

Profiles

What Mövenpick has planned as part of AccorHotels

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The Swiss hospitality firm will contribute “Swissness” and technology innovations, while new owners AccorHotels will enhance Mövenpick’s growth in markets, including throughout the Asia/Pacific region.



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BAAR, Switzerland—Mövenpick Hotels & Resorts’ growth strategy now has all the fuel it needs.

On 30 April, AccorHotels announced its intention to [buy the Swiss hotel firm](#) for 560 million Swiss francs (\$558.7 million) in a move Mövenpick president and CEO Olivier Chavy described as “a landmark moment” that “signals an exciting period of growth.”

The acquisition comes during an eventful period in [Mövenpick](#)’s history.

Since Swiss entrepreneur Ueli Prager founded Mövenpick 70 years ago with one restaurant in Zurich, it has grown to include 84 hotels across Europe, the Middle East, Africa and Asia. There are 42 properties in its pipeline. In 2017, the company signed a record 19 hotels, up from 15 in 2016 and 13 in 2015.

The Swiss identity

AccorHotels’ proposed purchase of Mövenpick will allow the Swiss company to gain momentum through AccorHotels’ global loyalty program, sales channels and corporate synergies and efficiencies, Chavy said.

“All of this will be achieved without compromising Mövenpick’s high service standards and inherent ‘Swissness,’” he said. “We will retain all of our famous brand attributes, from our personal approach to guest engagement to our rich culinary heritage that spans some seven decades.”

Gaurav Bhushan, AccorHotels' global chief development officer, said Mövenpick's identity was a key part of what made the deal attractive.

"The Swiss sensibility and Swiss quality sells extremely well particularly in our key footprints of Europe, the Middle East, Africa and Asia/Pacific," Bhushan said.

AccorHotels already has some experience of "Swissness."

"When we [acquired the Swissôtel brand](#), that was one of our biggest findings and possibly an element of surprise," Bhushan said. "We didn't quite appreciate how well it was perceived. So when we went into this transaction, Mövenpick's 'Swissness' was very much at the forefront, and we intend to maintain and enhance it."

Accelerating expansion

All Mövenpick's 42 pipeline properties are scheduled to open by 2021, representing almost 11,000 additional rooms, executives said.

In 2018, the company will open 11 properties, including two in Dubai, two resorts in Thailand, hotels in Bangladesh and Iraq, a hotel and convention center in Kuala Lumpur, Malaysia, and resorts in Egypt and The Maldives.

Properties in Kenya and Tunisia have already opened this year.

Richard Clarke, senior analyst of European hotels and leisure at business consultancy AB Bernstein, said AccorHotels' Mövenpick deal makes sense.

"They're not only buying locations, they're also buying growth," Clarke said, who added AccorHotels will see the biggest benefits deriving from Mövenpick's resort properties, which fills a gap in its upscale segment.

"The question is could they have done this more organically by using one of their existing brands and rolling it out as a resort brand," Clarke said. "That way they could have done this for closer to free, but it would have taken them longer."

Chavy said he is confident AccorHotels will help "accelerate our growth and continue our success story."

Bhushan said Mövenpick has plenty of room to grow.

"We'll be able to help Mövenpick expand into new markets where we already have a strong presence and bring them to scale in these markets," he said. "That will be a combination of all the regions we're strong in. The segment of the market they operate in is certainly a very attractive segment, so we're eager to grow that footprint for Mövenpick quite substantially, maintaining that Swiss heritage and quality."

"We can enhance the growth of the brand in Asia. We've already proved that quite successfully after closing the Fairmont-Raffles transaction. The new Fairmont in the Maldives we just launched is a great example of a new project we've been able to bring to the market."

Avoiding cannibalization

Clarke said it will be difficult for AccorHotels—which has been on something of an acquisition spree over recent years—to avoid brand cannibalization.

"The challenge with so many brands is to keep owners of all the brands happy and all the brands fresh, which is hard," Clarke said.

It's an issue Bhushan said AccorHotels constantly keeps in mind.

"We're used to dealing with a multibranded platform," he said. "In the end you've got to understand the market that you're bringing the brand into. If the market can support the brand, that's when you do it."

Commercial transformation

In these last three years, Mövenpick has also sought to shift its mindset to ensure it continues to thrive, Chavy said.

Mövenpick has launched a total of 45 initiatives as part of the plan, including a complete overhaul of its commercial strategy and the introduction of ExCom - Y, a team of millennials recruited from both within and outside the company to work closely with Mövenpick's executive committee.

Technology upgrades have formed an integral part of the transformation of Mövenpick's commercial strategy, which Paul Mulcahy, SVP of commercial, said is unique in the industry.

"It's been very much a commercial and IT transformation where the two have gone hand in hand," he said, adding the company is the first to globally implement cloud-based Opera. "It was a question of getting the IT piece right but at the same time as we were putting the IT systems in place, we were changing the organization to reflect this."

Floor Bleeker, chief information officer, said the company's technology and marketing investments have trickled down to the guest level.

"In order to recognize customers, you need one single profile of the customer across the group," he said. "With new revenue-management and commercial processes in place, we also needed a system that would drive the consistency of those processes. We want to do it the same way in Switzerland as we do in the (United Arab Emirates) and Thailand."

Bleeker said the next step is to integrate Opera's cloud-based CRM system* with the firm's property management system, which is also in the cloud.

"Once these two platforms are fully in place, there's a lot we can do from the customer recognition perspective," Bleeker added.

The ExCom-Y initiative has been instrumental in rethinking arrival and departure, executives said, introducing more options for check-in and check-out and learning the right amount of guest-staff interaction. The ExCom-Y team even persuaded management to shrink the post-stay guest questionnaire down to one question via SMS or WhatsApp.

**Correction, 15 May 2018: A previous version of this story omitted the nature of Opera's function.*