

A pioneer in the hotel industry

Anthony Manduca

As the Preluna Hotel celebrates its 40th anniversary CEO Joe Preca is confident about the future and clear about why the hotel has been so successful. “The secret of our hotel’s success has been its continuous investment in its product and the way it evolves according to the needs of its clients. We have plans for more refurbishments this winter followed by a programme for the next five years which should result in totally new rooms,” he said in an interview with The Times Business.

“In 40 years we never made anyone redundant,” he said with obvious pride.

“Being family-run makes a big difference. We give a lot of attention to our employees and guests as well as the hotel’s upkeep.”

Mr Preca says that when the Preluna opened in 1969 it had two big advantages, one was the site, on the Sliema seafront in Sliema, which he calls “an extraordinary sight” and the other was the entertainment it provided, which he says was *a very, very* important attraction.

He explains that the Preluna started operating when tourism was in its infancy. “My father decided to build a hotel after the government offered grants and incentives. Thirteen floors of the building – which was going to be a block of flats - had already been constructed.

“One of the conditions attached to the awarding of grants was that an international company had to be appointed to operate the hotel. Once such a company had been identified – it was an Israeli one – we also sought advice from its architects and engineers. This Israeli company actually took over the building of the Preluna.

“The first thing the Israelis told us was that the building was too narrow and not suitable for a hotel. They consequently purchased a block of flats which had

just been built by Maurice Decesare – which they then demolished and incorporated into their plans for the hotel. Consequently the Preluna took a different form allowing space for a lobby. The architects were brilliant and as they went along there were other offers for houses which they agreed to buy and which gave us more space.”

The Preluna has long been associated with tourists from the UK. Is this still the case today?

“We had so many British tourists because Malta catered for British tourists. When we expanded and built the Preluna Towers in 1990, it was the time when the markets were being diversified, and because of this, a better quality of tourist was expected. When we built the towers we made it a point to only build top quality *rooms* with a sea view.

“This was our turning point when we wanted to attract tourists from the continental market in addition to the UK market. We managed, because while 80 per cent of our market was British, this went down to 40 per cent during summer. The older generation travels in the winter months and they find this place ideal, especially because of its location. In fact we need to concentrate even more on attracting senior citizens, because they make up a vast part of the market in winter,” he said.

Mr Preca says British tourists come to Malta because they feel at home. “It’s not the same with the Germans, who just visit us and like what they see, but the chances of repeat visits are not as high as with the British.”

He says the Preluna prides itself on its Sliema location adding that he could confidently say that they have the best all year round location. There are many good locations in summer, he says, but which are not so good in winter.

How has the hotel’s marketing strategy changed over the years?

“Before, until the internet came along, we used to mainly have contracts with tour operators. Our business depended mainly on these operators. Through the internet we started getting independent business which is constantly growing.

We are very flexible with what we charge because we are not constrained by a contract we would have signed a year and a half ago with the tour operators. Now that tourism is suffering globally business through the internet has become even more important. The number of online bookings for this summer is very much on the increase,” he said.

Turning to the global economic crisis he said that until mid-October 2008 the hotel did not notice any changes in the market. Suddenly, however, there was a slowdown which continued until February.

“People were taken aback by the situation and many stopped booking. Now that the situation has become somewhat clearer, the situation has changed. We are seeing new bookings coming in. There has been a change. So we are hoping that this summer will not be as bad as it would have been. However, the continental market is doing better than the British market – sterling’s value obviously hasn’t helped.”

He is also full of praise for the way the Malta Tourism Authority is *advertising* Malta in the UK saying this has had an impact.

“There was a time when some people believed that the situation was so bad that nothing could improve it. However, the MTA adverts on Sky in the UK are very *good* and we’ve seen a change for the better. The adverts have had a positive effect on the bookings, mainly from individuals travelling independently.”

Mr Preca says the four star market is less lucrative than the five star sector as the rates are lower. On the other hand, he points out, as a result of the recession five star hotels lose a lot of business in conferences so the four star market *in this case* is safer than the five star.

He considers his direct competitors to be those hotels which have a lot of facilities like the Preluna has. “I would consider the Dolmen Hotel, for example, as a direct competitor. Luckily for us we are unique in Sliema and we don’t really have a direct competitor in this locality,” he said.

After 40 years the day to day operation of the hotel has already been passed on the next family generation. “I have been here from day one of the hotel opening. Just before the hotel opened my father was not well so I took over. I have run the *company* for all its 40 years. The important thing now is to mould our future generation to be able to take over. We have actually passed the operation to the third generation. My son takes care of the everyday running of the hotel, and my niece takes care of all the contracts, tour operators and bookings. Together I think we have a very strong team for the future. I didn’t want too many family members involved in the running of the hotel as it is important to have this concentrated in just a few hands, and I think we’ve managed that,” he said.

Looking back, I ask, he must have a sense of pride that the Preluna is regarded as a pioneer in the tourism industry that has grown to become such an important pillar of the Maltese economy.

“Our greatest satisfaction is that times have changed, the type of tourist has changed, trends have changed, and we have adapted ourselves all the time. I believe that today we have the best product we have ever had. So the improvements which have made in the past, and which we keep on doing, puts us in a safe position, to enable us to compete.

“Normally a hotel which has been around for such a long time can very easily be outdated, or subject to criticism because it is looking old, for example. It is not easy, because you have to keep on investing, and investing properly. I think we have managed that.

“A few years ago we invested in a spa which is needed in order to attract winter tourists. Every year we plan to do something. Last year we changed our a la carte restaurant to Nina’s wine bar and bistro. This year we are changing our coffee shop into one that serves Japanese fusion cuisine. We have to keep on evolving. It doesn’t come cheap because you have to channel a part of your earnings into new investment. But if you don’t do that you’ve had it.”

He concludes: “Today I feel very confident that we are leaving the hotel to our third generation in a very good condition.”