



# HOTEL MARKET DAY 2020

NEW TRENDS  
IN A CHANGING  
HOTEL WORLD



## THE ECONOMY

Annika Winsth, Nordea:  
“Swedish export and industrial  
production are back on the levels  
they were before the pandemic.”

## OUR BEHAVIOR

Professor Martin Ingvar shares his  
thoughts on how the pandemic  
will change our behaviour and  
society as a whole.

## PANDOX'S POSITION

Anders Nissen, CEO:  
“This new situation can provide  
opportunities for Pandox to  
grow even further.”



# A SPECIAL EVENT IN A SPECIAL YEAR

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- 5 The pandemic as a horror movie?
- 6 The human brain in a time of lock-down
- 7 Economic implications and economic outlook
- 8 When will everything be back to normal again?
- 9 The future of hotels and Pandox's position



**Jan Wifstrand** was the moderator during Pandox Hotel Market Day 2020. Jan is a journalist and entrepreneur in the media industry. Among other things, he was editor-in-chief of the Swedish daily newspaper Dagens Nyheter between 2003–2006.

## Production

This report is produced by Oh My on behalf of Pandox.

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**"NO ONE WANTS** to look like an unmade bed," Martin Ingvar told me during the spring when we spoke about the importance of daily routines despite working from home during the corona pandemic. His words have become a good mantra for me and for everyone at Pandox during the very special year of 2020. When everything has been turned upside down out of your control, it has become even more important to focus on what you can influence – yourself. Keeping your routines: a good night's sleep, make your bed, dress-up, exercise, eat healthy and keep a positive mindset. Maintaining yourself in good shape until we are back to normal again, whenever it happens.

**"When everything has been turned upside down out of your control, it has become even more important to focus on what you can influence – yourself."**

**WE AT PANDOX** are incurable optimists and want to show our belief in the future and keep the faith in and hope for normality. Therefore, it was extra important for us to find a way to arrange this year's Hotel Market Day, the twenty-fifth in order. Even though the digital format was new this year and the program was adapted for digital first with high tempo, I hope that you, as in previous years, got some inspiration, knowledge and insights.

**THAT BEHAVIOR ARE** difficult to change became clear during this year's Hotel Market Day. During the event, we asked the audience some questions, one being what they miss most during the pandemic. The majority's answer was "to travel". Equally clear was the answer to the question about the audience's travel plans after the pandemic, where 85 percent answered that they will travel more or as much as they did before the pandemic. Clearly, people want to meet and to travel again when the pandemic is over.

**I WOULD LIKE** to thank our guest speakers Tove Fall, Annika Winsth, Martin Ingvar and Robin Rossmann for sharing your expertise. Thanks also to Jan Wifstrand who elegantly moderated us through the day. Finally, thanks to the production company Oh My and to everyone at Pandox who were involved. And most of all a massive thank you to all our partners, investors and other stakeholders who followed the event online and made the Hotel Market Day 2020 to one of the best days in 2020!

**IF YOU MISSED** the event or would like to see it again, you can find the full Hotel Market Day 2020 on demand at [www.pandox.se](http://www.pandox.se)

**Anders Nissen,**  
Chief Executive Officer



### Dogs!

Moderator of the Hotel Market Day 2020 was Jan Wifstrand. He is a Swedish journalist and entrepreneur in the media industry, having worked for Sweden's biggest newspaper as a financial reporter and editor-in-chief.

During the event, he constantly asked the guests about dogs. And later, he told a story about something that he once learned from a fellow journalist at the Financial Times: If you immediately want to draw the attention of a reader to your article, just write "dog" in the first sentence.

However, it also turned out that Jan's obsession with our fluffy friends had a direct relevance to the theme of the event. To learn how, watch the full Hotel Market Day 2020 online.

[Click here to watch the Hotel Market Day 2020.](#)



### The House Band

Since it was impossible to have an audience this year, someone came up with the brilliant idea of turning the event into a talk show. And a talk show of course needs a house band.

