

BIG HOTEL BRANDS DISCOVER LESS KNOWN CHINA



According to a recent report of Knight Frank, the international property consultant, lower-tier Chinese cities are yet to experience international hotel big brand's expansion. The report explained that the movement to smaller markets is due to high competition in the mainland China, a market dominated by both international and local hotel brands.

China is currently suffering low economic growth, yet it has not deterred investors from entering the market. Hyatt specifically in August opened a 355-room property in Suzhou. With the same spirit, Ritz-Carlton opened doors to its very first golf resort in China, Haikou, and Hainan. **Sofitel has announced to open 8 more hotels by 2017 in China.**

Most recently, Fairmont Hotels and Resort announced plans to open a 350 room property in Zhengzhou, Henan Province capital. The hotel is expected to open the doors to visitors by 2018. This will be a luxurious hotel; housing four dining spaces of about 43,000 sq. ft. The facility will also feature a swimming pool and a Willow Stream Spa. Zhengzhou hosts more than 8 million residents; it is an economic pillar of China, educational and cultural capital of Henan province. The city attracts the big hotels because it is an industrial center and one of the largest Chinese transportation hubs.

Since the competition is high in the mainland China, a new potential has been discovered in the other Chinese cities. Hotels are decamping from the congested cities to the viable and not yet realized markets. **Cities like Taiyuan, Hangzhou, Chengdu, Changsha and Suzhou are on target as next places for hotels and resort markets.** Macau, Beijing and Guangzhou were the most outstanding in 2013 in the industry, with Macau reporting 1,700 new hotel rooms and Beijing 1,300 rooms in only 6 months. China's hotel industry is expected to grow further in the coming years, and this has given the hotels and resorts a reason to take strategic positions with plans to roll out infrastructure and facilities in the long term with some running as far as to 2019.

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