

MKG Consulting - 2008 European Hotel Groups Ranking

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Accor the clear European leader

First European group with three time more rooms than its next follower, the Accor Group still leads the European hotel industry despite a rather stable room supply. It has experienced strong restructuring of its brands.

Now in the process of repositioning historic brands and/or launching new concepts, most of the European groups have undergo a radical review of their networks. Thus a significant number of hotels, that did not fit anymore the norms, have left these groups.

The ranking of the first 20 European hotel brands is more stable, even though it is the result of an in-depth review of the various brands fundamentals. The British brands (Travelodge, Premier Inn, Holiday Inn, Express by Holiday Inn) have express a remarkable dynamism, going up to the top of the ranking while the Spanish hotels of TUI have gone through a severe clarification.

2008 European hotel ranking Top 10 hotel groups (27 countries of the EU)

Rank 2008	Rank 2007	Groups	Hotels 2008	Hotels 2007	Rooms 2008	Rooms 2007	Evol. Ch.07/08
1	1	ACCOR	2 207	2 205	239 507	241 046	- 0,6%
2	3	IHG	541	505	82 123	77 721	5,7%
3	2	BEST WESTERN	1 201	1 215	79 205	80 318	-1,4%
4	5	GRUPE DU LOUVRE	844	823	58 411	56 339	3,7%
5	8	SOL MELIA	199	198	42 448	41 771	1,6%
6	7	NH HOTELES	298	270	41 270	38 466	7,3%
7	6	TUI	168	190	41 302	48 843	-15,4%
8	9	CARLSON/REZIDOR	207	195	39 079	37 271	4,9%
9	4	HILTON HOTELS	144	257	37 333	56 675	-34,1%
10	11	CHOICE INTERNATIONAL	369	390	35 411	32 243	3,4%
TOTAL 10 GROUPES			6 173	6 188	696 149	710 693	-2,0%

Source : Data base MKG Hospitality – official supplier of hotel chains – March 2008

2008 European hotel ranking Top 20 hotel brands (27 countries of the EU)

Rank 2008	Rank 2007	Brands	Groups	Hotels 2008	Rooms 2008	Evol. Ch.08/07
1	1	BEST WESTERN	BEST WESTERN	1 201	79 205	-1,4%
2	2	IBIS	ACCOR	641	67 112	1,9%
3	3	MERCURE	ACCOR	536	61 406	0,7%
4	5	HOLIDAY INN	IHG	292	44 893	5,5%
5	4	NOVOTEL	ACCOR	252	40 244	-5,9%
6	6	HILTON	HILTON CORP.	137	36 162	2,8%
7	7	PREMIER INN	WHITBREAD	505	31 000	11,0%
8	8	NH HOTELS	NH	254	34 424	9,0%
9	9	ETAP HOTEL	ACCOR	365	34 090	8,4%
10	11	RADISSON	REZIDOR/CARLSON	118	25 362	2,6%
11	13	CAMPANILE	LOUVRE HOTELS	382	24 220	1,6%
12	12	FORMULE 1	ACCOR	316	23 289	-2,7%
13	16	TRAVELODGE	DUEAI INVEST. CAP.	331	22 375	17,4%
14	14	SCANDIC	SCANDIC	114	20 694	-0,5%
15	15	MARRIOTT	MARRIOTT	84	19 616	0,8%
16	17	HOLIDAY INN EXPRESS	IHG	178	18 818	9,9%
17	19	RAMADA HOTEL	WYNDHAM HOTELS	146	18 056	8,4%
18	10	RIU HOTELS	TUI	58	17 911	-19,1%
19	20	QUALITY INN	CHOICE HOTELS	145	16 998	-2,3%
20	24	PREMIERE CLASSE	LOUVRE HOTELS	219	15 614	3,0%

Source : Data base MKG Hospitality – official supplier of hotel chains – March 2008

