

## The City that never sleeps

The City Lodge group has built a powerful brand based on a “no-frills” philosophy that has evolved in recent years to include a diverse product offering and added value features that have enabled the group to move with the times without losing focus.

In 1985 Swiss-born hotelier Hans Enderle pioneered a business model in South Africa for a chain of hotels that would offer guests quality accommodation at affordable rates, by trimming services to the essentials.

In the 18 years since its inception, City Lodge has grown from a single hotel to a multi-faceted group with 35 hotels and four product extensions within its distinctive core brand, making it one of the 250 largest hotel chains in the world.

City Lodge MD, Clifford Ross, says the group has moved with times without detracting from the focused strategy that has made it such a success story. Its theme today is “One vision, many choices,” describing the focus on a single vision, and a growing focus on choice.

“The group’s focus has always been selected service and value for money in prime locations,” says Ross: “Over the years the market has changed and so have the needs of business travellers, who make up the bulk of our guest mix. We have changed too, but we haven’t

gone out to tell the market we have changed.”

From the start, City Lodge pegged itself as “quality” affordable accommodation and spends millions every year upgrading its hotels to maintain this image. In 1995 the group came up with the Room 2000 programme – a 10-year, forward-looking strategy to take its hotel rooms into the new millennium.

“We gutted the flagship Bryanston hotel and refurbished it completely with major enhancements, as a blueprint,” says Ross. The bathrooms were upgraded with separate baths and showers (with proper shower doors instead of leaky curtains).

Rooms got refreshment stations instead of kettles in the bathroom; business panels with modem points; international plug points; electronic safes and door locks; and remote-controlled air-conditioning.

The interiors were also updated to give them a softer look, using dropped ceilings, downlighters instead of fluorescent lights and new furnishings and fittings. “When we did Millennium Room programme we did think 10 years ahead, so it has stood us in good stead.”

City Lodge recently completed a R28-million refurbishment of its flagship 208-room hotel at the V&A Waterfront, giving it a completely new look, 44 new rooms and some new features that point the way forward for the group.

One of City Lodge’s original “no frills” features was that it did not offer a full food and beverage service. While this has not changed,

the dining rooms where up until now only breakfast and drinks have been served are evolving into fully-fledged coffee shops, so guests can have meals and snacks at the hotel too. Self-service room service is included, although the hotel maintains its alliances with outside restaurants to supplement its food and beverage offering.

The City and Town brands are also being upgraded with Internet usage areas, business centres and meeting rooms with AV facilities. “One of trends we picked up in recent years is that business travellers increasingly hold meetings over coffee or lunch, and prefer to use their hotel as an office-away-from-the-office,” says director Tony Balabanoff.

City Lodge solicits feedback from guests all the time and runs a mystery guest programme to pick up problem areas and ensure that service is consistent throughout the group.

There are 35 hotels under the banner of four brands catering for different market segments: four-star Courtyard Suite hotels; three-star City Lodge hotels; two-star Town Lodge hotels; and one-star Road Lodges.

“We have grown consistently at an average of two hotels a year,” says Ross. Given that City Lodge owns almost all of its sites and hotels, which it builds from the ground up, this is more difficult than it sounds.

“Suitable sites don’t just happen – we have to source the right land at the right price and with the right zoning, which can be difficult. For

example, we have been working on getting a site in East London for 17 years .”

It is this degree of focus on getting it just right that has made City Lodge one of the most consistent performers in the hospitality industry. Its financial results have been reliably good for the past 18 years.

Ross attributes this to the fact that the group is “hugely consistent” in everything it does. “People know what they are getting at City Lodge. Our pricing is value-for-money, but not budget or cut price. We are not out to buy short-term business—our rates and product offering are consistent and we work hard at the people side of the business.”

“Also, we are a property company with a growing net asset value, not just a management company as many hotel groups are. Most of our investment is financed through our own strong cash flows. Hence, there is very little debt on the balance sheet.”

The group has also benefited from the fact that the domestic market is its mainstay, although its share of the international market has grown. Ross says the group put a hastily-withdrawn toe into international waters, but expansion into Africa is more viable.

With its brand image so firmly established the challenge for City Lodge now is to get the message out that it has moved with the times – but still offers the consistent quality, service and value-for-money that has made it such a favourite with South African travellers. ●