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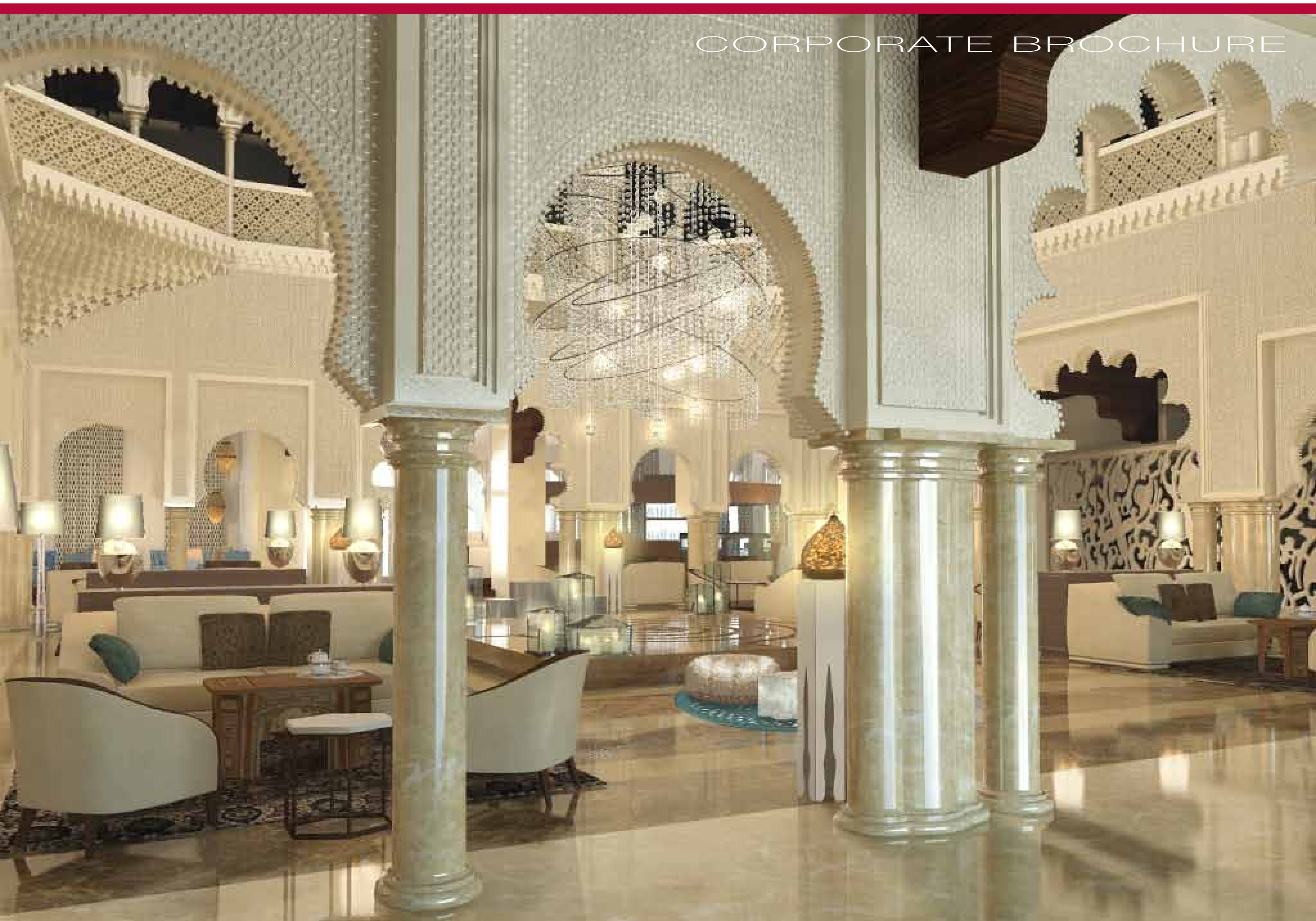

# The warmest welcome

Marriott International has identified enormous growth potential in the Middle East and Africa. Ed Fuller, president and managing director of International Lodging in the region, talks to Jayne Flannery about the rationale and strategy that underpins the expansion

Economic forecasts may be mixed in the West, but Marriott International's vision for its operations in the Middle East and Africa remains uncompromised. At present, the company has 32 properties in nine countries, offering 9,072 rooms across six hospitality brands. By the end of 2014, Ed Fuller, president and managing director of International Lodging in the region, envisages that around 100 iconic new hotels will be transforming the skyline of capitals and commercial hubs across the continent.