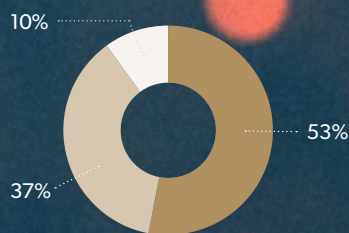
Naturally, we did not settle with anything less than Europe's best soul band: Isaac & The Soul Company. They really pumped up the energy and created an amazing atmosphere. Check them out by watching the full event online, or listen to them on Spotify.

[Click here to listen to Isaac & The Soul Company on Spotify.](#)

## THE POLL RESULT

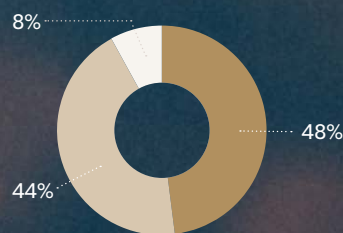
During the event we asked our online audience to answer a poll about their behaviour during the pandemic. Here are the quick results.

What has the pandemic made you miss the most?



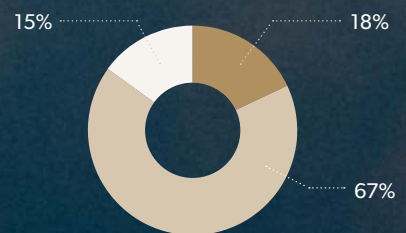
- Travelling
- Meeting friends and relatives
- Events such as matches and concerts

When the pandemic is over I will work from home?



- More than before the pandemic
- Just as much as before the pandemic
- Less than before the pandemic

When the pandemic is over I will travel?



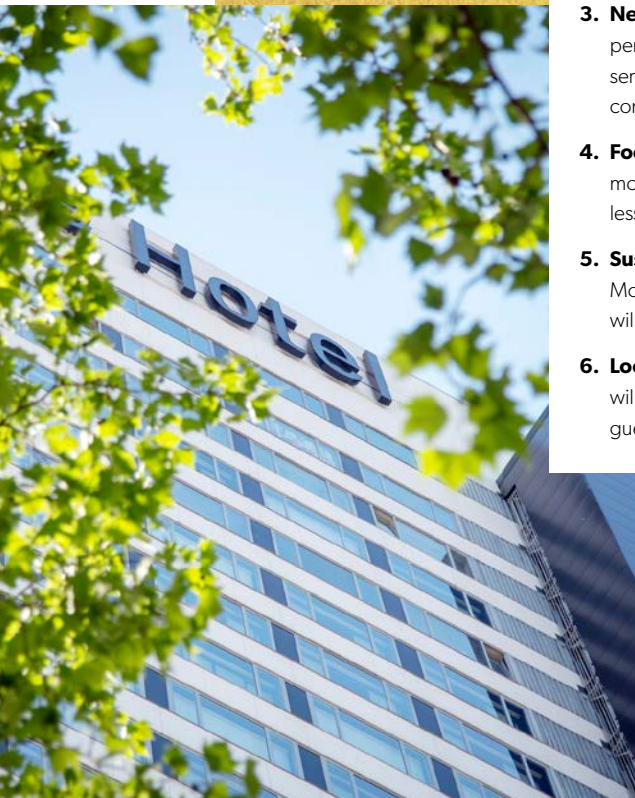
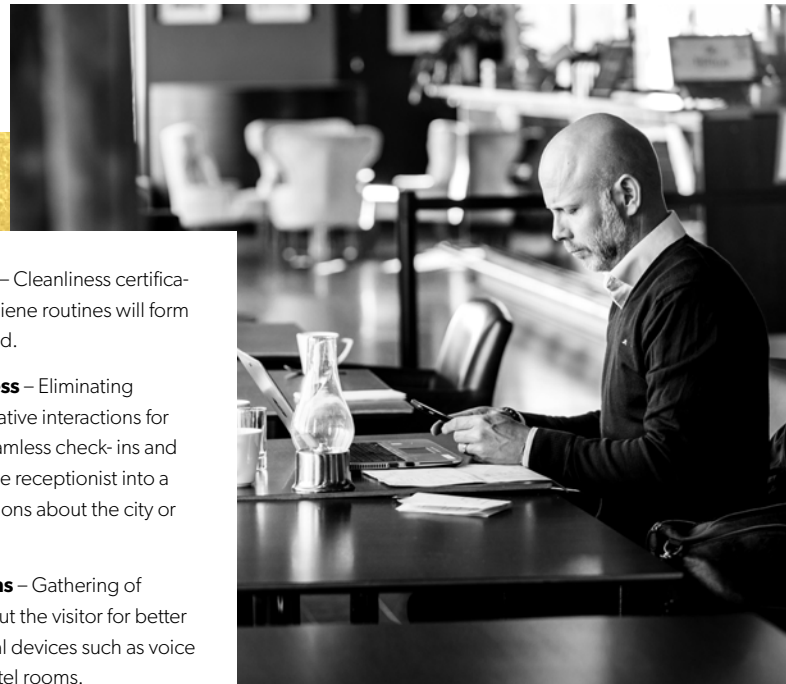
- More than before the pandemic
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# SIX MAJOR TRENDS IN THE HOTEL MARKET

