

# THE EAST EXPANSION OF INTERNATIONAL HOTEL CHAINS



The international hotel chains such as Swissotel, Marriot, Starwood Hotels and Accord are planning to expand to East European countries. Their major goal is Russian hospitality market. But is the East European tourism ready to compete?

The rapid development of East European countries is very attractive to the international hotel chains these days. **They are starting to focus on this part of the world** wanting to set up at least one hotel in Moscow, Prague, Budapest, St Petersburg and other East European cities.

Swissotel hotels in Moscow and Tallinn show better profits than average and as the spokeswoman for Swisshotel, Eva-Maria Lindner, says: "The success encourages the group to expand into the Eastern European market." **The group is now building a new hotel in the Ukrainian capital, Kiev**, because many international companies, who conduct business in chemical and mechanical engineering, have their seats there and the number of them is growing. The opening of the new hotel is planned for the middle of 2012.

The largest country of the former USSR has become the most quickly growing market place of Eastern Europe. **By 2015 the US hotel chain Marriott plans to double the number of beds in Europe from 40 000 to 80 000.** The Eastern Europe will play a significant role in the plan. Marriott is opening a Renaissance-Hotel in Moscow in 2010. **Starwood Hotels and Accord also plan their expansion to the east.** Starwood hotels would like to build 100 more hotels focusing again on Eastern Europe. The same applies to Accord. However, the hotel chain already has 102 hotels in Eastern Europe, 60 of them in Poland.

However, is the Eastern European tourism ready to compete and win over the Western Europe? Urs Wagenseil, Professor at the Tourism Institute of the University in Luzern in Switzerland, does not think the Eastern European Tourism industry is ready to compete with the western European one. According to him **the East European countries are not able to compete with Switzerland in tourism industry and services right now.** But he also admits that **they have big potential**, however, need more time and enlightenment to free themselves from the communist era habits. Their main problem is that people feel aversion to central leadership and tourism industry requires strategic key leadership.

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