People–in–Travel

Tracking Travel's Leaders

From Travel Business Analyst

Interview: Ralph Ohletz

Ralph Ohletz was appointed president of the new Regent last summer. Some paraphrased comments:

• This is going to be a very different start from the time when luxury was large hotels and big lobbies. Luxury has changed; it is smaller hotels, and will have a real estate element to it. So there is a new constellation we are working on. Such as villas on the site, for renting out.

• Luxury is also the design element, the restaurant, where we can bring in a name restaurant operator. So we are looking at shopping centres, real estate. Because luxury is much wider.

• We have eight hotels in the pipeline. We pay Rezidor to manage our hotels in Europe. We will have our Europe base in Berlin, where we have a hotel.

• In the next two years all our hotels will be Regent managed. Maybe some of those existing hotels will leave the group. The Four Seasons contract for the Regent Taipei has ended, but the Regent Singapore is FS-managed for another five years. *[Contradicting the previous '2-year' statement.']* We will bring Regent back to Hong Kong. We have only six hotels and Regent Cruises. All the good Regents were switched to FS.

• Burns is a figurehead for Regent.

• Stephen Pan *[owner and chairman]* has two other hotel brands in Taiwan - Just Sleep and Silk's Place. The Regent management team will look at developing one of those brands, because some developers want 4-star. *[But if Regent is 5-star, then we would consider Silk's Place would be 3-star).* Probably will be Silk. But at present, we want to concentrate on Regent.

• The first 'Regent DNA' will be open within two years. *[Regent management refers frequently to the 'Regent DNA'. They mean Regent with the old standards, of the pre-Four Seasons/Carlson Hong Kong-base times. But the company is also talking about the new standards for 5-star hotels, as above, and so in reality the 'Regent DNA' is just a marketing tag, having no real value. That is not a negative criticism, but a comment of fact.)*

CEO Sound Bites; Qantas

Alan Joyce. Some comments are paraphrased.

• Australia's future is tied up with Asia, and with China in particular. Six of Australia's top 10 trading partners are in Asia. The Qantas Group plans to contribute to and benefit from Australia's Asian future. We are laying the groundwork with Jetstar. Jetstar has an aggressive pan-Asian strategy with huge potential. It is already Asia's largest low-fare-airline by revenue.

• Last year 56mn people left China, with 16% annual growth expected until 2020.

• Capacity has flooded into Australia. Growth in airline capacity to Australia over 2003-09 was 39% - but total inbound passenger growth was only 10%. So these airlines are not growing the market, but simply taking existing demand. As a result, Qantas International's market share has fallen from 35% to 20%.

• As an end-of-the-line carrier, serving a market of 22mn people, in a marketplace with so much capacity that our competitors are not using their full quota, we face severe limits to growth. If we continue on our current path, there will be a real question mark over the viability of Qantas International.

So we have set up a task force to explore options that will invigorate the business, generate new and profitable markets, and protect our jobs and assets.

• Qantas Frequent Flyer now has 7.5mn members.

• Jetstar is committed to offering the lowest fares, and will address the fuel price issue via selective changes to air fares and increases in ancillary revenue, including baggage charges.

• Domestically we have a 65% market share across our two airlines.

• Jetstar Australia growth is projected at 30% this year.

CEO Sound Bites; Kempinski

Reto Wittwer. Some comments are paraphrased.

• We were opportunistic, but now we are more structured.

• Adlon could be the Kempinski Adlon, but it is not important; it depends on the hotel. Sometimes the Kempinski name helps. We have an airport hotel, and I know we get more for rooms because it is a Kempinski Airport Hotel rather than the Airport Hotel.

• When we took over the Noga Hilton we said to the Saudi owners we could increase rates by 30% if they made some investment. But maybe we can't get occupancy up from 60% to 70%. Hilton had reached its limit in average rate. We called it the Grand hotel.

• We have divested 23 projects over the past three years, for various reasons.

• Investors call us now. That would never have happened 10 years ago. The owner of the Crillon called us.

• We have 100 hotels. You cannot clone luxury, so we have to limit ourselves. We would not name something like Kempinski Paris; some American chains might. We would rather go for discreet branding.

• We don't want to be like McDonalds and be everywhere.

• 50% of my time is spent with staff, and 50% with owners. You need to bond with our owners; if you don't bond it is not so good - and not so much fun.

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For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com
Editors: Murray Bailey, Steve Shellum. Design: Context Design & Publishing. www.travelbusinessanalyst.com