**Aldert Schaaphok**, Senior Vice President – Director International Operations at Pandox, was invited to talk about the future of hotels. He identified six major themes that will dominate the industry for the years to come.



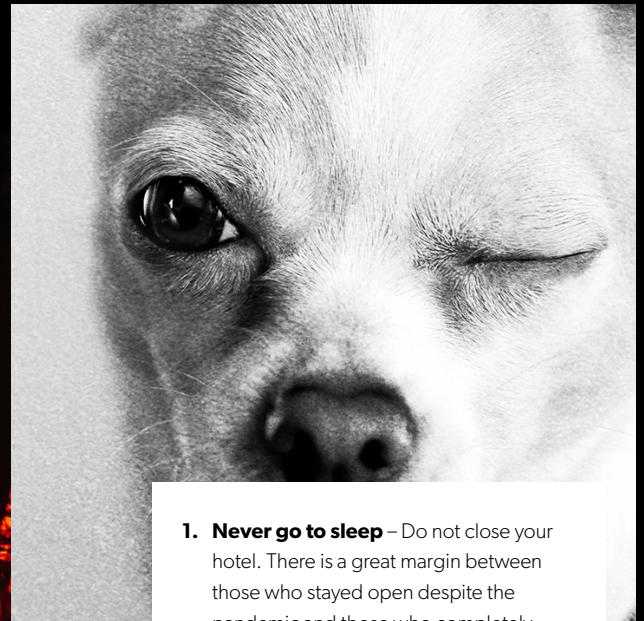
- 1. Hygiene and safety** – Cleanliness certifications and adapted hygiene routines will form a new hygiene standard.
- 2. Becoming contactless** – Eliminating unnecessary administrative interactions for guests. This means seamless check-ins and maybe even turning the receptionist into a host, answering questions about the city or the location.
- 3. New digital solutions** – Gathering of personalised data about the visitor for better service. More technical devices such as voice control solutions in hotel rooms.
- 4. Food and beverages** – Less rich buffet, more portion control solutions. Less choice, less waste and increased quality.
- 5. Sustainability** – Shorter supply chains. More local economy. Vegan and vegetarian will become mainstream.
- 6. Local experiences** – The successful hotels will be the ones with the ability to link the guests to the local community.



# THE PANDEMIC AS A **HORROR MOVIE**

In his talk with **Vassilis Syropoulos**, Head of RMC at Pandox, **Robin Rossmann**, Managing Director of STR International, argued that the lessons that the hotel industry can draw from the pandemic are the same as those from any horror movie.

These are his three advices:



- 1. Never go to sleep** – Do not close your hotel. There is a great margin between those who stayed open despite the pandemic and those who completely closed down.
- 2. Keep your eyes open** – Be awake and open so that you can spot the new trends in the industry.
- 3. Be prepared to run very fast** – When there are rapid changes, do not sit still. Be prepared to act and do the necessary changes to your company.



