

VIEWS FROM THE hotel lobby



MANAGING A HOTEL IS AN EXACTING JOB AT THE BEST OF TIMES – ADD IN A GLOBAL PANDEMIC AND IT RAMPS UP TO ANOTHER LEVEL.

NEW ZEALAND’S HOTEL SECTOR, like its industry counterparts around the world, has had to come to terms with empty rooms, last-minute cancellations, staff wage subsidies and marketing agility.

It has been a rock-and-roll 18 months and until the vaccination programme here reaches optimal thresholds and international airline protocols and visitor entry criteria are consolidated, the hotel industry remains in limbo land – at least for offshore guests.

What the pandemic has done is allow the New Zealand accommodation industry to turn the lens inward and review its operational practices, cast an astute eye over maintenance and upgrade opportunities, and really focus on what they stand for, represent and wish to provide for the market once a way forward is identified.

Bayleys’ *Hotels Tourism and Leisure* checked in with a flagship Auckland hotel and a specialist hotel management company to get their take on the realities of the industry in these interesting times.

SHOWCASING AOTEAROA

The \$300 million, 195-room Park Hyatt Auckland on the city’s waterfront opened just over a year ago heralding another step up for the city as it readies itself for a relaxing of pandemic-induced limitations.

Owned by Hong Kong investment company Fu Wah International Group, the flagship 5-star Park Hyatt Auckland sits on the former Team New Zealand base site in Halsey Street with a commanding position over the Viaduct Harbour.

Brett Sweetman, general manager of Park Hyatt Auckland, has been with the Hyatt brand for more than 16 years, working across the Australian, Dubai and now Auckland markets and says the slight delay in the opening schedule – originally planned for May 2020 but deferred for four months – was worth the wait.

“No-one plans to open a significant hotel offering in the midst of a global pandemic, but in some ways, it was better to be doing that than trying to build during these disruptive times,” he says.

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“It’s a demanding job, but our team gets immense satisfaction from providing guests with a flawless stay that they will tell 10 friends about.

“Hospitality does attract passionate people and getting the right leadership and team culture is crucial for both the efficient operation of a hotel and for providing authentic guest experiences and I think we’ve achieved that.”

Navigating the ups and downs of the pandemic environment has been a true test of resolve and patience for Sweetman and his team across accommodation and food and beverage operations at the hotel.

“With COVID rules cycling in and out, clients and guests were booking with short lead times as they were cautious about committing too far in advance and then having to rearrange their plans.

“We were confirming functions for around 200 people with just 10 days advance notice which is unheard of in the event market.

“2021 was meant to be Auckland’s year, headlined by the America’s Cup and the APEC Summit, but fresh lockdowns in February thwarted even best-laid

plans, with operators like ourselves forced to pivot.”

Sweetman says the condensed America’s Cup event was a taste of how the Park Hyatt will perform once borders reopen.

“Basically, this was 2021 compressed into an eight-day window and while we had to reposition ourselves in the domestic market given the absence of overseas tourists and super yacht owners, it gave us a fleeting insight into how the Park Hyatt will soar once the visitor tap is turned on again.

“It also allowed us to see once more just what Auckland can do in that large event space and the sort of business Auckland should continue to pursue looking ahead.”

Prior to the latest wave of lockdowns which have effectively blocked Auckland off to the rest of the country, Sweetman says the Park Hyatt Auckland was actively targeting the domestic weekend leisure market and gaining some great momentum.

“Our weekend occupancy and customer numbers through our multiple hospitality venues before these latest higher alert levels was very strong.

“The luxury staycation market for those outside the region and from Aucklanders treating themselves to a city break, was very encouraging.

“We were seeing more than 1,000 people through our signature restaurant Onemata, The Living Room refreshments space, The Pantry café and Captain’s Bar over a Saturday/Sunday.”

Sweetman says they also had a full hotel in the first couple of weeks in August this year with the rugby test at Eden Park, several large-scale conferences and other events in the city before the COVID curtain again shut the city down.



and particularly, for the hospitality sector which has been hit hard by protocols and rule changes.

“However, we are fielding huge enquiry from the American market in anticipation of borders reopening and having discussions daily on a global basis.

“While there is no certainty around timelines just yet, that pent-up demand is encouraging, and we can’t wait to welcome people back to these shores.”

CARNMORE

Andrew French, director of Carnmore Holdings Limited (CHL), a New Zealand-based specialist hotel management company, says the past 18 months with its unprecedented challenges and uncertainties has truly tested the hospitality industry.

