

COVER STORY



# NEW, RENEW

A new name, increased focus on technology and asset repositioning – these are some changes that Radisson Hotel Group's brand refresh will entail

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PHOTOGRAPHY: ASHISH BHALLA

Change seems to have become a constant in Katerina Giannouka's life for the past few months. Last September, the Carlson Rezidor Hotel Group appointed her as president, Asia Pacific, and as a member of the company's Executive Leadership Committee she is working in tandem with the global and Asia Pacific leadership teams to drive its success and growth. Responsible for leading the Asia Pacific executive committee and its corporate offices in Singapore, Shanghai and Delhi, she reports directly to CEO and COO, John Kidd.

Interestingly, a year before that, China's HNA Tourism Group bought US-based Carlson Hotels, and also acquired Carlson's 51.3% stake in Brussels-based Rezidor Hotel Group. And even more interestingly, in March 2018, there was another reshuffling of the decks – Carlson Rezidor Hotel Group rebranded itself as Radisson Hotel Group.

Taking these changes in her stride, Giannouka is now busy working with the executive team to ensure that the changes associated with the brand refresh are implemented throughout APAC. However, the big question on everyone's mind is how will these changes impact the existing hotels and the upcoming ones? "This is a most exciting period in our company's long history," said Giannouka, "With its rebranding and many other initiatives in the pipeline, we are positioning Radisson Hotel Group for a bright future. One of the new giants of the global economy, India has been a key market for us for many years. We look forward to working with hotel investors, owners, developers and other stakeholders across the country as we accelerate the expansion of our portfolio and introduce exciting brand concepts such as Radisson Collection to the country."

#### THINKING LONG-TERM

To help it claim a spot amongst the top three hospitality firms globally, Radisson Hotel Group has also come up with a five-year strategic review,

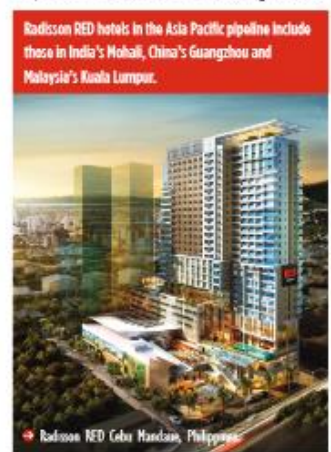
Destination 2022. Giannouka reiterated that this rise to the top won't be merely rated in terms of market capitalisation, but will also take into consideration brand recognition amongst guests.

"Over the last year, we had the opportunity to relook at our business afresh and this five-year strategic plan was developed based on what are our strengths, the ostensible opportunities, what we can do and what we need to stop doing," she explained. While analysing every area of the business, the company realised that it was under-utilising one of its core strengths – the Radisson brand – which is globally recognised.

Industry watchers say that there was need for Radisson to innovate especially as it is up against stiff competition from global heavyweights like Marriott, Hilton, IHG and AccorHotels. Since Radisson was the strongest brand component in its portfolio, clearly there existed a

prospect to build its corporate identity around it. After all, it is easier to change people's perception about a known entity, than create awareness about an entirely new one.

At the same time, it was equally important that each existing brand



## Radisson Hotel Group introduces Radisson Collection

100-room Radisson Blu, Agra is the only hotel from India to be recognised property among 13 others shortlisted globally.

Radisson Hotel Group has announced Radisson Collection, a premium collection of hotels in landmark locations, driven by consumer demand for individuality and personalised experiences. Radisson Blu, Agra an upper upscale hotel, has been officially shortlisted to be one of the Radisson Collection properties as Radisson Collection, Agra. It is the only hotel from India to be recognised as a Radisson Collection property among 13 others shortlisted from all over the globe. The property due its cultural authenticity, design and service will be acquiring this status in a few months showcasing everything that the brand stands for.

Over the past one year, the property underwent extensive infrastructure changes with the creation of a fully operational luxury wing. Addressing these new developments at the property, Paritosh Lodhani, executive director, Radisson Collection, Agra said, "We are proud to announce that we are the only property from the country to be part of the Radisson Collection and the conversion to this luxury brand will take place by the forthcoming year end."