# THE HUMAN BRAIN IN A TIME OF LOCK-DOWN

**Martin Ingvar** is a Professor of cognitive neurophysiology and one of the world's leading experts on the human brain. He visited Hotel Market Day 2020 online to have a chat with **Jan Wifstrand**. He immediately pointed out that the background picture he used of a large crowd of people, certainly was taken before the pandemic started.

**Hi Martin, can you tell us how we can take responsibility in these times, except by washing our hands and keeping distance?**

– I would say that an additional measure is to invest in the social norm. That you can do by telling and reminding others about how to behave in order to avoid transmission. From my point of view, as a scientist interested in human behaviour, those things are extremely important and are in some way an integrated part of Sweden's strategy.

**Your science is mainly about behaviour. What happens to us now when we work from home and maybe also are afraid of the virus?**

– The amygdala is an area of the brain that is being activated when we are afraid. And the fear of infection during the pandemic has probably resulted in a higher activity in that part of our brains, causing lots of stress. On top of that we have the work situation. For most people that were already kind of mobile before the pandemic started, the situation has generally been inconvenient but bearable. But for those with less mobility and maybe also less social network around them, the situation has been much harder.

**Will the pandemic change the way companies will function in the future?**

– Yes, I think so. The urge to control what is produced in a company, all those things are speeded up. The automatization and digitalization that was already underway will now go even more rapid. But how deep it will go is a little bit depending on who you talk to. An interesting fact here is that elderly managers tend to see the situation as a temporary thing, while younger managers consider this as the new normal.



**What is your view on the hotel industry in this crisis?**

– I am normally an avid traveller, and I think hotels are generally always doing a very good job. They are used to working with 100 percent predictability, and they already have strict routines for hygiene and cleaning that just needs to be amended to the covid-19 situation. I think the hotel industry will come out of this fine. ●

**"I think the hotel industry will come out of this fine."**

– Martin Ingvar



# ECONOMIC IMPLICATIONS AND ECONOMIC OUTLOOK

**Annika Winsth** is the Chief Economist at Nordea and a frequent guest on the news and in financial magazines. She was invited to talk to **Jan Wifstrand** about the financial impact of the pandemic and what we can expect in the future, both short and long term.

## **What is your thought on where we are today?**

– First of all I think that it should be noted what a severe situation we are in. We should all be humble before it. But on the other hand, the recent vaccine tests are very promising, and if it results in effective vaccines, we are in a much better position. If we can start managing the risk groups from the beginning of next year it would mean a lot for the economy worldwide.

## **So, how is the economy in the world at present?**

– It really depends on where you look. In China for instance, both the manufacturing and service sector are above the levels they were before the pandemic. And since China is an important engine for the world's trade, this naturally means

**“It is predicted that China’s GDP will grow with about two percent this year despite the pandemic.”**

– Annika Winsth

a lot. Actually, it is predicted that China's GDP will grow with about two percent this year despite the pandemic.

However, when it comes to Europe, Annika Winsth sees a lot more stressful situations. But at the same time, Sweden stands out relatively strong compared to other countries. Swedish export and industrial production is back on that level it was before the pandemic, which is mainly due to the fact that world trade has resurged after the lock-downs this spring.

The reason why many countries so far have not been hit harder by the pandemic is because of massive financial stimulus packages. The level of these are substantially above what was handed out by governments during financial

crises in 2008. Annika predicts that the massive stimulus will probably press down interest rates in the short term.

**It is almost like you sound very optimistic here? Are there no limits to how much money we can come up with then?**

– Well, I think for the US at least, there will be no problems. The growth will be higher than the debt increase in the future and the fact that they have the world's leading currency also plays in. Also in Sweden, I think we will be able to handle it. And besides, we really do not have any choice. The stimulus packages are absolutely necessary in order to get through this.

**What about unemployment then?**

– Companies have actually started to employ people again, and the real numbers for Sweden turned out significantly better than most forecasters' and not least than the Riksbank's and Government's. So, we are going in the right direction. But of course some sectors need massive help to sustain throughout the crisis, and some jobs will definitely disappear.

