

'The appeal of luxury travel is in the flair of the product and not what you have to pay extra for.' — Christian Rivadalla, Octogone Hotels

New on scene, Octogone adapts to market challenges

By Kenneth Kiesnoski

A year and a half after opening its first property, on the outskirts of Marrakech, Morocco, new five-star resort chain Octogone Hotels, the brainchild of Scottsdale, Ariz.-based hospitality software developer Christian Rivadalla, finds itself evolving to meet the changing demands of the upscale travel market.

Octogone's original business plan called for eight Moorish-themed properties in eight Moroccan destinations by winter 2009 as well as an equal number of resorts outside the country. The first, Terre Resort & Spa, debuted in Marrakech in October 2006 and will be followed this November by Sky, to open in Morocco's Atlas Mountains.

Sky will debut a year behind schedule due to construction problems. In the meantime, Rivadalla decided to tinker with his game-plan, slowing development in Morocco to

focus first on other markets; spinning off the Milagros (Franco-Cuban-Moroccan fusion) restaurant and Sultry Spa brands; and partnering with other hoteliers to rebrand or refurbish existing properties and open Octogone-themed hotels-within-hotels rather than initiating new builds.

"We will probably be doing the properties outside of Morocco sooner than anticipated," said Rivadalla. "We'll be pushing the Milagros and Sultry Spa concepts out to markets even where we don't have hotels."



Octogone Hotels' first Moorish-inspired, five-star property, the 52-unit Terre Resort & Spa, opened in October 2006 in Marrakech, Morocco.

Rivadalla — who bankrolled construction of \$25 million Terre himself — is raising \$240 million for hotels, restaurants and/or spas planned for Dubai; Grenada, Spain; Milan, Italy; and the Adriatic Sea coast of former Yugoslav republic Montenegro.

But first, the new Royal Annex — a five-suite *riad*, or inn — will open in the Marrakech *medina* (market) as a satellite of Terre this October. "There's nothing like it in Morocco now," he said. "It's a great way to mix the city with our resort property."

Then, the first Octogone-branded resort in the U.S. will open on the premises of an existing, undisclosed Scottsdale property.

"The idea is that if you don't want to venture to Morocco to try this Moorish

concept, we're going to put it in a sexy place that's booming but has nothing *really* different yet," said Rivadalla. "We thought Scottsdale would be the perfect [U.S.] springboard."

Plans to open in New York, meanwhile, have been revised. "We wanted to take over eight floors of a property and rebrand them as 'inspired by Octogone,'" he said. "But we will likely go with a Sultry Spa outlet first."

Americans account for 8% of bookings at Terre. To up its mind share among U.S. travelers, Octogone Hotels joined the Tablet Hotels boutique hotels marketing group.

"Octogone [operates] in the art-hotel realm," said Rivadalla. "I want hotels that can host art exhibits or fashion shows rather than being a Four Seasons, institutional and never taking chances. We want to give more than just a beautiful bed and bath."

That tack, along with perks such as free minibars and airport shuttle services, also could help Octogone stand out in the luxury travel crowd as recession looms.

"The appeal of luxury travel is in the flair of the product and not what you have to pay extra for," Rivadalla said.

And at Octogone, a bit less is more — when it comes to bookings. "I never want more than 90% occupancy, [so] if guests want to stay an extra day, they can do it."

Terre is running at 68% this winter; the average at all Marrakech hotels is 58%.

For more information, call (480) 503-8022 or visit www.octogonehotels.com.

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