Radisson Blu Agra will become the first Collection brand in India.



in company's portfolio had its own distinct identity and swim lanes to prevent cannibalisation. To ensure that its own brands do not end up competing with one another, Giannouka explained that a little bit of shifting around took place during the rebranding to ensure that each brand is relevant. Take the case of the new Radisson RED, which is a full service upscale creation. It has been positioned in a way that it will not encroach upon Park Inn by Radisson. Radisson RED hotels in the Asia Pacific pipeline include those in Guangzhou in China, Kuala Lumpur in Malaysia and Mohali in India.

#### RESTYLING ON THE MENU

Currently, Radisson Hotel Group has six brands in India, with the upcoming Radisson RED taking the number up to seven. In Giannouka's opinion, when it comes to the country, there are some brands that people already know, so it is more a matter of fine-tuning them to hone their understanding of these products. "We are also launching the Radisson Collection, which is crafted as a affordable luxury brand. We want to cater to the affluent middle-class Indian consumer who is increasingly travelling and holidaying, and offer them something that is a little higher-end in experience, but viable economically," she said.

When it comes to Collection, the idea is not to take existing properties and change the name of the door. Giannouka said that the repositioning exercise gave the company an opportunity to do its portfolio management meticulously, and take a closer look whether there any hotels should not be part of a given brand since it did not fit the overarching identity.

"In India, we have an existing hotel undergoing major renovation with a whole new wing of rooms being built. I felt that it fit at the top of its current Radisson Blu status. We asked the owners whether they would like to elevate the brand to Collection and invest the ad-

ditional amount. They agreed and that is how Radisson Blu Agra will become the first Collection brand in India," she elaborated. In short, Collection would not be a relabeling exercise; the brand will be grown through careful conversion or new builds.

Does that also mean that while some properties are rebranded or repositioned, contracts with others will be terminated? After all, it is a well-known fact in the industry that only top-performing hotels bring in better profits for the entire company.

"Well, it's like stock trading; you keep reconsidering the under-performing assets and investing in the top-performing ones. Similarly, with us, there will be organic attrition where contracts expire and some properties might not fit the new brand architecture. Also, with the brand refresh, we are coming up with evolved standards, and owners might not want to invest in that," Giannouka said while talking about the strategy to elevate the quality of the Radisson brand experience for owners too.

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#### TECH IS KEY

Recently, Kevin Carl, EVP and CIO of Radisson Hotel Group announced that the company is working on a new and exclusive unified technology platform, called Emma. This will offer on-property access to better data on guest preferences, insights into past stays and purchases to create more personalised experiences for guests, better transparency into meetings bookings as well as inventory details.

To reposition the Radisson brand, Giannouka believed that technology has to be at the core of everything that the company does. "This technology is being built from scratch and while this means that we are investing heavily in it, ultimately it will drive cost down for owners as they will have lesser hardware to purchase, operate and maintain. This investment will drive down our per-booking cost and we will be able to compete better

#### QUICK FACTS

- Radisson Hotel Group aims to have 200 hotels in South Asia by 2022.
- With the addition of Radisson Collection, its India's portfolio will go to seven brands.
- It has signed Radisson Blu Resort Visakhapatnam, Radisson Parkpat City Centre and Country Inn & Suites by Radisson Agra in Q1 2018.
- It opened Radisson Gwalior in March 2018.
- The group is on track to open another eight more hotels in India this year.

## Plugging Away Merrily

While jostling for the top three spot in the global hospitality space, for now Raj Rana, CEO, South Asia, Radisson Hotel Group is working round-the-clock to make everyone associated with the company aware of the bright future in store for them.



Recently at HICSA 2018, when Manoj Thadani, founder-chairman of Hotelivate was asked his opinion about Radisson Hotel Group, he said that it was one of the most well adapted global brands in India. How did your company manage to achieve this status?

