Hotel chain development and penetration in Bulgaria (2013-2019)

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Hotel chains and their role in the hospitality

When a group of hotels can be called a “chain”?

- **Common brand**, in combination with centrally coordinated promotion
- **Similar product** or other common element (location, event, category, etc.)

A group of hotels is NOT a chain, if:

- They are managed by one management company, but do not identify with its brand
- They belong to the same owner, but are different in terms of product, positioning and target clients
Geographical distribution of hotel chains

• The global hotel industry is made up of 18 million rooms. 54% of rooms are affiliated with a global or regional chain (‘branded’), and 46% are unaffiliated (‘independent’).
• The top five hotel groups, IHG, Marriott, Hilton, Wyndham and Accor account for 25% of market share.


• USA – above 67% of all hotels belong to hotel chains (or are branded)
• Europe – about 30% of all hotels are part of chains
• Huge expansion of hotel chains in China and South East Asia
• There is NOT a single source to encompass all the hotel chains in the world
## Hotels’ 325 Ranking – 2018 Edition

<table>
<thead>
<tr>
<th>2017 rank</th>
<th>2016 rank</th>
<th>Company</th>
<th>Location</th>
<th>2017 Rooms</th>
<th>2017 Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Marriott International</td>
<td>Bethesda, Maryland USA</td>
<td>1,195,141</td>
<td>6,333</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Hilton</td>
<td>McLean, Virginia USA</td>
<td>856,115</td>
<td>5,284</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>IHG (InterContinental Hotels Group)</td>
<td>Denham, Buckinghamshire, England</td>
<td>798,075</td>
<td>5,348</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>Wyndham Hotel Group</td>
<td>Parsippany, New Jersey USA</td>
<td>753,161</td>
<td>8,643</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>Shanghai Jin Jiang International Hotel Group Co.</td>
<td>Shanghai, China</td>
<td>680,111</td>
<td>6,794</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>AccorHotels</td>
<td>Paris, France</td>
<td>616,181</td>
<td>4,283</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Choice Hotels International</td>
<td>Rockville, Maryland USA</td>
<td>521,335</td>
<td>6,815</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>BTG Homeinns Hotels (Group) Co.</td>
<td>Beijing, China</td>
<td>384,743</td>
<td>3,712</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>China Lodging Group</td>
<td>Shanghai, China</td>
<td>379,675</td>
<td>3,746</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>Best Western Hotels &amp; Resorts</td>
<td>Phoenix, Arizona USA</td>
<td>290,787</td>
<td>3,595</td>
</tr>
</tbody>
</table>
## Hotel Chain penetration in Bulgaria (2013-2019)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th></th>
<th>2015</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intl</td>
<td>Dom</td>
<td>Intl</td>
<td>Dom</td>
<td>Intl</td>
<td>Dom</td>
</tr>
<tr>
<td>Hotel Corporations</td>
<td>21</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Brands</td>
<td>29</td>
<td>12</td>
<td>34</td>
<td>19</td>
<td>30</td>
<td>24</td>
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<tr>
<td>Properties</td>
<td>48</td>
<td>62</td>
<td>63</td>
<td>82</td>
<td>47</td>
<td>115</td>
</tr>
<tr>
<td>Rooms</td>
<td>9385</td>
<td>8736</td>
<td>11679</td>
<td>11967</td>
<td>11275</td>
<td>17388</td>
</tr>
<tr>
<td>Share of total hotel number in BG</td>
<td>1.63%</td>
<td>2.10%</td>
<td>1.97%</td>
<td>2.56%</td>
<td>1.36%</td>
<td>3.33%</td>
</tr>
<tr>
<td>Total hotel chain penetration in BG (properties)</td>
<td>3.73%</td>
<td>4.53%</td>
<td>4.68%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Hotel Chain penetration in Bulgaria (2013-2019)

Number of hotel brands in Bulgaria

Number of chain hotels in Bulgaria

Rooms of chain affiliated hotels

International brands  Domestic brands
### Hotel Chain penetration in Bulgaria (2013-2019)

