



Tsogo Sun Marcel von Aulock

THE BUSINESS OF LEISURE

Marcel von Aulock is the CEO of the Tsogo Sun Group. With his finger firmly on the pulse of what people expect from an established hotel and leisure operator, his passion for the industry and for this South African hospitality stalwart is ever-present.

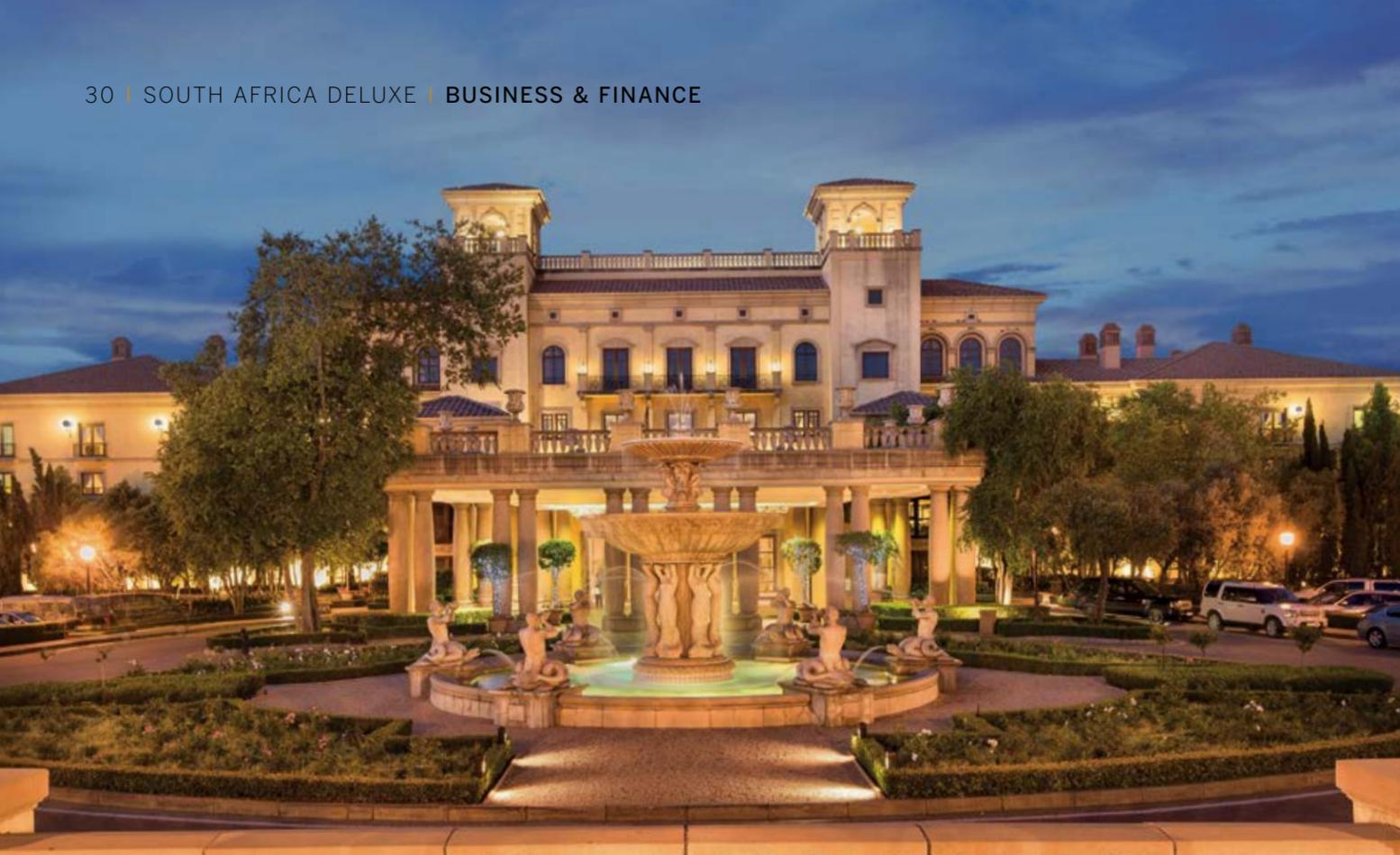
Southern Sun was founded in 1969 and is the original, and the most recognisable, hotel group in the country. In 1964, an accountant from Troyeville, Johannesburg realised his dreams when he built the Beverley Hills Hotel, in Umhlanga Rocks, outside of Durban. At the time, it was the country's first, and only, five-star hotel. Sol Kerzner would go on to become one of the world's leading hoteliers, with properties spanning several continents. For half a century, Southern Sun experienced failures and successes, but ultimately growth. In 2011, it was listed as a publically traded entity under the name Tsogo Sun.

Today, Tsogo Sun is the leading hotel group in Africa, with a property portfolio of 14 casinos and over 90 hotels, offering guests a wide range of choices from exclusive high-end properties, to budget but comfortable stays. Currently at the helm is another accountant from Johannesburg, Marcel von Aulock, who performs his function of CEO with an acute understanding of the industry and environment. Von Aulock agrees with an old SA Tourism slogan "South Africa is a world in one country", and believes this country, and Tsogo Sun have a very bright future ahead.