"Our business is geared to long-term investment" he states. "Since 1981, when we had just 100 hotels in the portfolio, there has been a whole series of crises and recessions. But we have always come through and we now have 4,000 hotels. Our story up to today is one of continuous growth and I see no reason why the future should be any different."

Marriott is in the fortunate position of having multiple brands which allows the group to maintain a dominant growth position in established markets, while simultaneously targeting less-developed markets with established brands.

"We think this region has exceptional promise," he continues. "For example, the IMF recently stated that nine of the 25 fastest growing economies over the next decade will be in Africa, driven by oil and mineral wealth and sometimes, good government. This is creating many new opportunities for us in Sub-Saharan Africa where we currently have no presence. Meanwhile, the corporate hospitality market in the Middle East is proving to be very resilient and there are wonderful destinations such as Egypt and Jordan where we see tremendous scope to extend our existing brand offering."

The financial acumen that underpins Marriott's expansion to date is unquestionable. Different business models have been applied at various stages of the company´s evolution, but Marriott divested all owned assets in the 1990s to concentrate on nurturing its brand portfolio, marketing and hotel management.

In the US, franchising is now the preferred option, but the brand and its values can never be compromised. Hence, although there are some celebrated franchised hotels in the region, they are not the norm and Fuller prefers a more direct management style. "It is absolutely paramount that we are able to put in place the right managers who can embrace our unique culture and reinforce

the specific brand promise of the hotel under their management," he explains.

Fuller has a portfolio of 18 brands at his disposal but, unlike the business model, the market entry strategy has remained unchanged for the last two decades. "We have always led with the same brands which are JW Marriott Hotels, Marriott Hotels and possibly the Ritz-Carlton at the highest end of the market if there is an opportunity. Once these entry brands are established in capitals and financial hubs, then we look at possibilities for other brands such as Courtyards by Marriott or Marriott Executive apartments."

Understanding the cultural, political, legal and economic parameters of each market is critical in deriving the right brand mix and Fuller is keenly aware of the uneven pattern of development within the Middle East and Africa region. One of his biggest challenges is finding the right partners to take ownership of the physical property assets, which must all occupy prime locations.

"We have to find partners with a credible presence who share our values and with whom we feel comfortable working. Then we have to ensure that they have access to the right resources and financing. In the past, we struggled to identify suitable business

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partners in Sub-Saharan Africa with access to the necessary investment capability. But capital does not remain fixed and now we are seeing new funds being introduced by third party countries that did not exist five years ago," he says.

Marriott's partners benefit from access to one of the most formidable marketing efforts that any company is undertaking anywhere. Marriott is recognised by Google as one of the 10 most commonly searched brands in the world; and the Marriott Reward Scheme for customers now has over 32 million members.

However, Fuller is keen to stress that the strength of the brand is derived fundamentally from its people. 'People First' is a byword with far-reaching significance and Marriott is working diligently to prepare new managers for the region with the exacting skill-set required of them. "We view our staff as associates, and that is how we refer to them. It is our conviction that if we care for our associates, then they will care for our customers. All of our managers across the globe are rated on associate satisfaction," he states.

Marriott always seeks to develop and promote within the group and he is proud of the fact that only one per cent of the global workforce are US expatriates. He sees this as vital in reflecting the international ethos of the brand and the cultural diversity of customers, partners, suppliers and associates. It also enables Marriott to have a firm finger on the pulse of each local market.

Finding and training suitable staff poses a challenge in less developed states; but Fuller points out that Marriott has now entered over 70 new markets and has all the necessary expertise and resources to invest in whatever training and education is required. Identifying local talent and training people in readiness for hotel careers is a key facet of Marriott's extensive corporate responsibility programme which stresses human rights, in particular the rights of children.

"It is very important to us to achieve a relationship where we are in a position to give something back to the communities that play host to our operations," he adds, having just returned from a tour of several Sub-Saharan states to explore ways in which the company can support local educational and social initiatives and contribute to infrastructure and utilities development in the region. "The only kind of relationship that interests us is one where we can give something back to the communities and the people who make our success possible," he concludes. www.marriott.com

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