

Interviews with Leaders - Mr. Ludwig Bouldoukian, Regional VP of Development, Middle East and North Africa - Hyatt Hotels Corporation

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Source: Hyatt Hotels Corporation

1. What is Hyatt Hotels Corporation's brand portfolio, market presence, and pipeline across the Middle East?

Hyatt currently operates 17 full service and three select service properties across the Middle East and North Africa. The portfolio consists of 14 premier brands worldwide; in this region specifically, the luxury segment consists of Park Hyatt, while Grand Hyatt & Hyatt Regency fall in the premium category. Andaz, the luxury lifestyle brand is set to make its brand entry in November in the UAE's capital city Abu Dhabi. Hyatt's select-service brands include Hyatt Place and Hyatt House. Hyatt House is set to launch in the KSA in the coming years and we consider this more as an extended stay property.

Hyatt has steadfast growth plans and we plan to double our portfolio in the region by 2022.

2. What are Hyatt's development strategies in the Middle East and Africa region? What are the key segments and geographical areas that are driving Hyatt's growth in the Middle East?

Our goal is to continue the development in the region and whilst maintaining the relationships with existing owners. We also want to gradually expand to new owners while making sure we are offering the right product for the right location and market. A tremendous amount of thought and planning goes into our development

Summary

Next in the series of Interviews with Leaders is an interview with Mr. Ludwig Bouldoukian, Regional VP of Development, Middle East and North Africa - Hyatt Hotels Corporation.

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process; as a brand, we do not wish to be the biggest, but to be the most preferred for our guests and our owners.

The Kingdom of Saudi Arabia is an important market for us with our primary locations of interest being the Eastern Provinces, Riyadh, Jeddah as well as the holy cities of Makkah and Medina. For the short term, demand in Saudi Arabia will be mainly domestically driven and will be serviced by our select-service hotels including Hyatt Place and Hyatt House. Another important source of demand will be from the Middle East and wider GCC travelers, as well as regional Islamic markets which should all drive a great source of demand in the long-term. International and regional business travelers will of course remain a focal source of demand for all our hotels in the Kingdom.

With significant human and financial resources, we expect Vision 2030, to reduce the Kingdom's dependence on oil, diversify its economy, and develop tourism. We consider the Red Sea development and the other proposed projects as excellent initiatives in order to drive long-term demand in the country while keeping the cultural heritage and ecological integrity.

In addition to our existing portfolio of brands in the Middle East, we are going to continue to develop our lifestyle and select-service brands in markets such as the UAE, KSA, Bahrain, Kuwait, and Oman.

3. How does Hyatt differentiate itself from the competitors? What is your value proposition to the hotel owners?

Our market presence is smaller compared to other operators due to the fact that we are careful with the choice of our projects. We do so because our focus is not only to grow, but to grow with intent, through choosing the right partner, project, and location to maintain our unparalleled reputation towards our guests and owners.

Furthermore, our accessibility to the right people set us apart. Hyatt has built a resourceful team on-ground in Dubai. We are always available and responsive anytime an owner has any questions or concerns about their existing property or their future project. It is crucial for us to maintain an approachable attitude towards our owners, while still being affiliated with a prominent international brand.

4. In your experience, what are the areas of concern that hotel owners are becoming increasingly aware about during hotel management agreement negotiation?

The mentality has shifted in the Middle East and owners have now a growing awareness of the importance of healthy returns on their investment in the shadow of the recent increase in supply and RevPAR challenges that are seen across the region. As a result, hotel owners are becoming more cautious about what they are developing. They are doing so slowly shifting towards select-service and lifestyle hotels, much like boutique hotels affiliated with reputable brands. Overall, the owners and developers are becoming more sophisticated as the market matures.

Another focus point for hotel owners is to carefully control their development costs. Experienced owners understand the need to deliver an exceptional product to maintain a strong competitive position in the market. They do so by following the brand's design standards and the recommendations of operator- approved consultants during the design stage. We proactively assist the owners to determine the right brand for their development as this is the first step in a successful partnership.

5. What is your experience with HVS and how would you describe its

value proposition and the contribution of its consultancy services to your development initiatives?

HVS has extensive experience in dealing with hospitality project, the team is very approachable and responsive. The feasibility studies conducted by HVS are clear, detailed, objective, and offer a great amount of tangibility. The reports are realistic because HVS's consultants adhere to factual market data, and this is why we think HVS has the reputation of being one of the world's finest hospitality consulting firms.

Andaz Capital Gate Abu Dhabi



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