

The Year(s) of Anniversaries & Openings

By Richard P. Greenfield



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Photo: Andaz Tokyo

Last year saw the 20th anniversary for the Park Hyatt, one of the leaders in the “new” wave of international 5-star hotels in Tokyo, as well as the fifth Anniversary for the Shangri-La, while 2015 will mark the 10th anniversary for the Conrad. It was also the year of the opening of the Andaz, Hyatt’s boutique brand and the first one to be designed from the ground up in Asia (there is another Andaz in Shanghai-Pudong but that property was taken over from another chain). Near the very end of the year (Dec. 22) the Aman opened in Ginza. Aman is best known for its resort area properties and this is the first foray into the concrete jungle, as it were. It will be interesting to see how it fares.

Back to the Future

One of the most interesting outcomes of the current hotel scene may be that it will change very little over the next five years until the Olympics begin. Of course, there will be renovations and refurbishments and rebranding of existing properties. The domestic business hotel companies, which can build in much less time than an international 5-star hotel (whether stand alone or in a mixed-use building) will, no doubt, put up more. The Okura Hotel in Tokyo has already announced that it will relocate part of its existing facilities to an office tower that is being built on the site of one of its existing wings (one that was built for the 1964 Olympics).

This may sound fantastic but only until the multitude of factors that go into the building of an international 5-star hotel are considered. Leave aside agreements between the hotel and a particular developer, as well as site selection, both of which are always time-consuming and must be completed before ground is broken, and take into account the increasing labor shortages in the construction industry (as well as the hospitality sector and many related service industries). A senior executive of an international 5-star chain once told me: “A good five-star property needs a year, approximately, after opening, as a kind of trial run for the staff and management to learn what works and what does not.”

Using that comment as a baseline kicks the time remaining to four plus years, just about the time the Rugby World Cup will be held in Japan in 2019.

Pay No Attention to the Man Behind the Curtains!

Another issue for new hotels and existing hotels is the incorporation and upgrading of their wireless networks. It is hard to predict what standard or even what devices or combinations of devices people will be carrying in 2020, let alone what speed networks will have to provide. This is, and has been, a moving target for major chains for quite some time. The only easy prediction to

make is that visitors will want to be able to access multiple streams in real time when they are not onsite at a particular event.

For all of the large international 5-star hotels, keeping their networks current, and secure, is going to present a challenge in the run up to 2020. (As this article was being written Hyatt International, parent of the Andaz, as well as various other Hyatt brands announced that in-hotel and in-room Wi-Fi will now be offered without charge, something that business travelers have been asking for and some 5-star chains have been resisting.)

Whatever is going on behind the curtains and whether it is charged or not, the fact is that the connected world (or interconnected world) is changing the way all hotels do business, but nowhere are the changes more dramatic than at the top tier. The old paradigm of having a round of meetings during the day, going back, changing and having dinner with colleagues or clients afterwards has changed to one that includes all that plus being available to a home office that may be on the other side of the world, as well as anyone local who may be important enough to see or speak with. It can mean, in busy times, being available and on call for hours that formerly only medical residents and emergency room doctors were familiar with.

That puts the hotels in the very interesting position of being both facilitator and refuge in a very different way than they were when it was simply a matter of hosting a large meeting or event for several days (that remains and will remain an important part of the business for the foreseeable future, but the nature of the interconnected business traveler and their needs pose newer, and necessarily more complex, issues).

Back to the Present

The best way to look at what has been and what may come is to look first at what is in Tokyo now, at the beginning of 2015.

The Conrad — On a Clear Day

No one at the Conrad is singing “On a Clear Day You Can See

Odaiba” ... yet. And the day does not even have to be clear. It is a straight shot across Tokyo Bay. Take into account all of the necessary preparations and the amount of visitors who will be coming in and out and that is a very fortuitous combination.

