

The Kerzner Formula for Success

An Interview with Solomon Kerzner,
Founder, Chairman, and Chief Executive Officer,
Kerzner International



EDITORS' NOTE Born in Johannesburg, Solomon Kerzner graduated as a Chartered Accountant and went on to create South Africa's most successful hotel group, Sun International. Kerzner's career in hospitality began in 1962 with the purchase of the Astra Hotel in Durban. In 1969, he established the chain of Southern Sun hotels. In 1975, he opened a hotel on Mauritius, which he named Le Saint Géran. In 1979, Kerzner developed Sun City. In late 1994, he purchased the Paradise Island



Solomon Kerzner

Resort in The Bahamas and transformed Atlantis, Paradise Island into a 2,300-room resort. In 1996, he opened Mohegan Sun casino in Connecticut, and in 2000, opened the second phase of the project including a 1,200-room hotel called Trading Cove Associates. In 2002, he launched One&Only Resorts, which currently operates seven award-winning properties in The Bahamas, Mexico, Mauritius, The Maldives, South Africa, and Dubai. In early 2007, Kerzner expanded Atlantis, Paradise Island with new hotels The Cove and The Reef. He extended the Atlantis brand globally with the development of Atlantis, The Palm, Dubai, opened in late September 2008 on The Palm Jumeirah in Dubai. Kerzner was recently honored with Royal Knighthood, the IITM UltraTravel Lifetime Achievement Award, the Variety Club Lifetime Achievement Award, Cornell Hospitality Innovator Award, and the HSMIA Lifetime Achievement Award.

COMPANY BRIEF Kerzner International (www.kerzner.com) is a leading international developer and operator of destination resorts, casinos, and luxury hotels. Their flagship brand is Atlantis, which includes Atlantis, Paradise Island in The Bahamas and Atlantis, The Palm, Dubai. The company operates seven properties under its One&Only brand and recently opened the Mazagan Beach Resort in Morocco.

Were you surprised at the severity of the global economic crisis and how much of an impact did you see at your properties?

Over the past two years, we definitely noticed some changes. Our clientele were seeking shorter stays and the booking window has become much shorter. Months that were typically full a year in advance are now full two months in advance and it became more difficult to

predict long-term occupancy numbers. Long-haul destinations such as Cape Town, The Maldives, and Mauritius are harder to market as most individuals are opting to stay closer to home. Guests that typically flew private planes are now flying commercial. More guests are traveling with families and seeking value-adds on property. We introduced a series of value-adds at each property like resort credit, spa credit, complimentary transfers, golf credit, and even a fourth-night-free promotion.

Where is the travel and tourism industry today in regard to recovery?

The market is most definitely improving. We saw improved bookings in 2010 and bookings for 2011 are ahead of 2010. However, our guests are still very attracted to value propositions. In this current marketplace, reaching new aspirational audiences with our brand message has become increasingly important. Social media has been paramount when it comes to reaching this audience. When we first ventured into the social media world in 2009 with Atlantis, Paradise Island, our ultimate goal was to drive business to the resort through continued consumer engagement. For the first time, the Atlantis brand was part of the online conversation and we were able to gain valuable insight on our product.

We quickly determined that to be successful in this new world, a resort must remain authentic and relevant. By doing this, our fans become the brand ambassadors.

Retaining a guest these days can be tricky, especially when the marketplace is inundated with so many great deals. The Kerzner formula for success can be condensed into five basic concepts: added value, personal details, engaging programming, authenticity, and service.

In order to remain top-of-mind, we have implemented a more comprehensive returning guest communication strategy that highlights these values while seeking out new channels of business. We did this most recently with the creation of Battle at Atlantis, a doubleheader Men's Division 1 College Basketball tournament we hosted at Atlantis in December 2010 to fill a need for group business.

In short, to recover today, you must be innovative and creative in your approach. Operationally, we maintain our structure by

maximizing efficiency while minimizing costs. Kerzner looks forward to growth in its future and many resorts to come.

You are known as one of the industry innovators. What has been the secret to your success in creating such innovative and industry leading properties?

I always try to stay current with world trends and ideas. I like to know what's going on. I also have a large family and watch and learn from the younger generation who are very tech-savvy and tell their grandfather about new things in the field, on the Internet, and in the media. Finally, you have to watch the competition very carefully, not only in your specific sector, but also in related businesses like food and beverage, entertainment, music, and fashion.

You just opened One&Only The Palm, Dubai in October 2010. What excited you about this destination?

The ongoing success of One&Only Royal Mirage and our most recent project in Dubai – Atlantis, The Palm – continue to show the strengths of this destination. We believe the government's continuous commitment to developing tourism in the region combined with all the destination has to offer, its constant innovation, and its easy international access make this the perfect place for us to expand the One&Only portfolio. One&Only The Palm is comprised of just 90 keys and four private beachfront villas. It is Dubai's first true beach resort and acts as a private residential-style escape for our guests to enjoy spectacular views of the city skyline in a chic and boutique setting.

What advice would you give to young people today who are hoping to open a new hotel or restaurant?

Always take into account the fundamentals, like natural assets and the destination. With Atlantis, Paradise Island, in the Bahamas, I had an ideal climate, increasing airlift into the destination, and the local government's support of tourism. Additionally, you should research the competition and see how they are doing in the market. Make sure there is the potential to create something unique that the customer will respond to. With Atlantis, The Palm in Dubai, there was nothing else that existed like that hotel in the current marketplace. Be sure you can deliver great service. Always factor in the people and resources that will be required to train. And finally, take a hard look at the local business culture. ●

One & Only, The Palm, Dubai Exterior and Lobby