

# People-in-Travel

## Tracking Travel's Leaders



From Travel Business Analyst

### CEO Interviews

(May be paraphrased.)

• **Willie Walsh**, IAG, holding company for British Airways and Iberia. (Recorded at the World Travel & Tourism Council's Global Summit in Sendai and Tokyo.)



*Is BA's subsidiary airline Open Skies a failure?*

It has been very useful in terms of what we have learned.

*But it is back to operating just one route, Paris-New York.*

Look at the response of Air France when we started Paris-Washington. They put A380s on the route. They will be in serious trouble. They are in deep trouble.

*Surely the government will not let them fail?*

Well look at Swissair. Governments have not got the money to support the airlines. It is too difficult for Air France to reform because of the government and the unions.

When I ran Aer Lingus it was government owned and I said I couldn't run it unless you let me run it. It is the same with Air France. The regional hubs will make things worse for the airline. But KLM has lots of capable people.

*Are there any changes coming up for Open Skies apart from those announced for this June?*

No. But I don't think the airline will be the same one year from now.

• **Hubert Joly**, Carlson Hotels. (Recorded at the International Hotel In-

vestment Forum in Berlin.)

*What do you plan to do about your brandname problems\*?*

My idols are generals like Napoleon and Patton; they used great power to push through. We have no problems, because problems are too difficult to solve. So we just concentrate on our strengths.

There are going to be changes to Park Inn later this year that [will more clearly differentiate the product]. Country Inn is mainly a US mid-west product, and Park Inn is doing well in Asia. But Park Plaza is mainly in Asia, and is only small, about 40 hotels, and mainly owned by the UK-based public company.

*Why not make one an economy brand, a strong sector?*

Yes, the economy sector is a great sector, but we are not in it. We concentrate on what we are doing.



*Why sell the small-exclusive brand Regent to start/develop the small-exclusive brand Missoni?*

I pushed the sale of Regent, partly because the Regent Berlin lease was costing us so much. And we had a keen buyer.

Regent was a problem because

it was big enough to require attention. Missoni is different, and does not cost much. There will only be a handful, and particularly in the Middle East.

*\*These include:*

-Radisson Blu. Unclear market position, and not well known by public and/or differentiated with the core Radisson brand.

-Same-standard similar-name - Country Inn and Park Inn. Carlson tags CI 'By Carlson', and PI 'By Radisson', but that is applying sticking-plaster to something that requires surgery.

-Same standard - Radisson and Park Plaza.

-Missoni. Having dumped Regent (a niche brand like Missoni, although it was not meant to be), what will Carlson do with Missoni? Will it persuade Rezdor to dump Missoni?

### CEO Sound Bites

• **Christopher Rodrigues**, Visit Britain. (Recorded at the World Travel & Tourism Council's Global Summit in Sendai and Tokyo.)

*On the China visitation problem.* A deal is being worked on to link a British visa to a Schengen visa. Because at present a UK visa is just for UK. Travellers need to get another visa if they also want to go to, say, France.

• **Frits van Paasschen**, Starwood Hotels. (Recorded at the International Hotel Investment Forum in Berlin.)

Business is surprisingly good; underlying trend lines are good. Inflation is not necessarily bad for us. We are on the cusp of a golden age. There is a huge growth in mobile phones so most of these will become smartphones. There are 2bn middle class, and another 3bn coming.

In the downturn we opened 80% of our pipeline. We have been cleaning up our Meridien and Sheraton brands. Meridien is not doing so well but the brand has a lot of hotels in North Africa and Mideast, but in terms of competitive set we are doing well.

An annual subscription to People-in-Travel, costing €100, is delivered only via email in PDF format. A small extract from PinT may be included in the Asia Pacific and Europe editions of Travel Business Analyst. ISSN-1998-6882.

For more information, contact Raymonde Perpignani at Travel Business Analyst, TBAoffice@gmail.com

Editors: Murray Bailey, Steve Shellum. Design: Context Design & Publishing. Copyright © Travel Business Analyst Ltd, 2012. www.travelbusinessanalyst.com