

Building on the Trump Brand

An Interview with Ivanka Trump,
Vice President, Real Estate Development and Acquisitions, The Trump Organization

EDITORS' NOTE Ivanka Trump joined The Trump Organization in 2005, where she currently serves as Vice President. Prior to being a member of the real estate team, Trump served as Project Manager for Forest City Ratner Companies in the Retail Development division and worked as a fashion model part time. In 2007, she partnered with Dynamic Diamond Corp to launch the Ivanka Trump Collection, the line of jewelry she designed and introduced at her flagship retail store on Madison Avenue. Trump received her bachelor's degree in real estate from the Wharton School of Finance at the University of Pennsylvania.



Ivanka Trump

COMPANY BRIEF The Trump Organization (www.trump.com) is a premier real estate company with holdings that include the Trump International Hotel & Tower, The Trump World Tower at the United Nations Plaza, and Trump Park Avenue. Headquartered in the Trump Tower in New York, Trump Organization also owns the Mar-a-Lago Club and Trump International Golf Club in West Palm Beach, Florida; Trump Hotel & Casino Resorts in Atlantic City, New Jersey, which includes Trump Taj Mahal Casino Resort; and is developing properties in Chicago, Las Vegas, Miami, Los Angeles, Palm Beach, and Dubai. Additionally, it has developed Trump University, an online university that offers courses in real estate development; Trump Model Management; The Apprentice; and co-owns the Miss Universe, Miss USA, and Miss Teen USA pageants with NBC.

Given the recent economic crisis, where do you see the market today?

In terms of real estate, there are some waves that have yet to hit us, such as commercial real estate. We were fortunate in that my father has been through cycles before and has learned from those cycles. So we started pulling out of real estate investments, growing annuities, and developing management companies, like our hotel company, around 2005. Now we're starting to see tremendous opportunities. We're in a great position to mobilize our resources and to avail ourselves of the great opportunities that are starting to pop up all around us.

Initially, starting in late 2008 and continuing into this year, we have been purchasing

distressed golf courses. We're very excited about the growth and development of our golf portfolio.

We're also increasingly starting to look at hotels for purchase, and additionally, a main part of our focus will be on commercial real estate, although we're a little bit out in front of that right now.

On the hotel side, the Trump Hotel Collection seems to be a strong and growing part of the business. Are you surprised at how quickly that part of the business has grown, and how broad do you anticipate that getting?

In a time when there aren't many new hotels under construction, it's a great validation of the work we're doing that we're still signing new deals. We signed a management contract recently in Asia on a building that is under construction. The developers had become disillusioned by the existing management group, because they realized it was a brand without the infrastructure to support it when things get a bit more challenging. That's an area where we're looking to grow.

But one of the reasons we're so strong in this space is that we speak the same language as the developers. Most hotel companies don't own their real estate and have never developed anything. So when we're working with a development partner, either when we build our own hotels or do a more traditional hotel management contract, we can add tremendous value through the construction process, which is very beneficial to our partners.

Also, on the hospitality side, for years, we've run best-in-class residential buildings. The compliments we get from the people who live in those buildings and the people that visit those buildings are unsurpassed. So it seemed like a natural extension to bring that competency into the hospitality space, and we've been doing very well.

Your jewelry brand has received a lot of credit for the quality of the product. Are you happy with how that business has developed?

My President is just starting a road show to bring in international accounts. We already have a partner in Kuwait that we've been selling a tremendous amount of jewelry through, and we're looking for international strategic retail

partnerships to allow us to expand internationally. So the jewelry business, despite the difficult climate, has been a great one for us, and we continue to grow it.

I also recently signed a shoe deal with Marc Fisher, so I will have a great line of shoes that will be coming out in Spring 2011.

You published a book not long ago that received tremendous acclaim in the market. What made you feel it was the right time to write a book, and did you enjoy the process?

I did enjoy the process, but it wasn't something I had initially set out to do. It was a reaction to the letters I received, both from young people and their parents, asking advice for those in their early years. To be able to bring them that advice on a peer-to-peer level was helpful, and that was shown by the fact that within the first week of launching, it was on the *New York Times* bestseller list.

In this economy, the perception of luxury has been mostly negative. Has it gone too far, and do you worry that the true meaning of luxury and what it brings has been lost?

Time is highly corrective and useful in that regard. Luxury is often badly defined by people who don't really understand what it is. It's not a marketing gimmick, it's not a marketing term – the product that you're delivering to people has to be substantive, and able to withstand the test of time. Too many people were interpreting things that were trendy as luxurious and they're not always simpatico. So people became a little bit obsessed with the fluff and stopped looking towards substantive purchase, and that's changing now. If you develop quality and a product that can endure over time, there will always be a demand for that.

You have been approached many times for brand extensions of the Trump name. How do you take advantage of the opportunities without losing the exclusivity for which you are known?

You have to be smart and disciplined, and able to see if there is a space for you to succeed by doing something that's either better or that's not being done by anyone else, and then you have to make sure to do things that aren't dilutive of your brand. So as I create my own brand and as I work to reinforce the Trump brand, that is something that I spend a tremendous amount of time thinking about. ●