



Customer Loyalty

An Interview with Peter Strebel,
General Manager and Area Managing Director,
Omni Berkshire Place



EDITORS' NOTE Following a decade-long stint in the industry's corporate ranks, Peter Strebel rejoined Omni Hotels in early 2010 as General Manager of the 396-room Omni Berkshire Place in New York and an area managing director for the mid-sized, 45-unit, privately held hotel company. Strebel spent most of the '90s with Omni, rising to Vice President of Sales and Marketing before leaving in 2001 to join Cendant Hotel Group (later Wyndham) as Executive Vice President and Chief Marketing Officer. In 2005, he was named President of the Wyndham Hotels brand. He left the firm in 2008 to join Dolce Hotels as Chief Revenue Officer. Strebel also oversees the Omni New Haven Hotel in Connecticut at Yale and the Hotel Omni Mont-Royal in Montreal.



Peter Strebel

PROPERTY BRIEF Located in the heart of Midtown Manhattan just steps from prestigious Madison Avenue, Omni Berkshire Place (www.omnihotels.com) recently completed a multimillion-dollar revitalization, and all 396 guest rooms and suites will feature a new fresh, modern look from floor to ceiling. In addition to 37-inch flat-screen TVs, room amenities include a fully-stocked Sensation Bar and high-speed wireless Internet access. Many rooms also feature balconies with elegant New York views. The property is also home to Fireside Cocktail Cuisine, known for putting an upscale, contemporary spin on comfort food. Omni Berkshire Place is owned by Omni Hotels & Resorts.

When you look at the past 24 months, especially in New York City, can you talk about how much impact you saw for Omni Berkshire Place and how the property is positioned to grow?

We were hurt not by occupancy – the occupancies in New York remained healthy. In 2010, we ran in the mid-'80s and in the worst years, we ran in mid-'80s.

The challenge was we had to go after a new customer who was very price sensitive. So you dropped your rates to get more business in.

It worked to keep the hotel full. The leisure business took off dramatically because people that could no longer afford New York still wanted to come, so it opened up the door to a new market.

Now as rates are going back up, we're shutting that market out again. So it will be interesting to see how long this new resurgence of corporate travel lasts.

This hotel does relatively well. In the crisis, we got hurt initially because Lehman Brothers was our number one account and the other was Bear Stearns. So their demise hurt from a rooms perspective, but hurt more from a food and beverage and catering perspective. However, we were able to retrench and get the business back.

The strength of this hotel is that you can't ask for a better location. We serve two markets: Monday through Friday, we're sold out with business travel for people that work with those in the area. And you can't get closer to Fifth and Madison than this hotel, so when you look at Saks Fifth Avenue and some of the major draws like St. Patrick's Cathedral and Rockefeller Center, we're as close as you can get.

Also, we're not a huge hotel – we're 400 rooms, so we fit in as a nice size.

Among your competitive set, is it challenging to differentiate and can you show what makes a property unique?

We're lucky that this hotel was closed in 1995 and 1996, and they rebuilt the interior guts of the building.

So even though we're a hotel that was built over 100 years ago, we have large modern bathrooms, which most of our competitive set doesn't have. We also brought the key count down in 1995 and 1996, so we have larger rooms than most of our competition.

This hotel also has the aura of an older historic building with all the modern bells and whistles – what today's traveler is looking for. Our air-conditioning systems and plumbing systems are from 1995, so it's a relatively new hotel.

Also, in 2010, we did a massive renovation. We spent \$16 million on our guest room product and put together a beautiful room package.

So compared to other Four Diamond, four-star hotels in the city, we feel strongly that we have the best room product.

Also, the beauty of this hotel is you have a lot of repeat customers. They come for the location, but they also feel it has a warm, intimate environment.

So as we sell to compete against some of the larger hotels in the city, we talk about our room sizes and our modern amenities, but also the warmth and smallness of our hotel.

In a city like New York where there are so many great stand-alone restaurants, can you truly be profitable in food and beverage and what are the property's offerings in this area?

Food and beverage is tough in New York City, but we have an above-average offering based on our competitive set.

Our Fireside Restaurant does very well. Since we opened it three years ago, our volumes and revenues are dramatically up over what we were doing before, but it's still not a profitable venture.

But food and beverage is tough in the city, because you have so many choices and the cost of doing business in New York City is high.

How do you balance where this industry has gone with technology by offering what you need to and making sure you don't lose the personal side of the business?

We're in a technological world, but people still want the touch and feel. So we have not introduced automatic check-ins. We're very lucky because most of our customers are repeat, so we just hand them the key. Most of our agents at the front desk have been here for 15 years so they often know these people by name.

But our Omni focus is on creating memories – that is what people are looking for when they travel. So I spend a lot of time at the front of the house.

People today want fast and efficient, but they also want warm, because it's a world where you can be so disengaged that when you re-engage, it feels good.

When this opportunity presented itself, did you know it was the right fit and has it been what you expected?

I always wanted to be the general manager of the Omni Berkshire. I'm a native New Yorker and I always knew this place was special.

But it's probably better than I expected. I'm amazed that we have such a loyal customer base and following. We also have so many great employees who really care about this hotel. I knew those things were here, but I didn't think they were as predominant. ●

Fireside Restaurant (left); the Rodgers & Hammerstein Suite (center); Guest Room (right)