I am thankful to Thadani for his statements, which speaks about the strength of our core competency and what differentiates us from other companies. This has happened because we have always steered from diluting our brand standards, and because we have adapted to the locale, which is a key word in our five-year strategy. We understand what the local owners, guests and employees want. It has helped us create some great success stories in the past few years.

**How are you getting all stakeholders, especially owners, in India on the same page about the new brand refresh?**

Our owners have been well communicated about the owner-value proposition with this brand repositioning, which has many aspects. Firstly, we have explained to them what we are doing to improve their top-line, since we have an almost 50% franchise portfolio.

Besides, we are informing them in-depth about the various levels we are investing in, like technology enablers because today the hospitality industry is heavily dependent on technology. We are investing in destination platforms, so that we can better compete with OTAs and other disruptors. Additionally, we are investing in property management systems (PMS) so that there is better reporting, analytics and ability to understand how to make good decisions. At the same time, the owner of a managed portfolio is looking for talent and people development, an area that they are often lacking in. We help in that too. These are part of the owner-value proposition. And the last, and probably a crucial, part is the guest. Our guests identify with Radisson Hotel Group and the name change removes the confusion in the loyalty programs; they no longer have to worry about what is Club Carlson or Radisson Rewards. The value proposition that we have

brought to the guests in the newly designed programme, the more redemption options – those are all very strong points working in our favour.

**Radisson Hotel Group has always been viewed as a pro-owner company. However, with the rebranding and new brand architecture, how will you decide the owners best suited for respective brand?**

Our owners are on this journey for us and we have always had 100% renewal rates. But I would take this with a grain of salt; I don't think we always want 100% renewal rates, also. There are some hotels where we need to stand tall and part ways. With this rebranding, there will be some pruning that we will do.

For instance, maybe many years, when we were trying to get to critical mass we added hotels that we should not have accepted because they do not fit the brand architecture. Or even if the owner is willing, maybe they do not have the funds or ability. We will be shifting gears to have better integrity so that the guest experience is consistent with what our brand stands for.

**How are you going to help owners also manage technology, which will be a key differentiator in this business?**

I also see technology as a threat to the hotel industry at large. There are enough disruptors out there that are firmly standing on the legs of technology, rather than brick-and-mortar, who are threatening to take away business from hotels from the traditional delivery mechanism. Recognising that, investing in technology is front and center in our five-year plan. Secondly, the cost of technology is also a big pain to owners. Imagine if they have to change their PMS every few years. Hence, we are launching a cloud-based platform, because we understand that the physical shelf life of technology is shortening. It is incumbent on us as brand owners to manage technology's shelf life and make it available to our customers.

**How is your growth story looking in India?**

We aim to expand our portfolio to more than 200 operational and under-development hotels by 2022 in South Asia, where we are already a dominant international player. We already signed Radisson Blu Resort, Visakhapatnam, Radisson Paripat City Centre and Country Inn & Suites by Radisson Agra in the first quarter of 2018. With the recent opening of Radisson Gwalior, we are on track to open another eight more hotels in India this year.

With a robust performance, ahead of industry average and continued investment in technology and revenue driving platforms, we are optimistic of meeting our five-year goals. I am delighted that India is leading the way in Asia Pacific with a total of seven global brand offerings, which will further strengthen our business in the region.

against OTAs," she emphasised.

Radisson is also rebuilding its website – taking down the number of clicks to book a hotel from around nine to three – to ensure that the user experience is also enhanced. This site is being crated around the concept of a mall, where a buyer can get everything at a single destination, something they learned from other disruptors in the industry.

To offer better value to owners, the company is instilling transparency on its tech platforms – they will get a dashboard where they can see how their property is doing. "While adding value to our relationship with owners, this transparency is critical because they want ROI predominantly – they want to know what they are getting for their payments, for the value of the licenses, being

able to track talent, etc. We are creating a platform where they can see it for themselves," she said.

With eight brands that range from full-service luxury to economy select-service, Radisson Hotel Group has tried to ensure it has one for every customer segment. It has puts owners first to get on the fast lane of the road to growth. Will these steps help it win the battle for the big three league? ■