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An Eye on West Africa

There's not been a great deal of activity in terms of new hotel construction and openings in West Africa recently. I hear that work has started on the new Mövenpick in Abidjan and, by the time you read this, the Marriott Accra may finally open – that's been a very long time coming! Marriott also have new hotels under construction in Cotonou and here in Lagos, and new Best Westerns are opening soon in Abuja and in Enugu, which is in the east of Nigeria, one of five cities in the country that are served by Ethiopian Airlines.

Two hotels have recently opened in Nigeria, both managed by Mantis Group – the L'Eola in Lagos (formerly the Leadway Hotel, which has undergone a complete overhaul) and the newly-built Envoy Hotel in Abuja's diplomatic quarter. Mantis is a South Africa-based chain, with a portfolio of 28 managed hotels in Africa (most in South Africa), with a total of around 500 rooms – yes, an average of only 18 rooms per property. The hotels in Nigeria are bigger, with 50 rooms in Lagos and 56 in Abuja, plus the chain has a pipeline of a further three hotels in Lagos. If all are completed, that will give Mantis just over 300 rooms between Lagos and Abuja.

Mantis also provide management and marketing to numerous hotels outside Africa, in London, St Helena and Antarctica; it claims, I am sure rightfully so, to be the only hotel chain on all seven continents.

As well as news of a South African chain making headway in Nigeria (and its combined total of 309 rooms would make it the largest South African operator in the country), AccorHotels, the Paris-based global giant, announced in early April that it had acquired 50% of Mantis, in a strategic partnership.

Now, why would AccorHotels, a

company with over 4,250 hotels, and almost 620,000 rooms, link up with Mantis, with a relatively small footprint and small hotels? Seems an uneven partnership? Well yes, if you just look at the numbers, but not if looking at each party's business case.

Sebastien Bazin, the CEO of AccorHotels said, at the time of the announcement, that with the deal with Mantis "we are reinforcing the group's footprint in Africa and we have access to a brand with strong roots and heritage, recognised for its commitment to preserve the environment and its prestigious credentials in the hospitality space."

So for AccorHotels, which has brands such as Pullman, Novotel, ibis and Sofitel operating in West Africa, Mantis not only expands the number of hotels within its system (its footprint), it brings a brand which is markedly different into its portfolio, and which it can use to take on new properties (not just in Africa – Accor is in 95 countries globally) which its existing brands don't suit.

Founder and Chairman of the Mantis Group, Adrian Gardiner, said that the deal "presents an attractive proposition for the Mantis Group to utilise AccorHotels' robust distribution channels and worldwide reach to further develop the hospitality concepts and sustainability projects we have worked so tirelessly to grow."

And that mention of distribution channels is, I believe, the core benefit of this deal for both parties, but particularly for Mantis. Ten years ago the main hotel chains, including AccorHotels, had 30,000 rooms in their development pipelines, whilst today that figure is over 76,000. The chains are, after a slow start, becoming increasingly dominant in African cities, and it is becoming more difficult for smaller chains and independents

to compete. And if all of those new rooms in the pipeline are realised, the supply of existing chain hotels in Africa will almost double.

So at a stroke, Mantis enters the realm of the global players. AccorHotels has a far, far larger online presence than Mantis could ever dream of having, able to compete with the major players. And then there are AccorHotels' 35 million loyalty card holders, who will now get points and other benefits from staying at Mantis Hotels, and who will receive marketing messages regarding the new addition to the brand family. And the 1,000 corporate accounts, 200 airline partnerships, sales offices around the world – all now for the benefit of Mantis' hotels.

We saw something similar, although on a bigger scale, when Marriott acquired Protea in 2014. Marriott had been struggling to get a foothold in sub-Saharan Africa, and that deal brought it 116 hotels with over 10,000 rooms, and brought to Protea the same global-scale distribution benefits that Mantis will enjoy. Marriott further increased its footprint, not just in Africa but globally, with its acquisition of Starwood in 2016, cementing its position as the largest player in Africa and, as shown in our latest Hotel Chain Development Pipelines in Africa Report, having by far the largest pipeline, topping the table with a pipeline of almost 18,000 new rooms, ahead of AccorHotels, which is in third place after Hilton with 10,000 new rooms.

Will we see more mergers in the African hotel scene in the future? Watch this space. ■

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