<table>
<thead>
<tr>
<th>Hotel Category</th>
<th>2013</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intl</td>
<td>Dom</td>
<td>Intl</td>
</tr>
<tr>
<td>2*</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>3*</td>
<td>5</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>4*</td>
<td>31</td>
<td>33</td>
<td>38</td>
</tr>
<tr>
<td>5*</td>
<td>11</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>
## Hotel Chain penetration in Bulgaria (2013-2019)

<table>
<thead>
<tr>
<th>Hotel Product</th>
<th>2013</th>
<th>2015</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Intl</td>
<td>Dom</td>
<td>Intl</td>
</tr>
<tr>
<td>Urban</td>
<td>22</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Seaside</td>
<td>21</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>Mountain</td>
<td>4</td>
<td>23</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Country</td>
<td>Chain Hotels</td>
<td>Chain rooms</td>
<td>Chain penetration (properties)</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
<td>-------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>162</td>
<td>28 663</td>
<td>4,68%</td>
</tr>
<tr>
<td>Croatia</td>
<td>167</td>
<td>30 808</td>
<td>24%</td>
</tr>
<tr>
<td>France</td>
<td>3816</td>
<td>319 561</td>
<td>21%</td>
</tr>
<tr>
<td>Germany</td>
<td>2078</td>
<td>301 045</td>
<td>10%</td>
</tr>
<tr>
<td>Hungary</td>
<td>140</td>
<td>20 567</td>
<td>13%</td>
</tr>
<tr>
<td>Ireland</td>
<td>183</td>
<td>23 878</td>
<td>22%</td>
</tr>
<tr>
<td>Italy</td>
<td>1488</td>
<td>164 196</td>
<td>5%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>663</td>
<td>76 133</td>
<td>19%</td>
</tr>
<tr>
<td>Poland</td>
<td>342</td>
<td>47 484</td>
<td>14%</td>
</tr>
<tr>
<td>Spain</td>
<td>2453</td>
<td>386 771</td>
<td>33%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>272</td>
<td>30 109</td>
<td>6%</td>
</tr>
<tr>
<td>UK</td>
<td>3520</td>
<td>373 000</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Horwath HTL., 2018
<table>
<thead>
<tr>
<th>Country</th>
<th>Total number of chains/brands</th>
<th>International chains</th>
<th>Domestic chains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>54</td>
<td>30</td>
<td>24</td>
</tr>
<tr>
<td>Croatia</td>
<td>20</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>107</td>
<td>55</td>
<td>52</td>
</tr>
<tr>
<td>Germany</td>
<td>203</td>
<td>114</td>
<td>89</td>
</tr>
<tr>
<td>Hungary</td>
<td>45</td>
<td>39</td>
<td>6</td>
</tr>
<tr>
<td>Ireland</td>
<td>31</td>
<td>23</td>
<td>8</td>
</tr>
<tr>
<td>Italy</td>
<td>227</td>
<td>90</td>
<td>137</td>
</tr>
<tr>
<td>Netherlands</td>
<td>107</td>
<td>68</td>
<td>39</td>
</tr>
<tr>
<td>Poland</td>
<td>61</td>
<td>35</td>
<td>26</td>
</tr>
<tr>
<td>Spain</td>
<td>290</td>
<td>86</td>
<td>204</td>
</tr>
<tr>
<td>Switzerland</td>
<td>65</td>
<td>57</td>
<td>8</td>
</tr>
<tr>
<td>UK</td>
<td>148</td>
<td>80</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Horwath HTL., 2018
International Hotel Chains in Bulgaria

- Kempinski Grand Arena Bansko
- Intercontinental Sofia
- Sense Hotel Sofia
International Hotel Chains in Bulgaria

- Ramada Sofia
- Ramada Plovdiv
- Hilton Sofia
- Doubletree by Hilton Golden Sands
International Hotel Chains in Bulgaria

