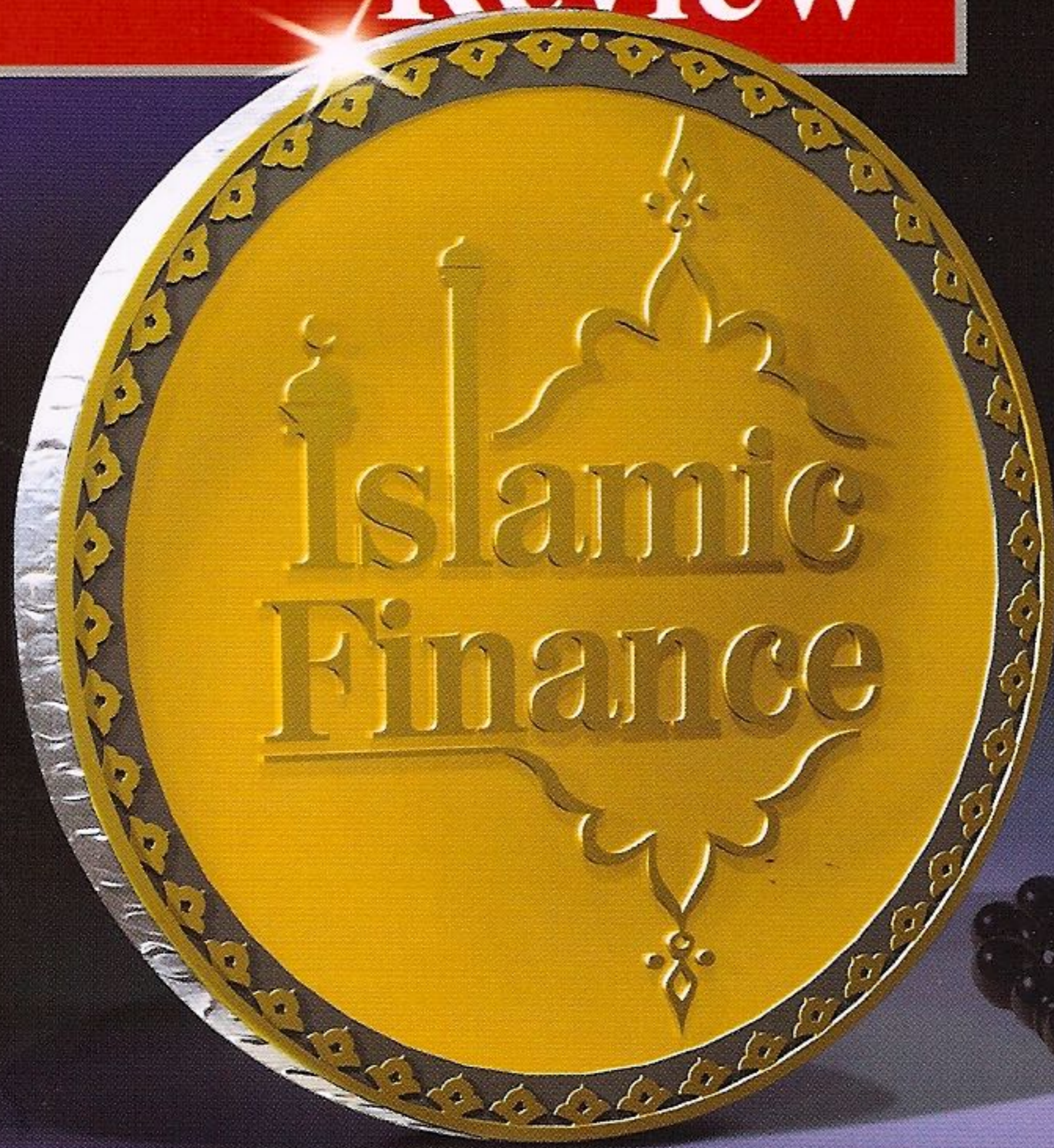


# Oman Economic Review

www.OERonline.com



MARCH 2009



# Bucking the trend

The resilience of Islamic Finance holds important lessons for financial institutions across the globe

Oman.....RO 1,000  
Qatar.....QR 10  
UAE.....DHS 10  
Kuwait.....KD 1.0  
International.....US\$ 3.0



FACE2FACE

HE Gary A Grappo,  
US Ambassador

TOURISM

Promoting Responsible  
Tourism in Oman

60 MINUTES

HE Engin Turker, Turkish Ambassador,  
on bilateral trade



# UNMISTAKABLE CHARM

No stranger to Oman, Christoph K Franzen, general manager, Grand Hyatt, Muscat is looking forward to his second outing in the Sultanate. He speaks to **Mayank Singh** in his first media interview

Coming from a family which had a hospitality business, Christoph K Franzen, general manager, Grand Hyatt Muscat grew up with a first-hand feel of the industry. "My parents used to own a hotel in Zermatt-Matterhorn, the ski and mountain climbing resort in Switzerland," says Franzen. A picture of Zermatt adorns the walls of his well appointed office. Coming from such a background it comes as no surprise that he went onto to join the hotel business. A chef apprenticeship in 1986, fol-





lowed by a course from a hotel school in Switzerland set him on to a career in the industry. Over the years he has worked for the Hilton group and the Hyatt chain in places like Dubai, Moscow, US and Australia.

