



# **ДВАДЦАТЬ ТРЕТЬИ МЕЖДУНАРОДНЫЕ ПЛЕХАНОВСКИЕ ЧТЕНИЯ**

**ТЕЗИСЫ ДОКЛАДОВ АСПИРАНТОВ  
И ПРЕПОДАВАТЕЛЕЙ  
НА ИНОСТРАННЫХ ЯЗЫКАХ**

**(22 апреля 2010 г.)**

## **LUXURY HOTEL BUSINESS IN RUSSIA AND EUROPE. IS THERE ANY FUTURE DURING THE ECONOMIC DOWN-TURN?**

During the world economic crisis which started in 2007–2008 in the USA and spread all over world over the next couple of years, the luxury hotel market suffered a lot due to the lower demand on the part of the corporate and leisure clients; stagnated incentive trips, cancelled or postponed, or in the best case last-minute requests. On the other side, there were a certain percentage of high-end clients and hotel brand addicts who preferred to stay at five star deluxe hotels and not to change their travel behavior. Some of those clients affected by the worsening economic situation preferred to go for lower room categories and booked standard room types as opposed to suites at least while traveling on business in order to “keep head down” and spend less. In the opinion of David Jenkins<sup>1</sup> “the year of 2009 in hospitality has been notable for a significant drop in the hotel operating figures across Russia. The crisis has accelerated the process of market correction in the rates hotels would be able to charge in all segments, and has done it in the more aggressive manner. Though, the drops should be seen in the light of several years of high growth in hotel profits and there have been RevPAR drops in excess of 30% in Moscow, this followed several years of double figure growth”.

The Rocco forte Collection which consists of 13 luxury hotel properties including Astoria in St. Petersburg has as well suffered from the consequences of the world recession. The following questions were put by the

---

<sup>1</sup> Director Hospitality, DTZ, Russian and CIS, Commercial Real Estate 16–31/01/2010

executive board for all Rocco Forte hotels and for their directors of sales and marketing to analyze what made it different from the last year and what it takes to overcome the stagnated growth in sales and hotel revenues: Are sales ahead of last year? Is Revpar<sup>1</sup> growing faster than the competitive set? Did the hotel beat revenue budget? Did the hotel beat Target? Did the hotel beat Minimum? Did the hotel meet the Target Revpar position? Is the 90-day Sales Forecast on budget? Is the 90-day EBITA<sup>2</sup> Forecast on Target? Is the 90-day EBITDA<sup>3</sup> Forecast on Minimum? Most hotels were forced to introduce streamlining projects, cutting expenditures related to public utilities, operating supplies and personnel. Cost saving, however, is not the only solution in the economic downturn. The brand was sure that sales people were selling rooms via every available channel, including packages and websites where applicable. The performance was improved with unparalleled commitment to aggressive marketing, those properties who are willing to learn what it takes in today's new way are amazed at the immediate impact those efforts yield. During a downturn is when one must market and advertise. The reason, there is less "clutter" in the marketplace and the client's branding and messaging will stand out. As the ad pages in mainstream travel/lifestyle periodicals remains at lower levels, the ads which are run have the advantage of increased visibility and less competition. Coupled with a strategic PR and Social Networking campaign, it is a once in a decade marketing opportunity. The Rocco forte Collection was delighted to announce the introduction of "The Rocco Forte Suite Experience" in 2008 to appeal to suite bookers. In addition to luxurious, spacious suites with bespoke artworks and furnishings all suite guests enjoy a collection of exclusive benefits available throughout all hotels (not available to upgrades). The suites in The Rocco Forte Collection are already among the biggest and best in Europe, but from May 2008 guests can enjoy an unrivalled level of luxury with the launch of a new suite product. As well as the comfort, space and excellent design that a Rocco Forte suite already offers, guests enjoy a new range of complimentary services. This program has proved to be very successful and has helped to sell suites generating more profits, and has contributed at the same time to the brand recognition of the Rocco Forte Collection and its marketing positioning as that of The Art of Simple Luxury.

---

<sup>1</sup> Revenue per available room

<sup>2</sup> Earnings Before Interest Tax And Amortization

<sup>3</sup> Earnings Before Interest Taxes Dividends And Amortization