“Unfortunately for some, the task has been too demanding and the circumstances too severe to survive and make it through and that’s painful.

“Yet, many have continued to surprise, to thrive and to reinvent themselves – to ultimately survive in this very tough business environment.

“Location, position, circumstances and opportunity coupled with determination, hard work and an ability to read the markets and maximise the various opportunities that have presented

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themselves means some have done relatively well.”

Specialising in the New Zealand, Australia and the Pacific Islands tourism markets, CHL offers a broad range of services including financial, interior design, refurbishments, day to day management, property maintenance, sales and marketing and in-depth management systems and solutions.

CHL manages Mount Richmond Hotel in Auckland, Carnmore Hagley Park in Christchurch, and is currently refurbishing and rebranding two recent acquisitions – the Carnmore Hotel Takapuna, formerly Park Lane Motor Lodge, and Carnmore Hotel Christchurch, formerly Cosa Hotel – two properties successfully marketed by Bayleys.



French says with many larger accommodation providers in the main centres meeting the need for MIQ facilities, opportunity has been created for the small to mid-range operators to fill the gaps in the market.

“There are some exceptional stories of operators battling against the odds and reversing the predictions of ‘doom and gloom’ by taking an up-beat yet realistic view of the future.

“For those not in the business of MIQ right now, the domestic market is the only one available to them and within that, there are a significant number of people who are only now recognising what this country has to offer as a destination.”

French says a large proportion of this domestic market regularly travelled and

holidayed exclusively overseas, became captivated by offshore destinations and believing that they had pretty much seen and done New Zealand before.

“For some, pre-COVID, the high proportion of international visitors travelling to and around New Zealand to our popular tourist destinations was a turn-off.

“They didn’t want to compete with international visitors for the experience and possibly felt both unwelcome and priced out of the market.

“Suddenly, with international borders closed, Kiwis had unhindered access to wherever they wanted to go, and highly attractive offers were being made to entice them to rediscover what was available to them, here, in their own back yard.”

The accommodation sector nationwide has benefitted from this change in sentiment and has also identified reinvestment opportunities in the physical and operational sides of their businesses.

“Perhaps in some instances we, as an industry, were guilty of the modus operandi ‘open the doors and they will come’.

“There’s been an awareness of needing to be frank and honest about where a business is actually at, who your potential customers are and what needs they have, and taking the time to really understand those requirements and trying your best to meet them.

“Placing more effort and resources into the smaller and sometimes forgotten details of enhancing a guest’s overall experience is rewarding those operators and owners who have used the pause in the market well.

“It will stand the industry in good stead once the international borders re-open and we once again enjoy the support from international visitors.”

French says there will no doubt be pent-up demand from New Zealanders wanting to travel overseas again when it is viable, but his hope is that many who have seen and enjoyed New Zealand through fresh eyes will continue to regularly holiday “at home”.



“In that busy period, we were able to really test out our processes, systems and offerings.

“We have 235 staff at present and their well-being and job retention has been our prime focus.

“Optimally, under usual conditions, we’d have around 290 staff, but right now, we need to retain the staff we have carefully recruited for their valuable industry skills and then look long term.”

Hyatt is a global hospitality company with 20 premier brands and more than 1,000 hotel and all-inclusive properties in 68 countries across six continents. It currently has hundreds of new properties under development around the world – and exceedingly strict brand standards according to Sweetman.

“Park Hyatt Auckland was carefully orchestrated and while Hyatt is an American brand, this hotel is New Zealand at its core.

“I went through the conceptual phase with Park Hyatt and the Auckland hotel’s owners and at all times it was very clear that this would be a luxury New Zealand offering that showcased Aotearoa.

“From the food to the artwork on the walls, the traditional tukutuku panelling and the warm kia ora on arrival, guests will know they are in New Zealand – provenance and authenticity are very important.”

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One of the challenges facing Sweetman and his sales team when prospecting for future business once the world opens up, is selling the Auckland story to visitors to encourage longer stays.

“People tend to view Auckland as their entry point to New Zealand, overnighting on arrival before heading off to see the rest of the country.

“Ideally, we’d like to push that out to a three-night stay in Auckland.”

With that international market out of reach currently, Sweetman says the domestic market remains their key focus for the immediate future and they’ve changed their marketing strategies and plans accordingly.

“The vaccination rollout is what we’re pinning our hopes on for a return to some form of normality for everyone