



### Do you speak 'frangialli'?

We've heard of 'franglais', a mix of French and English. Perhaps there should also be 'frangialli' – to describe the type of statements made by Francesco Frangialli, head of the World Tourism Organization, some of which we find difficult to interpret.

Recent examples:

- "All destinations affected by the tsunami are back on track." *Tell that to the Maldives and Phuket, where arrivals are down by about half. Perhaps Frangialli means only that arrivals are no longer falling, but isn't that to be expected one year on?*

*The damage done by statements such as these is that they are taken at face value – so Maldives and Phuket no longer have a problem. As the head of a body like the WTO, Frangialli should make credible comments, not positive sound bites.*

- But then he has also said 2005 was a "normal" year for the travel business. As the year included terrorist bombs in Bali and London, we assume he means we must now expect some 'unexpected' shocks every year.

- "Indonesia's tourism should start to show signs of definite improvement" by the second half of this year. *What is a 'sign of definite improvement' – a reduction in the rate of decline?*

- On the more-important topic of travel advisories\*, Frangialli says that the WTO has "a responsibility to help ensure that these advisories do not have an unnecessary adverse effect on countries that in many cases rely on tourism as a prime source of income".

Although there are enough qualifications in that statement that make his apparent comment almost valueless, in essence Frangialli is saying 'no travel advisories'. Because an advisory which said, for example, 'do not visit southern Thailand because of moslem unrest' would cause an adverse effect on Thailand, and therefore be inadmissible according to Frangialli's criteria.

The recently-departed head of the US Federal Reserve, Alan Greenspan, was known for his arcane statements. The travel industry now has its own.

*\*A report in last month's Travel Business Analyst newsletter covered WTO's position on travel advisories in more, and less personal, detail.*

### Briefs

- **Simon Cooper**, head of Ritz Carlton, says "we compete with other luxury groups but also need them to develop markets in some destinations."

On staffing: "Staffing problem will be more of an economic issue. I think the luxury end of business is aspirational for staff, so we do not have a great problem."

- **Dr Vijay Mallya**, founder of one of India's new airlines, Kingfisher, says the low-fare airline concept cannot work in India. He adds: "it is a myth that Indian rail passengers will ever take to the skies."

*Dr Mallya might be expressing these sentiments because he is on a pride-ride with Kingfisher – adding first-class cabins, and seeking to introduce a 'high-quality inflight product.*

*But he might be right about most of those rail passengers in India – and certainly those that do not pay fares – he would be surprised at potential passenger numbers, and profits, available from a true LFA business model.*

- **Friedrich-Wilhelm Weitholz** is head of Eurowings – 49% Lufthansa owned – that also owns Germanwings, the low-fare airline. *He cannot hide his Lufthansa conservatism (or arrogance?) when asked if low-fare airline expansion is finished.*

"In Germany all potential routes have been taken up," he says. "The time to start a [LFA] and make it successful is over."

*This is blether. Weitholz does not seem to realise that LFAs make routes; they are not sitting there, waiting to be opened. Out of Germany, we estimate there are 200 routes today that would*

*warrant a LFA service – many of them that currently have only regular airline operations. But expansion will be slow, because it makes no sense, for instance, for Ryanair to start flying Munich-Nice until it has a base in one of those two airports.*

- **Bill Marriott**, head of the Marriott hotel group, believes that branding remains strong, and that it will be made stronger by the internet.

He adds: "Hotel rooms are not a commodity. The worst would be for hotels to go the way of the airlines, where the only thing that matters is price."

- Following deteriorating financial results and concerns about safety, Japan Airlines CEO, Toshiyuki **Shinmachi**, has been kicked upstairs. If approved at the June annual shareholders meeting, he will become chairman.

Taking his place will be **Haruka Nishimatsu**, 58, currently JAL board member and SVP. Nishimatsu is a JAL career man, joining in 1972 after he graduated from Tokyo University. Most of his time at JAL has been in finance.

- **Sir Rocco Forte**, head of Rocco Forte Hotels, says "guests want recognition; they want to feel special. As far as luxury service is concerned, clients have always looked for the same thing – perfect personalised service delivered in the right way."

"The key is consistency of service delivery; 40% of my time is spent on this."

- **Stelios Haji-Ioannou**, head of the Easy Group, including Easy Hotels, says "We are not promoting [our Easy hotels] as a place to stay; just to sleep."

On why it has many different room sizes – "because we are converting existing hotels. Our hotel in London had 20 rooms; after we converted it, it had 34."

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