

# Business Traveller

AFRICA

## HOTEL GROUPS IN AFRICA

Active and bullish

## AFRICA'S TRAVEL INDABA

Durban welcomes the world to Indaba

**PARIS**  
MICE favourite





**Saurabh Rai**

Executive Vice-President: South Asia, Middle East, Africa and Australasia – Preferred Hotels & Resorts

# Celebrating growth

*Preferred Hotels turned 50 last year and 2018 was a special milestone for the Preferred brand. One of the original players in the independent hotel space, the group started with just 12 North American hotels in 1958. It has grown into the world's largest independent hotel brand with more than 750 hotels in over 85 countries. Saurabh Rai, Preferred's Executive Vice-President: South Asia, Middle East, Africa and Australasia, offers his thoughts on the African hotel industry.*

**Q: What, for you, was the biggest achievement of those first 50 years?**

**A:** Among other things, I was incredibly proud of our successful transition in 2015 from a business-to-business hotel platform to a consumer-facing travel brand.

**Q: Have any goals been set for the next 50 years?**

**A:** Our strategy is to continue doing what we have been doing for the last 50 years: championing the independent hotelier and independent hotel experiences. Our company-wide goal is to make our pineapple brand logo famous globally.

**Q: Do you have a view on the state of the African hotel industry?**

**A:** Africa still has significant scope for development, particularly in the corporate and leisure sectors, which have been a key focus for hotel chains and smaller regional hotel collections launching properties in countries such as South Africa, Nigeria, Ghana, Kenya and Mauritius. While some markets in Africa are stumbling in terms of economic development, the introduction of new business and leisure-focused hotels is promoting growth across the whole continent.

**Q: Do you believe there is still room for growth in the African luxury hotel segment, or is the market saturated?**

**A:** Safari lodges and beach resorts aside, the luxury hotel segment is still finding its footing and nowhere near saturation point. There are significant gaps in the market for luxury hotel products in capital and secondary cities for which there is considerable demand from intrepid leisure travellers and business travellers on extended stays. Growth in this area is viable, provided it is combined with improved air access and new flight routes from both African and international airlines.

**Q: What are your thoughts on the African mid-market segment?**

**A:** With the rise of international hotel chains breaking ground in African countries, we will continue to see the mid-market segment expand, largely due to it being a tried and tested model and because it is a relatively low risk, turnkey investment for business owners and asset managers.

**Q: Where, do you believe, are the next African hotspots in terms of business travel?**

**A:** Uganda, Rwanda and Malawi have seen an increase in infrastructural development in recent years as well as the emergence of conference and exhibition facilities, all of which contribute to the region's ability and desire to attract more corporate and MICE travel business.

**Q: Are there any plans to extend the Preferred Hotels & Resorts footprint in Africa?**

**A:** Our aim is to expand our footprint across sub-Saharan Africa by having a presence in every major city. We are strategically pursuing partnerships with new-build and existing properties in the upper-upscale and luxury segments. We also see tremendous opportunity for our brand within the luxury leisure space, namely luxury lodges and resorts in established and up-and-coming destinations such as Mozambique, Mauritius, and Namibia.

**Q: What, for you, are currently the biggest talking points in the global hotel industry?**

**A:** The role that data-driven disruption plays in accessing new and retaining existing customers. Never has there been a time in the hospitality industry where the relevance of big data has played such a pivotal role. As such, hotel and travel companies are investing in the creation of evolving data-

driven eco systems, similar to platform-driven business models like Amazon. Industry disrupting players like Airbnb are responsible for this operational change and should be recognised for initiating this new approach before some of the more conventional hospitality brands.

**Q: What's your view on technology and the role it is currently playing in the hotel experience?**

**A:** With millennials now the most influential travel consumer, there is a wider understanding among hoteliers of the important role of technology in hotels and how it can elevate the guest experience. Millennials expect to be able to use multiple devices and enjoy uninterrupted connectivity while travelling, so it is key for corporate and luxury hotels to make new technology – in both a practical and indulgent sense – an integral part of their offering. We are seeing more hotel members offering paperless check-in/check-out and keyless entry. Forward-thinking hotels are also seizing the opportunity to act as their guests' travel guide.

**Q: With your corporate travel-focused properties, what do you believe you and your member properties need to get right to ensure a seamless experience?**

**A:** A sincere understanding of the needs of corporate travellers and buyers is key. While confirming business it is important for corporate and MICE-ready properties to understand the company profile and their purpose of travel. Functional products and services that can be implemented on-property to the benefit of corporate travellers include complimentary high-speed internet, healthy dining options, fitness facilities, and loyalty initiatives. ■