

Trends **Luxury outbound**

Broad horizons for M'sian luxe travel

Factors such as the country's general election in May dampened Malaysia's luxury travel market in 2018. Pent-up demand may boost the market in 2019, although value-for-money remains key. By **S Puvaneswary**

Outbound agents from Malaysia foresee that 2019 will be a better year for the luxury market compared with 2018, with more year-round travel bookings from families and small private groups.

Agents shared that demand for luxury travel in 2018 was exceptionally soft, generally due to the national election which saw Malaysia's first change in the ruling party since independence 60 years ago.

With the general election date (May 9) only made known two weeks prior, many high-end clients deferred their travel plans to ensure they were in the country to vote.

The result of the general election had also impacted businesses which had dealings with the previous government.

Some deferred their holiday plans in the second and third quarters of 2018 while awaiting clarity on fiscal reforms and other initiatives under the new government. This was expected to be made clear in 4Q2018.

Agents shared in August that forward bookings started coming in strongly for the December school holiday period. They further predicted that forward bookings for 2019 would be stronger than 2018 without a major event such as the election holding travellers from making travel plans and bookings.

Still, they foresee a continuation of modest spending habits from 2016 due to a further weakening of the ringgit after the national general election.

The ringgit stood at RM4.09 against the US dollar on August 9, compared to RM3.91 on March 1, 2018 and RM3.63 on March 2, 2015.

Moreover, Malaysian business owners, part of the luxury travel market, are concerned that US-China trade tensions may escalate in 2019 and continue impacting their businesses. Malaysia has a very trade-reliant economy. In 2017, export of goods and services represented nearly 71.5 per cent of its GDP.

Generally, luxury travel service providers are seeing healthy forward bookings for 2019, with changes in destination choices and other holiday purchasing decisions driven in part by cost-saving considerations.

Rosli Seth, managing director of Feel Japan with K, said forward bookings for the sakura season in Japan are up by 20 per cent compared with the same period in 2018.

However, many are avoiding travel during the National Cher-



From top: Calle de Alcalá and Gran Vía in Madrid, Spain; Malaysians at the foot of Mt Fuji during Sakura season



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Rosli Seth
Managing director, Feel Japan with K

ry Blossom Festival from April 1 to 7, when hotel rates and room occupancies are high in Tokyo.

Instead, Rosli is seeing customers take up tour packages to Kawazu in the Izu Peninsula, where the cherry blossoms bloom from early February.

He shared: "These tours are seeing good response from family leisure travellers as they can still see the cherry blossoms in bloom while saving about 30 per cent on the hotel rates as compared to a stay in Tokyo during the Cherry Blossom Festival."

Another growing trend continuing into 2019 is for luxury travellers to save by staying in the outskirts of big cities for much of the duration of the holiday, and enjoying only a one-night stay in a traditional main city such as Tokyo or Osaka.

Feel Japan with K is also promoting new destinations in Japan where there are no direct flights from Malaysia, such as Mie Prefecture, Okayama Prefecture and Hiroshima.

Rosli further listed Nagano, Nagoya, Niko, Takayama, Kanazawa, Otaru and Sapporo as popular destinations for the Malaysian luxury market.

As well, the company is developing new soft adventure programmes with the assistance of Japan National Tourism Organization's Malaysia office. These include climbing Mt Fuji and cormorant fishing experiences.

The trend of half-board packages has also continued into 2019 at the company, and requests for airport limousine buses, rather than private transfers, are increas-

ing.

At Sedunia Travel, executive director, Teoh Leng Lan, said there is stronger demand for holidays to Eastern Europe compared to Western Europe, with lower ground costs and promotional airfares being the contributing factors.

Barbara Sette, managing director of Sette Repts, sales representative office in Asia for local operators and luxury shopping venues worldwide, said forward bookings for 1Q2019 and 2Q2019 are ahead of the same period in 2018.

Luxury travellers are not simply seeking expensive travel products, but rather personalised assistance and "good value for money", she said.

She explained that luxury travellers look to agencies for personalised assistance and decisions that would help them save money and time.

"Working closely with local

travel agencies, my prime job is to advise them on ways that can help clients save."

For example, customers are not expecting hotels to be in prime city centre locations, which usually come at a premium. Instead, they are open to more inexpensive options located near public transportation or places of interest.

Commenting on the demand for personalised service, she said: "The luxury travel segment from Malaysia loves to shop. Thus, we promote exclusive shopping experiences at El Corte Ingles Castellana luxury department store in Madrid, where clients will enjoy a personal reception by the concierge manager upon arrival, have their own personal shopping advisor and their shopping purchases delivered to their hotels, and enjoy a variety of gourmet experiences and wines at restaurants inside the store."

In-depth tours in Spain are also popular with Muslim luxury travellers from Malaysia, with the destination catering to their requirements and preferences, including halal-certified restaurants, prayer at mosques, Muslim local guides, Muslim heritage sites and luxury shopping experience at El Corte Ingles department stores in Madrid and Barcelona.

Other destinations that are popular with high-income Malaysians are Dubai, long synonymous with luxury, and India, which Sette said has tremendously improved on its level of services, infrastructure and hotel options over the last few years.

For 2019, Sedunia Travel is promoting "exotic" destinations such as Bhutan, Mongolia and Nepal that expose visitors to new cultures and experiences.

Sedunia's Teoh said language issues and difficulties in travelling independently in these destinations make it easier for the travel agency to promote them to travellers.



Picture courtesy: Feel Japan with K