European leaders ready for the future

Accor remains the indisputable leader of Europe's hotel industry with nearly 3 times more hotels than the runner up. The year focused on the redefinition of its brand portfolio. Under the impetus of Gilles Pélisson, the French group launched new brands (All Seasons) and repositioned older ones (Novotel, Sofitel, Pullman)... and is about to do the same with Formule 1 and Mercure. Thus the global supply only progresses by 0.3%, because of an intense review of the portfolio with the quest for greater brand coherence. Novotel's inventory (-5.9%) was affected by many exits of properties, Mercure compensated for its losses with the arrival of several large properties. Formule1 closed some older units, while Etap Hotel added more than 2,000 rooms and 20 hotels to its inventory (+8.4%). Ibis, the number-two European label, grew by 1.9%.

Second in last year's ranking, Best Western's supply continues to go up and down. While remaining solidly in the first position of brands on a European level, Best Western seems to be entering a new phase of shrinking its inventory by adopting a strategy of 'cleansing' its supply. The result: InterContinental Hotels Group (IHG) has stepped up to the second position in the ranking with a supply that is 5.5% bigger than the previous year. The British group is probably set to hold this position for some time considering the strong development of Holiday Inn and Express by Holiday Inn, and the robustness of its pipeline. The next stage for IHG: the extended stay segment with the development of Staybridge Suites in England.

Starwood Capital is beginning to digest the absorption of Louvre Hotels (+3.7%). Through a long-term strategy the group is renewing with growth on solid foundations after a period of regression of its supply. Campanile benefits from new momentum with a new concept launched this year. Kyriad's development through franchising is back on a growth track after playing a waiting game. And, on the upscale, Concorde will favour management contracts.

After this quartet, the ranking has been turned around. Separated from Scandic, losing almost 20,000 rooms Hilton left the Top 5 and fell from the 4th to 9th position. This mechanical loss doesn't affect the group's development for its leading brand, Hilton (+2.8%) Thanks to the contribution of its 'American' brands, Hilton may now direct its development towards midscale and economy hotels with Hilton Garden Inn, Hampton Inn and Double Tree.

The two leaders of Spain's hotel industry are now neck and neck for climbing up the ranking. Sol Melia succeeded in its take-over of the chain Ininside, with 12 hotels in Germany, which will be associated with the development of Sol Melia in Central Europe. NH Hoteles follows close behind Sol Melia, and its supply has progressed by 7.3%. In 2007, the Italian offensive continued with the integration of 15 hotels from the Sicilian-owned group Framon into the NH's inventory. The group pursued its organic growth with fifteen or so new hotels in Spain, Austria, France and Belgium.

Growth of its two leading brands (Radisson SAS and Park Inn) ensures increasing exposure in Europe for the Rezidor Hotel Group, which is among the Top 10 brands. It pursues its development in the principal European cities such as in Dublin or Marseilles. Park Inn shows its strong development potential on secondary and tertiary markets in Germany and in the British Isles.

Choice Hotels' supply is back on an uptrend. The group has regained control over development in Continental Europe, which was previously in the hands of the master franchiser Choice Hotels Europe. Quality, Comfort Inn are still in a phase of downsizing their inventory. But the American franchiser compensates by emphasizing the upscale. Clarion's supply grew by more than 50%, allowing Choice to surpass Starwood. The year 2007 was more mitigated for the two major players in the hotel industry worldwide. Starwood's supply is down (-2.4%) and Marriott experienced the loss of two Renaissance hotels and 11 Courtyard properties that went into the hands of Holiday Inn in the United Kingdom.

Methodology

MKG Consulting is the leader in consulting for the Hotel, Tourism and Catering sector, and has the largest hotel database in the world outside the USA, with a good representation of all the hotel segments. MKG database's monthly program is based on a sample of 10 000 corporate chain hotels, representing 1 000 000 rooms.

Since September 2004, the MKG Consulting database proposes a program that allows the daily monitoring of activity indicators for each hotel. This program counts 1 500 hotels and 125 000 rooms in France which makes it the most developed daily program in Europe.

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