

# People-in-Travel

## Tracking Travel's Leaders



From Travel Business Analyst

### Going 1

Andy Cosslett, 55, CEO of InterContinental Hotels Group (IHG), is due to leave end-June, to be replaced by Richard Solomons, 49, currently CFO, with IHG since 1992.

Cosslett, who joined in 2005 (from Cadbury Schweppes), said the time is right because the company has "closed a chapter" after the Holiday Inn relaunch.

*That is open to challenge. Holiday Inn was solidly mid-market, and now it is in the lower ranks of the upper-market segment. And the question - why move HI out of its successful mid-market segment - has still not been answered.*

*Worse, IHG does not have an unencumbered replacement. The company has Holiday Inn Express, which has by default moved into the market slot that HI once occupied. But HIE is still not internationally established. And now there is the added confusion that it still carries the HI name - which has moved into another bracket.*

*So has HIE also moved? Even if IHG knows the answer, customers are certain to be unsure for some time.*

*IHG says that Indigo - which we believe could be an HI replacement is a success, but that too is open to challenge. In fact, Indigo aims for another niche, which can be loosely described as a trendy HI.*



What will Solomons do? No clear indicators, but

in his time he has been through the turbulent direction-changing years, from Bass to Six Continents

to InterContinental again, then to IHG. He has been through disinvestment - IHG sales of most of its owned hotels.

Some soundbites from Cosslett at the International Hotel Investment Forum in Berlin last month:

- Despite fears of US\$200 per barrel oil prices, people won't give up travelling. They

may make different decisions on how they'll spend their money, but there are a few things we won't give up, and travel is one of them.

- Traffic from Brazil, China, India, is going to bring huge business. so having hotels in those locations, helps our hotels in the destination countries. many travellers from China think that Holiday Inn is a Chinese brand.

- In the recession there was more leisure travel than at any time.

- 80% of hotel business is from travellers who drive to the hotels. we have a special team, with army backgrounds, to help in situations like Egypt's social and political disturbances.

### Going 2

Thierry Antinori, 49, the French national who came close to the top of Lufthansa as its head of marketing, is leaving the group. He was to become chairman and CEO of Lufthansa subsidiary Austrian

Airlines this month.

This is not a complete surprise. In January we wrote:

*"Antinori made a few mistakes at Lufthansa, and he was passed over at LH when it changed its CEO recently. It will be hard to turn around AA, so maybe he can be fired with justification if he fails?"*

*"His big marketing mistake was IFE on LH longhaul - being outsmarted by most, even secondary airlines. He had installed main everyone-watches cabin screens in new aircraft on long-haul flights, for instance! And more recently, he appeared to think that in-flight internet connections dispensed with the need to provide a comprehensive IFE program and convenient screens.*

*"LH is now paying to catch up.*

*"Also, LH's low-fare-airline associate Germanwings is a failure, although this may not be entirely Antinori's fault.*

*for instance, GW is a smaller airline than Norwegian - although Germany's population is 90mn, and Norway's is 5mn."*

But we ended noting "at least Antinori was not given BMI to run, the most-troubled new LH subsidiary, so perhaps he is not being set up for eventual dismissal".

We note, however, that in terms of traffic growth, Antinori's record looks good - at the core airline, 7% growth in seat sales in 2010 (compared with a 2% fall at Air France, and a 6% fall at British), -3% in 2009 (-5% -4%), and +1% in 2008 (-1% -4%).

Antinori has not said where he is going.



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