Conrad really started as a brand that Hilton used to distinguish it from its other products and it was, at first, geared to upper-tier business travelers. The Tokyo Conrad, as mentioned above, will turn 10 later this year and it has evolved. Even though a majority of its guests are still foreign business travelers, it has a weekend crowd that is local to Kanto (this is true of almost all of the 5-star international properties). General Manager Heinrich Grafe estimated, “Perhaps 10% of our Japanese guests now are coming with children.” In response the hotel has begun offering a babysitting service (at this moment, only in Japanese) which gives parents the time to dine in any of the restaurants onsite (including French, Japanese, and award-winning Chinese restaurant — one of the first I have seen that can accommodate vegetarians).

Grafe has been general manager at the Conrad for three years now and has long experience in Asia. Commenting on the addition of the babysitting service (and the lack of it and other “family friendly” services at various Tokyo hotels), he noted: “Management has to be a dynamic process. Our Japanese guests expect the highest level of service. They know what they want and will pay for it.”

The Conrad is one of the pioneers in the seamless check-in via smartphone but Grafe questions how far technology can take the luxury hotel sector in Japan, saying that it “will not be accepted in this sector to the same degree as it might be in Southeast Asia.”

The Andaz — New Kid in Town

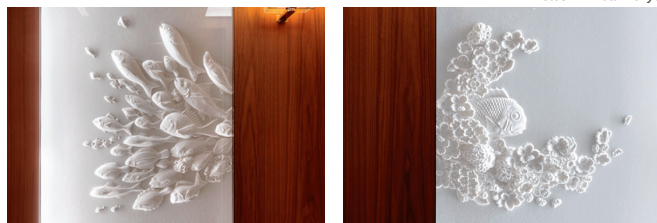
It is telling that Hyatt has one property that celebrated its 20th anniversary in 2014, while one of its new brands opened in the very same year. The Andaz is what happens when a big chain looks at an up-and-coming trend (boutique hotels, in this case) and decides to get into the market but lets loose a lot of creative talent together with the larger corporate firepower it can bring to bear (buying in is another way — the parent of Intercontinental Hotels has recently purchased the entire Kimpton Hotel chain).

Starting a new brand is always a risk to an established brand. Even if the Park Hyatt and the Grand Hyatt do attract a similar clientele, they are at opposite ends of town. The Andaz, located in the new Toranomon Hills complex, is located almost at a mid-point between them. It has a separate entrance from the Toranomon Hills complex (actually two separate entrances, one for guests arriving by car, taxi or bus, the other for guests arriving on foot).

The differences between this and other international 5-star hotels are visible at ground level. There is a pastry shop, as many hotels have, and there is also a champagne bar, but what grabs attention immediately is BeBu — a burger, sandwich and tapas restaurant with its own separate entrance to the street. The message is clear, even to those without a degree in semiotics: this is a neighborhood joint, open to the neighborhood.

The hotel itself is through another set of corridors and then up to the 51st floor to check-in. Unless the elevator is crowded, take a look at the back of it. Behind glass three is a *washi* paper relief, in 3D, of

Photos 1: Andaz Tokyo



Artwork made by 3D washi paper inside elevator. Each elevators has a different one.

sea life — fish, shells, and what might be a treasure chest. To pick out all the details requires more than one trip up and down. It shocks because of where it is. Elevator music is a term of derision for the bland and predictable, but fortunately there is no comparable term for elevator art. And it shocks by juxtaposition: whether a guest is headed up or down, whether they have a taxi, limousine or helicopter waiting, one thing is certain — they do not have a submarine waiting and this is clearly an artist’s impression of life under the sea (*Photos 1*).

On the 51st floor, reception does not look formal, just a rectangular table with several staff members at each end, looking up names or requests. They are not separated from the guest by any partition. Across the hall are common rooms with long tables that are neither round nor square nor rectangular. Each table branches off in a unique shape (*Photo 2*). For those who need more privacy there are cubicles inside the common room.

Presiding over all this is General Manager Arnaud de Saint-Exupery (for those who think they recognize the name, he does indeed come from the same family as the author of *The Little Prince*). He is also the man who opened the very first Andaz property in London.

“There are two Andaz Hotels in Asia,” he tells me immediately, “but one is a project we took over from another developer in Shanghai. This is our first, designed from the ground up, in Asia.”