- Luxury collection
  Sofia Hotel Balkan

- Holiday Inn Sofia
- Holiday Inn Plovdiv

- Golden Tulip Varna
International Hotel Chains in Bulgaria

- BW Lozenetz, Sofia
- BW Art Plaza, Sofia
- BW Plus Bristol, Sofia
- BW Plus Expo, Sofia
- BW Plus Premium Inn, Sunny beach
- BW Premier Plovdiv Hills
- BW Premier Sofia Airport Hotel
- BW Premier Collection City Hotel, Sofia
International Hotel Chains in Bulgaria

- Sol Marina Palace
- Sol Nessebar Mare
- Sol Nessebar Bay
- Sol Nessebar Palace
- Sol Luna Bay

- Melia Grand Hermitage, Golden sands

- Iberostar Sunny Beach Resort
International Hotel Chains in Bulgaria

- Barcelo Royal Beach, Sunny Beach
- Novotel Sofia
- Ibis Sofia Airport
International Hotel Chains in Bulgaria

- Club Calimera Sunny beach
- Prima Sol Ralitsa Superior
- Prima Sol Ralitsa Aqua Park
- Prima Sol Sineva Beach
- Prima Sol Sunlight Sunrise
International Hotel Chains in Bulgaria

- Dolce Vita Sunshine resort, Golden sands
- Neptun Beach, Sunny beach

- RIU Helios Bay, Obzor
- RIU Pravets Resort
- RIU Astoria, Golden sands
- RIU Helios, Sunny beach
- RIU Helios Paradise, Sunny beach
- RIU Palace Sunny beach
International Hotel Chains in Bulgaria

- Maritim Paradise Blue Albena
- Easy Hotel Sofia
- Sentido Marea, Golden Sands
- Sentido Bilyana Beach, Bourgas
International Hotel Chains in Bulgaria

- Premier Luxury Mountain Resort, Bansko
- Kempinski Grand Arena, Bansko
- Kempinski Grand Arena, Bansko
International Hotel Chains in Bulgaria

• RIU Astoria, Golden sands
• Sofia Hotel Balkan
• Ramada Sofia
• Ibis Sofia Airport
• Novotel Sofia
• Barcelo Royal Beach
Bulgarian Hotel Chains

- Lion Borovets
- Lion Bansko
- Lion Sofia
- Lion Sunny beach

- Festa Sofia
- Festa Winter Palace, Borovets
- Festa Chamkoria, Borovets
- Festa Panorama, Nessebar
- Festa Pomorie Resort
- Festa Via Pontica, Pomorie
- Gardenia Hills, Sunny beach
Bulgarian Hotel Chains

- Sozopolis complex
- Park Hotel Pirin, Sandanski
- Grand hotel Yantra, Veliko Tarnovo
- Grand Hotel Murgavets
- SPA Hotel Devin
- Ecohouses Authentic, Bozhentsi
- Wellness hotel Palmenwald

- Hotel Diva, Chiflik
- Hotel Perla Sunny beach
- Hotel Rodopski dom, Chepelare
- Hotel Snezhanka, Pamporovo
Bulgarian Hotel Chains

- Grifid Arabella, Golden sands
- Grifid Bolero, Golden sands
- Grifid Vistamar, Golden sands
- Grifid Metropol, Golden sands
- Grifid Foresta, Golden sands
- Grifid Encanto Beach, Golden sands

- St. Ivan Rilski, Bansko
- Arena di Serdica Residence, Sofia
- Cristal Palace Boutique Hotel, Sofia
- Hill Hotel, Sofia
- St. Marina Holiday Village, Sozopol
- Apartment House Bulgaria
Bulgarian Hotel Chains

- Marinela Sofia
- Royal Castle Design & SPA, St. Vlas
- Maritza, Plovdiv
- Royal Bay
- Royal Park
- Andalucia Beach
- Atrium Beach
- Holiday Village Elenite
- Victoria Palace, Sunny beach
- Chaika Beach Resort, Sunny beach
- Hacienda Beach, Sozopol
- Hotel Pamporovo
Bulgarian Hotel Chains

