

Boutique hotels sprouting up to meet rising demand

Millennial travellers searching for unique experiences make up the bulk of their clientele

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SINGAPORE – Boutique hotels in Singapore are gearing up for a growing group of travellers who are looking for unconventional experiences.

Such hotels tend to be more exclusive and intimate than major chain establishments and are seeing demand from millennials who seek differentiation and the thrill of discovering something distinctive.

One such hotel is Naomi, which is designed to feel like a private home while boasting amenities such as an infinity pool and Apple TV's AirPlay. A suite in the hotel, located on Seah Street, allows guests to indulge in the vintage world of Coco Chanel.

"If you look at the Singapore market 10 years ago, people might not have understood what a boutique hotel is all about," said Naomi Hospitality vice-president Peter Wong. "They may

think a boutique hotel is a budget hotel — I think that's a very wrong concept. If I can borrow an analogy from the fashion or retail industry, a boutique hotel is something like a Prada shop or Hermes: It's small, it has its own style compared with a big retail shop."

Boutique hotels have been sprouting up in recent years to fill a growing market niche.

Mr Victor Wong, Area and Development director (Asia-Pacific) of Small Luxury Hotels of the World, said: "Now, there is actually a growing trend among travellers, especially in the luxury segment ... to look at something more local, authentic and experiential. And boutique hotels are actually in a very good position to tap on this market."

Millennial travellers make up the bulk of the boutique-hotel clientele. "They are usually younger ... from 30 to about 45 years old, and have good spending power. They are the non-cookie-cutter type, are looking for hotels that are typically smaller, but don't compromise in terms of quality of service," said Mr Donald Han, managing director at property firm Chesterton Singapore.

'PRADASHOP' AMONG HOTELS



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NAUMI HOSPITALITY
VICE-PRESIDENT



Naumi hotel on Seah Street is designed to feel like a private home, while boasting amenities such as an infinity pool. PHOTO: CALVIN OH

"They are not looking for a typical ballroom, meeting or function room. They just want somewhere hip, trendy, where you can be recognised in terms of your name," he added.

Boutique hotels tend to generate higher profit margins than conventional luxury ones, said Chesterton.

And in Singapore, they are expected to hold their own as nearly 80 per cent of new room supply coming

on stream in the next couple of years will be in the mid-tier segment.

French hotel operator AccorHotels said while families and business travellers still prefer the predictability that regular hotels offer, the demand for differentiation is rising and its standard brands are increasingly providing ways for each hotel to develop its identity and character.

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