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FRANCHISING'S
EVOLVING REALITIES

THE INTERVIEW:
ALFRED PISANI

LATIN AMERICA'S
PIPELINE

Four Seasons' MARRAKECH oasis



Beach Villa bedroom at Reserve in Krabi, Thailand

RESERVE RESERVED

Marriott's ultra-luxury brand is positioned to grow slowly in remote locations where a Ritz-Carlton doesn't fit.

By Jeff Weinstein, editor in chief

Ritz-Carlton President and COO Herve Humler is working to finalize new deals in Vietnam and Cambodia, but these smaller markets don't support his big brand. Fortunately, he now has the ability to reach into his bag of tricks and pull out the Reserve brand, another Marriott International brand extension that is positioned similarly to its Bulgari brand, but works in more remote locations where Humler wants 60 to 80 keys and can't build a larger box.

The first Reserve opened on Phulay Bay in Krabi, Thailand, and is just finding its legs after having to endure

political and weather storms; the second is preparing to open in Puerto Rico. Beyond that, the pipeline is growing, but Humler has no plans to reach 100 units — more likely 20 or so resorts in intimate and historical locations that celebrate the culture and offer luxury with oversized suites, innovative local art, indigenous furnishings and motifs, plunge pools, outdoor living rooms and showers, locally inspired spa and recreation facilities, as well as state-of-the-art technology. Humler also is being shrewd enough to include a bit of meeting space to cater to the weddings business.

Several Reserve hotels will have a residential component, including the new Dorado Beach Resort in Puerto Rico, which Humler says has sold about 40% of its 90 units. The property, targeted to open next winter, will also feature the first restaurant outside of the continental United States for Chef José Andrés in addition to Su Casa, the original plantation hacienda renovated back to its original 1920s style to serve as a five-bedroom beachfront VIP villa.

Average rate in Krabi is running around US\$700, according to Humler, and Reserve is expected to fetch about US\$1,200 in Puerto Rico, where he

predicts 70% to 72% occupancy during the first year.

Morocco is the next project under development on the Mediterranean about a 40-minute drive from Tangier. This Reserve will include 60 residences and a small yacht club for luxury travelers coming into or departing the seas. "There will be no marble," Humler notes. "There will be terracotta tile, a Moroccan restaurant and even a Thai restaurant on the beach."

Looking ahead, a 120-villa Reserve with oceanfront golf has been signed for Cabo San Lucas, Mexico, and an Arabian fort with 90 keys outside Muscat, Oman, is going to start construction in September. Humler adds that he has an opportunity in Qatar, is looking in Mauritius and wants Napa Valley, California, as well. Marriott is strictly acting as managers of Reserve properties.

"I want to make sure we grow in great destinations where we can deliver the unique experience," Humler says. "We are not rushing. For us, we have to make sure it is timeless and always relevant. We are keeping our pulse on the competition and guests to make sure we design hotels they want."