- MPM Arsena, Nessebar
- MPM Astoria, Sunny beach
- MPM Kalina Garden, Sunny beach
- MPM Orel, Sunny beach
- MPM Bumerang, Sunny beach
- MPM Royal Central, Sunny Beach
- MPM Mursalitsa, Pamporovo
- MPM Hotel Marian, Pamporovo
- MPM Hotel Sport, Bansko
- MPM Hotel Guiness, Bansko
Bulgarian Hotel Chains

- Aqua Varna
- Aqua Bourgas

- Rosslyn Central Park Hotel, Sofia
- Rosslyn Thracia Hotel, Sofia
- Rosslyn Hotel Dimyat, Varna

- Augusta Monarch, Sunny beach
- Iceberg Monarch, Bansko
Bulgarian Hotel Chains

- Winslow Infinity, Bansko
- Winslow Highland, Bansko
- Winslow Elegance, Bansko
- Relax COOP, Voneshta voda
- Intel COOP, Plovdiv
- COOP Kiten
- Melsa COOP Nessebar
- CCOP Strandja, Golden sands
- COOP Zdrave wellness complex, Bankya
- COOP Rozhen, Smolyan
- COOP Dobrinishte
- COOP Sofia
Bulgarian Hotel Chains

- Imperial Resort, Sunny beach
- Forum, Sunny beach
- Amfora, Sunny beach
- Imperial Heights Villas, Sunny beach
- Bor, Borovets
- Manz 2
- Paros hotel
- Paros Park hotel
- Kamengrad Hotel & SPA, Panagyurishte
- Coral, Sozopol
- Sokol, Borovets
- Park hotel Asarel, Panagyurishte
Bulgarian Hotel Chains

- Park Hotel Kailuka, Pleven
- Art hotel Gallery, Pleven
- City hotel, Pleven
- Orbita Palace, Pleven

- HVD Club hotel Miramar, Obzor
- HVD Viva Club hotel, Golden sands
- HVD Club Bor, Sunny beach
- HVD Reina del Mar, Obzor
- HVD Grand Hotel Suhl, Suhl am Südwesthang

- Majestic Beach resort, Sunny beach
- Evrika Beach Club Hotel
Bulgarian Hotel Chains

- Hotel Bon Bon, Sofia
- Bon Bon Home, Sofia
- Bon Bon Central, Sofia
- Bon Bon Struma, Sofia
- Hotel Rila, Borovets
- Hotel International Casino & Towers suites, Golden sands
- Grand Hotel Varna, St. St. Konstantine and Elena
- Arbanassi Palace
- Albatross Suites, St. St. Konstantine and Elena
Bulgarian Hotel Chains

- Astera, Golden sands
- Atlas, Golden sands
- Azalia, St. St. Konstantin and Elena
- Astera Hotel Bansko

- Perla Royal, Primorsko
- Perla Beach, Primorsko
- Perla Sun Park hotel, Primorsko

- Sirona St. Spas Welness hotel, Velingrad
- Sirona SPA Club Hotel Bor, Velingrad
Implications and trends

• Total statistics of chains in Bulgaria at this moment is 54 brands, 162 properties, 28663 rooms

• Domestic brands are on the rise (from 12 brands 62 properties in 2013, now there are 30 brands and 115 properties). However, still the ownership prevails as a form of affiliation, with several small exceptions (MPM Hotels, FPI hotels, etc.).

• The average size of hotels, affiliated to international brands is 240 rooms, while the domestic chain hotel average size is 151 rooms
Implications and trends

• In contrast to the world trend of affiliation to soft brands, the main reduction of international brands in Bulgaria is due to the exit of marketing consortia (HotUSA, HotelRez, Preferred Hotels, Great Hotels of the World)

• Soft brands and Marketing consortia attract independent hotels, offering them marketing support and online reservation platform, thus serving like aggregators and OTAs. Even AccorHotels opened their booking system for independent hotels. The RoomKey platform is another similar example
Routledge Handbook of Hotel Chain Management

- 46 Chapters
- 3 Editors
- 68 Contributors
- 18 countries
- 5 continents

Thank you for your attention!
References