Among sectors where high unemployment is expected, she mentions bars and restaurants, but also culture and sports. However, from a crude

**"I think we will be able to handle the situation financially. And besides, we really do not have any choice. The stimulus packages are absolutely necessary in order to be able to get through this."**

– Annika Winsth

financial standpoint these sectors constitute a relatively small share of the GDP, adding up to only 3,5 percent. And this is more or less the case for all countries in Europe.

– From my point of view it is obvious that some jobs will disappear. But naturally there is also a lot of uncertainty here. Because it is always easy to predict what kind of jobs that will go, but harder to tell what kind of new jobs that will be created.

Annika also thinks that the pandemic will result in permanent changes to the Swedish economy. One sector that will be affected is real estate. Offices, she points out, will probably start to look different, since much more space will be needed to keep social distance. There will also be a high demand for smaller and more private areas.

**What more should we look out for as a result of the pandemic?**

– One of the really major problems as I see it is that the well-off will get even more well-off, while the poor get poorer. This will create a divide in the society that needs to be managed by politicians. We definitely need to talk about it much more these days. ●

During a group discussion between Tove Fall, Annika Winsth and Martin Ingvar, the same question was asked to each of them. Here is the question and their answers.

## WHEN WILL EVERYTHING BE BACK TO NORMAL?



*Martin Ingvar:*

– For some industries, such as bars and restaurants, things will probably never be exactly the same again. But for many businesses, soon.



*Annika Winsth:*

– I do not think that everything will go back back to exactly how it was. But people might feel some sort of normality next fall.



*Tove Fall:*

– Widespread vaccination and rapid testing can possibly open up the society sometime next year.



# THE FUTURE OF HOTELS AND PANDOX'S POSITION

The Hotel Market Day 2020 ended with a discussion about Pandox's position on the market. On stage was **Anders Nissen**, CEO, **Bengt Brodin**, Senior advisor and **Liia Nõu**, CFO.

**ANDERS NISSEN WAS** first out and talked about how the hotel industry definitely will see changes, but that it's not necessarily all bad ones.

– Today, the dominating trend is to make the most of domestic business. More domestic travelers is a trend that has been there throughout the pandemic and is definitely here to stay. And if you think of it, that does not need to be something negative. People want to travel shorter, simpler and safer. And if you do more frequent and shorter trips, there is even room to push the demand much higher.

*Bengt Brodin:*

**So, what more do you think will happen as a result of the pandemic?**

– Many things of course. But first of all, the big brands in the hotel industry will need to change more than the independent brands. So, a multi-brand strategy could open for exciting independent hotels. Premium independent hotels have already been seeing a strong development

**“We have great relationships with our banks, and at the present we have approximately 5.3 SEK in liquid funds and unutilised credit facilities.”**

– Liia Nõu

over the recent months, where an increase in local weekend trips has been the driving factor. Therefore it is important to adjust and ride the wave of this trend. And I think that all these changes can provide new opportunities for Pandox to grow even further.

**What about you, Liia Nõu, where is Pandox today?**

*Liia Nõu:*

– I would say that we are both confident and strong. We have been around for 25 years and have a resilient organisation, and about 85 percent of our revenue comes in the form of rents from our tenants, with a shared risk. On top of that we have great relationships with our banks. And at the present we have approximately 5.3 billion SEK in liquid funds and unutilised credit facilities. That gives us a very competitive position on the market.

*Anders Nissen:*

– Yes, I agree with Liia here. And another reason why we are in a good position is that there are much fewer players on the market today than one year ago. Money has been withdrawn and projects have been cancelled by our competitors. But we are still here with a strong financial position and lots of experience.

*Bengt Brodin:*

**Last but not least, what is your advice as a leader in these turbulent times?**

*Anders Nissen:*

– To have a functioning organisation, I have always said that only three things are needed. First of all you constantly need to do things better. Secondly, you need intelligence, a capacity to understand, so that you have advantages towards your competitors. And last but not least, you also need to have fun. The last thing is especially important these days. ●





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