

Solar Energy Charity

Helping Relieve Poverty Through The Provision of Solar Energy. Join Us!
www.Solar-Aid.org

Public Service Ads by Google



June 8, 2010

Hotels' Future Looking up-at Last

By Ryan Clark

```
{{eval var=$ImageLine assign="Image1"}}
{{$Image1|replace:#Name#:"nyc.jpg"|replace:#Width#:"auto"|replace:#Height#:"auto"|replace:#Orientation#:"left"|regex_replace:'/#CaptionLine#(.)'
#VCaptionLine#/'/"|replace:#CaptionWidth#:""|replace:#CaptionHeight#:""|replace:#CaptionOrientation#:""|replace:#ImageCredit#:""|replace:#AltText#:""}}
```

NEW YORK CITY—"Being English, I am quite optimistic," noted Andrew Cosslett, chief executive, IHG, regarding the near-term future of hotels. Clarifying, he explained that "quite" means: "It might be [good] and it might not." Lalia Rach, divisional dean and HVS professor, Preston Robert Tisch Center for Hospitality, Tourism and Sports Management, School of Continuing and Professional Studies, NYU, moderated a panel of hoteliers in a discussion called, "The CEOs Check In." The panel was comprised of Cosslett; Hyatt Hotels Corp.'s president and CEO Mark Hoplamazian; David Kong, president and CEO, Best Western International, Inc.; and Arne Sorenson, president and COO of Marriot International, Inc.

"[We are] in very early stages of recovery," Hoplamazian said. "Year over year looks fantastic, but [that's] coming after one of the worst year's on record. We [need to] see some more durable evidence that we're in a recovery."

Sorenson said that he was "wildly optimistic" noting that rates will be coming back very soon, although currently rates on group business is not great. Cosslett explained that Asia specifically is moving ahead in rate, but that it's slower for places in Europe. There was a question as to challenging construction. Hoplamazian said, "It's not binary in building and not building, but construction is challenging. It takes a long time to build, harder to finance and there will be a lag [behind demand]."

Sorenson also predicts that luxury will make a comeback faster and RevPAR will grow faster, however the AIG-effect will have a lasting impact on marketing. There will be less emphasis on fancy amenities and more of a focus on family-oriented vacations and experiences, he explained.

The downturn separated brands that had branding strength and roots from those that did not, said Cosslett, explaining that coming out of the recession solid brands were pretty good, while it meant "curtains" for "fly-by-night bling merchants." Kong noted that it was not wise to launch a new brand right now, because brands have to mean something. However, a brand strategy was not just one thing, he explained, it was "like surround sound." For example, the sales and descriptor programs are meant to make it easier for clients to make educated decisions on their variety of choices, as opposed to trying to confuse clientele with a new positioning. Hoplamazian noted the dangers of a repositioning, "Is it just slapping a name on the building or are you giving something new for the customer?"

Cosslett explained the future hotels simply in this struggling market, "Make brands more distinct and customers will seek you out."



Copyright © 2010 ALM Media Properties, LLC. All rights reserved.. Permission granted for up to 5 copies. All rights reserved.

You may forward this article or get additional permissions by typing http://license.icopyright.net/3.8454?icx_id=300207 into any web browser. ALM's Real Estate Media Group and GlobeSt.com logos are registered trademarks of ALM's Real Estate Media Group . The iCopyright logo is a registered trademark of iCopyright, Inc.