



Exceeding Expectations

An Interview with
Ashish Verma, General Manager, The Lowell



Wine and cheese in front of a toasty fire (left); The Lowell entrance

EDITORS' NOTE Ashish Verma previously held positions with Orient-Express Hotels, Millennium Hotels and Resorts, Hyatt International Corporation, and Oberoi Hotels & Resorts International in Asia, Europe, and North America. Verma was born in the Punjab, India and received a B.A. with honors in political science and economics from Punjab University, Chandigarh, India; a graduate degree in Hospitality Administration from the Oberoi School of Hotel Management, New Delhi, India; and a Master of Business Administration from IMHI Cornell-ESSEC in Paris, France. Verma has been committed to several social, educational, and environmental causes and serves on the boards of various nonprofit organizations.



Ashish Verma

PROPERTY BRIEF The Lowell (lowellhotel.com) dotes upon its guests with unique personalized service and attention to detail, maintaining 47 individually appointed suites and 27 deluxe rooms. Guests will appreciate complimentary beverages upon arrival, Voss water at turndown, and a selection of DDC28 amenities exclusively created for The Lowell. Most suites have wood-burning fireplaces, some have terraces, and almost all have fully equipped kitchens.

Where are rates today? Have they truly come back?

Our rates are much better. If you want to maintain the rates, occupancy will be more of a challenge, especially on the Upper East Side with a couple of new properties in the vicinity. There are also nearby properties in the neighborhood that are now reopening after having been closed for some time. With properties returning and more rooms being added through new supply, occupancy is harder in some ways, even though there is more demand. To keep pace with the supply, the rate/occupancy balance will be trickier.

However, with our location and service, and the unique niche that we occupy, we actually pushed our rates and they have grown faster and more reliably than others, and as a result, our RevPAR has grown over the past year.

Do you worry that the New York market is going to be dealing with oversupply at some point?

There is a cyclical nature to any market and especially New York's, where we saw over the past couple of decades that the market will self-correct. Perhaps we are on the same tragic road of supply exceeding demand, even though demand is growing. Unfortunately, the supply is growing faster, since many are investing in New York as a market because they find it attractive. There are a lot of new concept and boutique hotels from brands that feel a need to come to New York because they haven't had a presence here previously.

As those arrive in New York and get their properties going, at some point, there will be an oversupply and a correction. I cannot pinpoint when, but as we've seen it happen a few times in the past, and I'm sure it will happen again.

How broad is your competitive set?

When we look at our star level and keep it to the Upper East Side, our comp set is the St. Regis, Plaza Athénée, The Carlyle, The Mark, and The Pierre. But when we look downtown, we look more in the context of Leading Hotels properties, or a couple of other properties that are very nice and have very high ADR. ADR is an important marker because it signals a certain level of service, and that they will be competing more directly with us.

We don't compete directly in the sense of star, but we respect properties like The Greenwich and The Crosby downtown.

There are some very nice hotels with a larger number of rooms but The Crosby and The Greenwich are less than 100, like us. When they're larger, they drop their rates and they don't really compete with us in terms of the average rate and experience.

Is it possible to provide a customized guest experience at any size hotel?

It's easier in relative terms to do it at a smaller property, because your interaction with the guest is more natural. But it can be done at any size. I've been fortunate in that at my previous property, we implemented similar programs to those I implemented at The Lowell and the success rate was significant. So it can be done. Ultimately, it has to be the approach and then you create the infrastructure in terms of your management systems, and it requires a lot of training and a passionate, hands-on approach.

Ultimately, it comes from the ownership and their vision of the company and whether the leader is particularly passionate and naturally concerned about that delivery of personalized attention.

How significant is the impact of your suite product and is it really where you drive ADR?

Yes, it certainly helps us maintain the highest ADR in the U.S. Our suite-to-room ratio certainly helps, because we have only 27 room keys and 47 suites.

At the same time, if someone tells you they get higher ADR just because they have more suites, that is only half the story. You still have to sell those suites and at the rate we demand.

To justify a one-bedroom suite at \$2,200, we better be providing the decor, the ambience, the amenities, the service, and the special features like the fireplaces and terraces to justify that. Our location also helps.

This begins as a point of sales transaction, where you promise something at a certain rate and the person buys it. But for that person to return, we have to live that promise and exceed the expectation, and this is where I'm proud of my team. It's not about a great view or location because once you stay with us for a few nights, our record shows you will more than likely return. This is where we have earned our reputation over the years and why people continue to come back.

Our ratio of return guests is extremely high.

In bringing people into the business, is personality and culture fit as important as experience?

It's critical. The fact that someone has a hotel degree and related luxury experience is definitely a plus, but if the person doesn't have that, I'd rather groom the person in some aspects of the business, as long as the basic personality is service-oriented. If the person wants to please and has that desire to extend personalization, and has some element of flair and humility, as well as a desire to learn, then that person is a good fit for us.

The cultural fit with the rest of the team is very important because there is a respectful attitude and work environment where there is a lot of brotherhood – a real family environment. ●