



Selling European Flair

An Interview with Reto Wittwer,
President and Chief Executive Officer,
Kempinski Hotels



Emirates Palace, Abu Dhabi (left)
Çırağan Palace Istanbul (above)

EDITORS' NOTE Reto Wittwer, who assumed his current post in 1995, began his career at Palace Hotel, Madrid and has since lived and worked in Paris, Tebran, Singapore, Hong Kong, Montreal, Acapulco, and Indonesia. He has worked for InterContinental, Mandarin Oriental, Peninsula, Le Méridien, and Hyatt and has been the CEO of three hotel companies – Swissôtel, CIGA, and Kempinski. Wittwer was educated at Switzerland's Hotel Culinary School and Ecole hôtelière de Lausanne.



Reto Wittwer

COMPANY BRIEF Founded in 1897, Kempinski Hotels (www.kempinski.com) is Europe's oldest and most established luxury hotel collection. With more than 70 five-star properties in major cities and vacation spots throughout Europe, the Middle East, Africa, and Asia, each hotel or resort is a distinctive property that celebrates the cultural traditions of its location.

Has the market come back and is a true recovery taking place?

In our 116-year history, 2012 was a record year for us, and 2013 turned out to be an even better year.

Although we're not present in the States, South America, and the Caribbean, our portfolio is quite diverse. Germany is booming. Eastern Europe is booming. Due to the current political situation, we have a challenge in Cairo, but Soma Bay on the Red Sea is doing ok.

China is becoming increasingly challenging, as the new government has clamped down on spending.

On the whole, some regions are doing exceedingly well, and they compensate for those which are not performing at the same level.

Are there certain characteristics that define a Kempinski?

We sell lifestyle and we sell European flair, as well as diversity, individuality, and authenticity.

Our brand philosophy isn't based on standardization, which people either like or don't like. If you go to a place like Kathmandu, you may choose a standardized brand to avoid risk, but you also miss out on excitement.

We try to be unique and the market leader, and most of our hotels are measurable market leaders.

Is there consistency throughout the brand or does it vary by individual property?

We have certain Kempinski signature concepts, such as the Lady in Red.

We have also made F&B a key strategic focus; for instance, many of our hotels are known for serving the best breakfast. We are working to ensure this is the case for every single property, to make it a true Kempinski trademark.

Where do you see opportunities for additional growth?

Anything associated with luxury is numerically capped. Therefore, we will never have more hotels than the age of our company. This is about making a

strong commitment to exclusivity and to the owners. Before growing we ask, is this a landmark property? Is this in a market where we can make money? Is it going to be the market leader?

Is there opportunity in additional markets or are you focused on continuing to grow within your current markets?

We're looking at New York and Los Angeles because they're gateway cities for the Pacific and Atlantic influx. We're also considering Miami as a strong presence for the Caribbean and Latin America.

However, we are aware of the challenges European companies are up against in North America, because in order to achieve brand recognition there, you have to standardize and have a minimum volume of presence. You have to buy yourself in to have 10 uniform-looking properties in key gateway cities, and that is not in line with our philosophy.

Is the hospitality industry losing the personal touch when it comes to how much technology has been implemented?

We're emphasizing personalized service at Kempinski but, of course, at the same time you can have a hotel that is fully optimized technically.

With the card system, people don't need to pick up a key and turn it in. Does that mean you don't need a doorman if you have an automatic door? If you walk into an anonymous property and no one is there to greet you, that is not what service is about.

What makes a hotel restaurant successful?

First of all, the hotel and the restaurant have to be embedded in the local community and, of course, quality has to be excellent.

Three years ago, we launched our F&B initiative. We're returning to Kempinski's heritage of being a food and beverage-driven company, where rooms are accessories.

At our Geneva property for example, the FloorTwo lounge and bar and the Italian restaurant are hugely popular. They are all jam-packed every day and every night. This is a place where over 50 percent are locals. Geneva offers plenty of F&B choices, but locals come to the hotel because it's a good place to be.

Do you need to offer a true spa product to be considered luxury?

A spa represents lifestyle and is an integrated part of our offerings, and also part of European history. Kempinski's spa brand creates two spa concepts: Kempinski The Spa, exclusively for Kempinski; and Resense, which is based on the ancient European bathing culture, which is sized based on the size of the property.

What do you look for in hiring employees?

Talent search and development has top priority within Kempinski. Over two years ago, we started the Career Day event. Every year in March, we invite 1,000 applicants from hotel schools and universities as well as experienced applicants to Munich, and we fly in every single General Manager from the group. Each of the General Managers has a stand identifying his or her hotel; applicants are interviewed by them and receive offers straight away, there and then.

Last year, out of 1,000 participants, 357 were hired on the spot.

We also have an internal fast-track program that identifies and guides candidates suitable for number-two positions. It's highly competitive, and financed by Kempinski.

In terms of education, two thirds of our managers hold an M.B.A. through a program we have held for 12 years now in cooperation with the Reims Management School.

We walk the talk.

Do you ever take the time to appreciate and enjoy some of your great accomplishments?

My job is not managing today but managing the future, because I have to make sure the company is going toward where it should be in 10 years. Many people talk about how the industry has changed, because brands have lost their souls for a multitude of reasons. I have always looked ahead, and people later understand why certain things were done a certain way. Whatever I did, I always had a clear purpose.

Over the past 15 years, I have consistently followed our long-term strategy successfully. But, of course, I have moments of reflection. ●