While he trained as a Chartered Accountant, von Aulock was always drawn to the hotel industry. Not one for front-of-house operations, he decided the commercial side of hospitality was where his passion lay, and so he built his auditing knowledge on a range of hotel clients. In 1999, he joined what was then Southern Sun, in the finance department. The restructuring of Southern Sun and Tsogo, saw the formation of Tsogo Sun as the corporate office and holding company. This occurred, von Aulock explained, because of a swap-up transaction that incorporated the gaming side of the operation with the hotels. The unlisted company was 51 percent empowerment-owned, and it soon saw a merger with Gold Reef Resorts, which was conducted by way of reverse-listing, to augment the group's casino operations. In 2011 Tsogo Sun became a listed entity. While much was happening behind the scenes prior to its listing, it was post-listing, when the scale of the organisation became fully realised in the public eye.

Von Aulock was appointed CEO of the Group just after the company listed in 2011, and has held the position ever since. On explaining Tsogo Sun's offering to high net worth individuals, von Aulock made a very interesting point. Aside from the breathtakingly beautiful Maia Resort in the Seychelles, he believes his clients, even those in the upper-income bracket, make their decisions on what type of hotel





to stay at based on their purpose and not what they can (or can't) afford. "A wealthy couple on their way down to their house in Plettenberg Bay is not going to spend R2,500 per night for the one night they would be in Johannesburg. We are finding that even our wealthier clientele are happy to stay in our mid-range hotels like a Garden Court or core Southern Sun product if they are merely passing through a transport-hub city like Johannesburg."

The vast majority of Tsogo Sun's top-end market-interest is based in the city-centre, corporate offering. In this space, clients have a range of options to choose from, from the more boutique style like Rosebank's 54 on Bath, to the entertainment and corporate combination offering of The Palazzo with the Montecasino precinct adjacent, to a hotel with a full city appeal, much like the Sandton Sun, which von Aulock explains is in the process of a major refurbishment. He says that this offering extends to the other major South African hubs with the likes of The Cullinan in Cape Town having a close tie to the CTICC and the Beverley Hills Hotel that has long enjoyed a strong corporate presence in Durban and surrounds.

In terms of the Tsogo Sun brand, von Aulock acknowledged that since 2012 the Group has put a lot of their efforts into unifying the corporate brand, with the brands of their various properties. By incorporating the sun burst logo into all of their portfolios, he believes it has become instantly recognisable. "The sun burst logo is as strong in South Africa as the Apple logo and Nike swish is in the States," explains von Aulock. "Even children identify with it as a fun and exciting holiday destination. Since we unified the gaming and hotel side of the business under one umbrella, brands like Southern Sun, Garden Court, Sun Square, Stay Easy, Sun1, Silverstar, Montecasino and Gold Reef City all fit the same company as 54 on Bath, The Palazzo, The Beverley Hills Hotel and Sandton Sun, and that is excellent for the Group from a branding point of view."

Not without its challenges, von Aulock did allude to the fact that this was a bold decision, but one that paid off nonetheless, with the popularity of the Tsogo Sun brand growing remarkably quickly. "Today, people recognise Tsogo Sun as a brand, no matter what property they are looking at, whereas five years ago, that would not have been the case at all."

With business operations spanning the country, Tsogo Sun's core business remains that of the local market. In world terms, the amount of international travellers to South Africa's shores for gaming purposes is minimal when compared to the likes of Las Vegas. With this said however, von Aulock does not concern himself too much whether his clients arrive with a briefcase or camera bag. He feels that the products on offer to the client are positioned in a way for the client, whether corporate or leisure, to have the option to select which hotel best suits their needs. "Sandton Sun is a great example," he explains. "This hotel is situated in the most economically active part of South Africa. By virtue of its position it works well as a corporate destination, but, it also flanks Sandton City's Diamond Walk, which caters to a bespoke shopping experience for our leisure guests. It is

also within a couple of hours of some top safari destinations, which makes it an incredibly diverse product." When looking toward the future, it is clear that Tsogo Sun is an expanding company. With about R2 billion spent over the last two years on expansion and R1 billion per year on maintenance and refurbishment, the team constantly ensures the properties are kept to their best standards. Undoubtedly, the refurbishment of Sandton Sun, to be completed in August this year, will make it a premier hotel destination in Sandton. In addition, a 50,000 square-metre mall is the next step at the Suncoast Casino complex, complete with swimming pools and leisure areas. An all-new, 500-bedroom budget hotel is currently under construction on the corner of Buitengracht and Strand streets in Cape Town's city bowl. The completion of this will mean Tsogo Sun has representation from two to five star representation in Cape Town and over 2000 available rooms.

On the outlook of South Africa, von Aulock remains optimistic, saying: "We need to focus on the political and economic issues and get them both under control. Negative PR as a country happens everywhere, but it is about managing and controlling the source of it that we need to get right. Having said that though, we are getting many things right too. South Africa has overtaken the Seychelles as the number one tourist destination in Africa and sits at 48 in the world, which is great. I believe that ranking could be higher but is an achievement for us nonetheless."

"At the end of the day, South Africa is a country where a tourist can experience the world, from beaches to cities, mountains and safaris – we have it all!" ■ Kevin Taylor

Photos: © Tsogo Sun

