

CHINA: EVERY TWO DAYS A NEW HOTEL OPENED



There has been an explosion in domestic travel and a fast growing middle class created by the Chinese economy. One hotel chain is expanding so fast taking opening new properties in every two days and cashing on the travel boom.

Hanting Inns which are part of the Budget Hotel chain was only founded seven years ago by a Ji Qi, a billionaire businessman. **Surprisingly, it now owns more than 1,000 properties within China boasting of four brands** making Hanting, according to Ji, to become the world's largest hotel chain by 2020 at the latest.

The company is inspired by low cost western hotel chains that are aimed at catering for business travelers who travel more frequently but on a budget. Such hotel chains include Accor, Premier Inn and Ibis.

Ji says that he got the idea from a book he read that introduced Accor as a chain that opens small hotels that are less expensive yet comfortable with clean rooms. According to Ji, the Chinese market lacked such hotels hence he decided to venture into this area by investing experimentally and eventually managed to carve a niche for himself.

He went further and realized that all Chinese customers wanted in a hotel was a soft bed, a hot shower and free internet access. Such services are the ones offered by the hotel chains like Accor.

Ji says that his target is to open 10,000 hotels that will charge as little as \$15 a night. **He insists on investing only on crucial features as individuals will not see fancy lobbies with decorations in any of these hotels.** This is because clients usually do not pay attention to all the fancy stuff. It is the rooms that matter.

The speed at which the Chinese economic development has been trending in the past 20 years has had hoteliers all over the world notice it. This also comes in the wake of the number of people traveling outside of China rising to 65 million each year. China has by far overtaken Japan as the source of the largest outbound travelers within the Asian continent. Due to this, many hotel chains are changing their business in a way that they can cater for Chinese travelers who are always increasing in number.

Hotel chains like Marriot and Hilton have not been left behind in catering for Chinese travelers. Marriot has the Li Yu (serve with courtesy) program while Hilton has the Huanying (welcome) program with both these programs by these hotel chains meant to cater for the Chinese market.

Ji believes that competition that is foreign will not be able to compete with Hanting in China as Hanting is faster, more cost effective and they have a better knowledge of their clients. International guests are welcome as much as 90% of the current guests at Hanting are business travelers from China.

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