Where we sit to talk is not in his office nor in one of the hotel restaurants, but at one of those long common room tables.

“There are two very important effects we want to achieve, and they can work against each other if they are not done the right way. The first is, of course, we want the hotel to be a sophisticated environment, the kind that will both attract and intrigue people. The second is that we want it to be indigenous to the place where it is.

Photo 2: Andaz Tokyo





Japan, for example, is still very traditional when it comes to seasons, so the room amenities will change with the season. Now it is autumn, everything is about rice. In winter it will be *yuzu*.

“That is only one aspect, though. These long tables where we are, two people can sit talking comfortably, or, if they need more privacy ...” he gestures at the booths. “But a group of people can also sit comfortably, a work group, colleagues or friends, it does not matter. No one is at the head of the table because there is no head of the table. It is the same over towards the windows — there are some couches, there are some single seats, and much of the day people are sitting and working as they would in their own living rooms.”

The Andaz does more to enhance the guest experience. Anything non-alcoholic in the minibar is free (anyone who has traveled at all knows the temptation of the 3 a.m. snack — or trip to a local convenience store). After my visit to the Andaz, Hyatt International announced that all hotel Wi-Fi, in rooms and on the premises, will be provided free of charge.

Saint-Exupery is not an amateur. To open the flagship of a new brand anywhere, to say nothing of a high visibility city like London, is staking a lot of personal and professional reputation. To do it again on the other side of the world is staking more.

Summing Up

Every hotel general manager has to be at once the captain of the ship, the toastmaster and the public face of the particular property. Tokyo has been particularly well served by the majority of the general managers who have been here, weathering the Lehman Shock, as well as 3.11 and its aftermath. (It was, initially, at the request of a newspaper outside Japan that I began first covering the beat.)

Business and leisure travel have changed enormously. In part this is due to technology, in part simply due to changes in the ways companies approach business travel. None of the large international chains lives in a bubble. It is just the opposite — an irate guest may take to Twitter immediately, or leave something to warn other guests on Trip Advisor or any of the other travel-focused sites.

The hotels in turn have responded, with various offerings, whether aimed at families with small children or business travelers who need to stay a week or longer (some chains have long-stay hotels aimed at that, others have “long-stay rooms” which can be configured differently to accommodate particular needs).

Hotel chains know that behind them there are disruptor models like Airbnb, but while these models can offer individual travelers or families particular arrangements that might be better suited to their circumstances, and may represent a growing portion of the rooms available in Tokyo, that number will still be a fraction of what the international 5-star hotels offer, to say nothing of all hotels of every kind in the city.

Tokyo has been well served by both the veterans celebrating anniversaries and by the new entrants. **JS**

Sidebar

Unreal Estate

According to real estate broker and research firm Miki Shoji Co., by the end of 2014 the boost in property prices that had begun with the inauguration of “Abenomics” had already shrunk back to include only the Tokyo area. In Osaka and Nagoya, the second- and third-largest cities in Japan, prices have fallen. *Japan SPOTLIGHT* spoke with James Fink, senior managing director at Colliers International, a commercial real estate services company.

“There are always going to be some swings in the market, but, for instance, if we look at a weaker yen there are a number of knock-on effects that people may not think of. For one, if Japan is cheaper, more tourists will come. It also makes Japan more attractive to foreign real estate investors.”

Fink continued: “Even before Tokyo was chosen for the Olympics there were certain infrastructure improvements that had been talked about or were already underway. Certain neighborhoods, like Toranomon and Nihonbashi, were already slated for urban redevelopment.” He pointed to the highway tunnel under Toranomon, which the Toranomon Hills complex is just astride. “It took years to get that done, but now it is, the Mori Complex is anchoring it, many of the streets have been widened, and the entire area will benefit.”

“There are some special builds for the Olympics — the stadium, housing for the athletes, and so on. Most of the rest was already planned, or underway, or will be accelerated and that has a lot more to do with changes in land use patterns, gentrification and improvement of centrally located real estate in Tokyo for workers and residents.”

Richard P. Greenfield is a journalist, editor and consultant living in Japan.