Franzen worked with the Grand Hyatt, Muscat from 2001 onwards for four years. A homecoming of sorts, he speaks eloquently about the charm of the property, "If you contrast this with the hotels in Dubai, this is unique and exudes a certain warmth." Its déjà vu time in more ways than one. Franzen was posted to Oman a day after the twin tower bombings in the US on September 11, 2001. The hospitality business took a nosedive in the aftermath of the attacks and the current economic meltdown poses a similar challenge.

### Facing the challenge

In an environment wherein companies are cutting costs and driving tougher bargains, hotels face the challenge of maintaining their profitability without compromising on the comfort level accorded to guests or their service standards. "The market is shifting from a sellers market to a buyers market and hotels have to get used to negotiating in a softer market, with a more lenient approach," says Franzen. Tougher times means that hotels need to offer special deals, upgrade services etc to attract guests.

Thanks to its positioning (as a luxury hotel) and its location – in the diplo-

matic area, Hyatt attracts a fair share of business travellers. And though the downturn is impacting occupancies, the hotel is better placed than most of its competitors. Says Franzen, "We have several advantages like the Hyatt international sales structure, our reputation as a premium hotel and a chain of 164 hotels which acts as a strong brand ambassador." At home the hotel is working out attractive packages for guests in conjunction with tour operators and airlines. For example, it has given Oman Air, the Sultanate's official carrier a set of preferential dates. On these dates, guests get better rates or enhanced offerings from the hotel and the airline. Adds Franzen, "We are not lowering our rates but adding benefits like late check outs, early check in, offering a higher room category for the same fare etc."

Though most players are walking that extra yard to attract business travellers, industry watchers feel that there are certain fundamental challenges that need to be addressed. First, Oman is perceived as an expensive market by travellers. A back of the envelope calculation shows that while a five star room night in other markets costs \$125 on an average, in the Sultanate it shoots upto \$200-250. The weakening of the pound (and Euro) against the dollar, means that European travellers coming to Oman have to shell out more, even after factorising the discounts on offer.

There are others who complain about the lack of an adequate number of airlifts to Oman. "You can open more hotels, but you need more connectivity during high compression periods. I believe that Oman Air is aware of this and that initiatives like the airport expansion and the growing network of carriers serving Oman are steps in addressing these concerns," says Franzen.

### Bottlenecks galore

Different weekends between UAE and Oman makes it difficult for hotels in Oman to attract people from its

neighbouring country. Oman follows a Thursday-Friday weekend, while UAE has moved to a Friday-Saturday schedule. Since there is a dip in occupancies from the business traveller, hotels try to make up for this by offering weekend packages for the leisure segment.

Different weekends mean that while for a UAE guest a weekend begins on Friday, for hotels in Oman the weekend ends that day. Hotels are not too keen to go that extra yard as the week starts as business executives start coming in. Franzen singles out the immigration process as another bottleneck, "A number of people tell us that the immigration process needs to fasten up." He pooh-pooh's charges about a lack of hotel rooms in Oman another pet peeve of critics, "I have not heard of any shortages of rooms in Oman. The tourism ministry has been participating in trade shows regularly and they have big plans for promoting the country."

Ask him about the best part of working in the industry and he says, "You work in a very nice environment and get to meet a lot of famous people." Franzen has rubbed shoulders with the likes of John Travolta, General Tommy Franks, Mike Tyson and numerous heads of state. The flip side is "the long hours that everyone in a hotel puts in."

An avid motor biker Franzen is looking at driving around Oman on his BMW bike. Though he started biking only a year and a half ago, he has taken to biking with a vengeance. "I was in Dubai (Hyatt) and Josef Miklave, the executive chef, a colleague of mine used to constantly talk about biking, so one day I went ahead and bought two bikes one for him and one for myself and asked him to pay up for his bike." He speaks passionately about his rendezvous to Musandam and Hatta pools. "Biking gives you peace and freedom," he says. Franzen could not have wished for a better terrain to indulge in his passion than Oman. **OER**

## QUICK LOOK

**Worked in:** Hilton and Hyatt

**Postings:** Moscow, Dubai and Oman

**Hobbies:** Motor biking

**Likes about the industry:**  
Meeting celebrities  
Good working environment

**Tough ask:** Long hours