social media.

Speaking at the conference was Mr. Percy Cui, Chief Executive Officer of eLong, a China-based online travel planning and booking agency. According to Cui, online bookings through their website have surpassed bookings made through its call centre. Based on a survey conducted by eLong, the key decision making criteria for its customers are the prices of the hotels, locations, description of facilities and reviews from other users. Cui warned hotels against the common practice of assigning “poorer quality” guestrooms to its customers as these customers are typically more likely to post online reviews of their hotel stay experiences. Cui also highlighted several trends, such as the growth of bookings for budget hotels over other categories and the growth of bookings for hotels in tier 2 and tier 3 cities.

In another presentation, Mr. Jens Thraenhart, co-founder of dragontail.com and chinatraveltrends.com, pointed out that there are currently 4.56 million Internet users in China and 800 million mobile users. This translates to only a 32% Internet penetration rate, compared to more than 80% in the U.S. He added that there is a growing trend for affluent Chinese consumers to conduct their travel research online and to seek more unique and authentic travel experiences. Unlike the digital media landscape outside of China, local social media players, such as renren.com, sina.com.cn, youku.com, tudou.com and kaixin.com, dominate China. This landscape, he says, requires business owners to rethink their business marketing and communication models, particularly international companies which typically focus more on the social media giants such as Twitter and Facebook.

Hoteliers, in general, have shown keen optimism about China’s outlook in 2011; with most cities expecting growth in both occupancy and average room rates. In the next 3 to 5 years, several key cities are expecting a large influx of new supply, such as Shanghai, Sanya, Tianjin and Guangzhou. Powered by the rising affluence of the middle class and forecasted bullish economic growth, the domestic corporate and MICE market segments are expected to be strong business drivers moving forward. The industry, however, has identified rising energy and labour costs as pressing challenges.

#### **About the China Hotel Development and Financing Conference**

The China Hotel Development and Financing Conference, co-organized by Horwath HTL, STR Global and the China Tourist Hotels Association (CTHA), is the premier hotel

investment event that gathers hospitality industry professionals involved in hotel development in China. In its 7<sup>th</sup> year running, this 3-day conference has attracted about 600 participants in 2011. Participants include real estate developers, hotel operators, architects, designers, lawyers, fund managers and banks.

### **About Horwath HTL**

Horwath HTL (Hotels Tourism and Leisure) is one of the world's pre-eminent consulting specialists in the hotel, tourism and leisure industries, providing unequalled experience and expertise for client projects around the world through a combination of detailed local knowledge and international understanding. Horwath HTL is currently the world's largest consulting organisation specialised in hospitality, with 50 offices in 39 countries. Very well established in China, Horwath HTL has completed numerous hospitality-related consulting projects in the country and works closely with the China Tourist Hotels Association in its annual publication of the China Hotel Industry Survey of Operations.

Horwath HTL is a member of Crowe Horwath International, a professional association of accounting and management consulting firms founded in New York in 1915. Crowe Horwath International is currently ranked among the top ten international professional service groups with offices in close to 586 cities in 108 countries.

For more information, please contact Damien Little, Director of Horwath HTL China at [dlittle@horwathhtl.com](mailto:dlittle@horwathhtl.com) and/or Shyn Yee Ho-Strangas, Assistant Director of Marketing and Special Projects at [syho@horwathhtl.com](mailto:syho@horwathhtl.com). Visit our website at [www.horwathhtl.asia](http://www.horwathhtl.asia).