



A Focus on Sales

An Interview with Lindsey Ueberroth,
President, Preferred Hotel Group



EDITORS' NOTE Lindsey Ueberroth was named to her current post in June 2010. Prior to this, she served as Executive Vice President, responsible for global brand strategy, internal technology, and all aspects of brand performance within Preferred Hotel Group. In 2005, she successfully launched and managed the company's Preferred Boutique brand. Prior to joining Preferred Hotel Group, Ueberroth was an Account Executive at Ambassadors International, Inc. and earlier, a Change Management Consultant at Andersen Consulting (now Accenture). She is an active member of the Young Presidents' Organization and has previously served as a member of the Children's Hospital of Orange County Padrinos Board. She is a graduate of Wake Forest University.



Lindsey Ueberroth

COMPANY BRIEF With more than 850 world-class hotels and resorts in more than 70 countries, Preferred Hotel Group™ represents six distinctive brands: Preferred Hotels® & Resorts, Preferred Boutique™, Summit Hotels & Resorts™, Sterling Hotels™, Sterling Design, and Preferred Residences™, a membership-based exchange program for luxury shared ownership resorts. Preferred Hotel Group also offers I Prefer®, a complimentary global guest benefit program, and Preferred Golf™, a membership-based program that grants access to over 100 of the world's most renowned golf resorts.

What value does Preferred Hotel Group offer and how have the solutions evolved?

Our primary solution hasn't changed in terms of our major business focus, which has always been sales. Eight years ago when my family bought the company, there was a belief that we were only a marketing driven organization. That changed as we immediately decided to set ourselves apart by concentrating on driving sales to hotels and coming up with creative, innovative business solutions for our partner properties.

Over the past eight years, we have evolved the breadth of services and solutions we provide to our hotels. As the landscape of distribution has changed and as the chains have launched the types of luxury brands we offer, Preferred Hotel Group has stayed a few steps ahead by leveraging technology, growing our brands in niche markets, and hiring the best industry professionals.

It is tough to differentiate among competitors?

In terms of the independent hotel market, we are able to differentiate ourselves in a couple of areas. First, we're a multi-brand company, which is unique in that we are able to work with a wider range of hotels.

We have chain-level affiliations with travel management companies and consortia, and we operate essentially as an 850-hotel chain, which means we can negotiate advantageous purchasing agreements that the hotels could not get on

their own. So there is a cost-savings component.

There is also the credibility of the Preferred family of brands. So for independent hotels that are competing with chains or in emerging markets, a Preferred affiliation is an important seal of approval.

The advantage of membership with Preferred Hotel Group is our strength in terms of marketing, online exposure, and global sales expertise, and we're able to customize solutions to meet the individual needs of our member hotels.

I believe one of our biggest competitive advantages is our strength in corporate sales, with over 100 managed global accounts. We help our hotels gain access to corporate accounts to which, as an independent hotel, they would have had a difficult time gaining entrée.

Is it a given now that independents can survive? How important is having a flag?

Independent hotels serve an important segment of the marketplace and the fact that the chains want to get into the business is proof of that. Preferred provides all the benefits of a chain, while leaving the actual management to the hotels. Our flexibility is something that the chains will never be able to match and that is appealing to hotel owners.

In addition, membership in our guest benefit program, I Prefer, is free to travelers and gives rewards each time they stay at a Preferred property. They don't have to count points to get the benefits, which is a great incentive to stay at one of our hotels.

How much growth potential do you see in the market?

Preferred encompasses 850 hotels across our brands, so our portfolios are quite manageable. Our focus has always been on quality not quantity – striving to add the right hotels in the right marketplaces.

Our goal is to put together a robust portfolio of world-class hotels across the globe, so travelers can visit any market in the world and find a Preferred hotel.

Where are your strongest opportunities for growth?

The world is a big place so there are a lot of growth opportunities. Our primary growth has been in emerging markets like China. However, recently we're seeing a lot of growth in the Middle East as well. India and South Africa have also been very significant for us – Preferred is the largest hotel group in those markets with 35 hotels in India and over 20 in South Africa, and we're now pushing towards South America.

How have you had to adapt your quality assurance program in the Internet age?

We have taken great steps to innovate our quality assurance. Our Integrated Quality Assurance (IQA) program, created to our specifications, takes the top 22 travel review sites, including Facebook and Twitter, and continually monitors them to provide a hotel with a real-time snapshot of how they're scoring across the brand and against their top five competitors in their marketplace. In addition, it provides them with the opportunity to respond instantly to both negative and positive feedback.

Previously, our quality assurance program consisted of a once a year unannounced, third-party inspection. Now our hotels have that program in addition to hundreds of thousands of inspectors checking in every day – they're called customers, and they're all blogging and tweeting and writing their own reviews. So given the impact of social media, IQA makes it easier for hotels to monitor what is being said and manage their online reputations. It's something our competitors don't have and is something we pass through to our consumers.

What are you focused on to make sure Preferred continues along its growth path?

Our growth strategy is centered on three main areas: first, growing and developing our brands globally; second, continuing to offer innovative solutions to our member hotels; and third, enhancing profitability for our member hotels and Preferred Hotel Group. I am proud of our 200 associates located in over 70 countries who are working on behalf of our member partner hotels to achieve these goals. ●

The K Club, Ireland (left); The Grand Del Mar, San Diego (right)