



Growing Grace

An Interview with Felipe Espinoza,
Head of Americas, Grace Hotels



The Newport Harbor lights from the Vanderbilt Grace (left);
the infinity pool of the Grace Santorini in Greece

EDITORS' NOTE Felipe Espinoza is responsible for the group's operations across its hotels in North, Central, and South America, plus the substantial development pipeline for Grace Hotels on these continents. A Mexican national, Espinoza possesses a degree in Hotel Management from the Hotel Institute Montreux, Switzerland. He has held a number of senior management roles with Mandarin Oriental, The Peninsula Hotels group, and Orient Express, where he was Managing Director of the Maroma Resort & Spa. He was most recently General Manager of Verdura Golf & Spa Resort in Sicily.



Felipe Espinoza

COMPANY BRIEF Grace Hotels (gracehotels.com) is an award-winning luxury hotel group that offers sanctuary and quality for discerning guests in the world's most sought-after destinations. The company's hotels have attracted critical acclaim since they first opened in Greece's Cyclades Islands in 2007. Each hotel is a wholly authentic expression of its locality, allowing guests to enjoy a true immersion in local culture with an experience incorporating both tradition and modern touches. Gastronomy is an integral part of all the hotels, with menus showcasing the finest local ingredients combined with international touches. The group is undergoing a period of significant expansion and will soon be present on five continents. Grace Hotels is part of the Libra Group, an international business group owned by the Logoibetis family.

What is the history and heritage of Grace Hotels?

Grace Hotels is a subsidiary of the Libra Group, and we grew into a global company very quickly. It started with two hotels in Greece, small boutique properties in Santorini and Mykonos, and continued through our investment in a large portfolio of New England inns.

Grace Hotels was conceived to be a special collection of hotels. We seek to preserve the personalities and identities of the individual properties, and act as strong ambassadors of the destinations themselves.

Currently, we have eight hotels in operation around the world. I am based in New York, and I'm responsible for overseeing North American operations including the three hotels in New England: The Mayflower Grace in Washington, Connecticut; The White Barn Inn in Kennebunkport, Maine; and The Vanderbilt Grace in Newport, Rhode Island.

This region also incorporates Panama, where we have Grace Panama and in South America, Grace Cafayate, a hotel with 20 residential villas and 12 rooms. Outside of the Americas, we have Grace Santorini and Grace Mykonos in Greece, as well as Grace Beijing in China. There is an exciting pipeline with hotels under development in Marrakech, St. Moritz in Switzerland, Greece, and Argentina.

How much growth do you expect in the North America market?

As a boutique brand, we are most interested in developing or managing smaller properties. Through our investment team we're constantly looking into acquiring interest in properties we feel have the potential for expansion and RevPAR growth within the next 24 months. We want to make sure we create value over the long run.

Our metrics in the U.S. are different in that we're growing RevPAR by volume whereas all the indicators are saying that this year is going to be about rate. This provides a great opportunity for us, because when our high season comes, we're going to have a major lift with our U.S. properties in that regard.

With the three U.S. properties, will guests find certain consistent characteristics that identify them as Grace properties?

Our products in the U.S. will always sit within the luxury space with a great reputation that we develop and maintain under the Grace brand.

We're growing the number of rooms we have from 265 to more than 500 to create a better mass. However, we're looking at non-standardized properties – each is distinctive in terms of the experience one can have locally. The personality of each property is very important.

Our potential for expansion is key. When scouting and developing a new property, there should ideally be a restaurant with potential for growth. In terms of service, there should always be the potential for us to focus on a higher ratio of staff to serve our guests.

What is the luxury experience like today?

It depends who we're catering to. A Millennial will have a very different expectation than a Baby Boomer, so completely different products are needed. People have traveled more and have tried the standardized luxury products, but we believe that luxury is about a bespoke personal service.

It has become about delivering on the individual expectations of each of our guests. When our guests visit us, we look to understand them and

treat them according to their own interpretation of luxury. This is why we created Bespoke by Grace. This program offers guests a uniquely personalized experience with exclusive access to authentic and local experiences at any Grace property around the world. From a gaucho ride through the dunes of Argentina to a meditative journey in Connecticut or a Mykonian wine tour in Mykonos, Bespoke by Grace offers a unique selection of experiences surrounding gastronomy, adventure, and romance, which guests can choose prior to arrival. If we succeed at meeting or exceeding the level of expectation of each individual, then we're going to be very successful.

How far have you gone on the technology side?

We manage the standard technology that everyone has, but we focus on training our staff to anticipate guest needs.

We always look for technology that will allow us to communicate more directly with our customer base. We implement that throughout our properties to ensure we're sending the right message.

How did the Gracefully Yours program come about?

We realized we had to increase the level of business groups in our hotels throughout the year since we already had many CEOs as regular guests.

We conducted a full market analysis to understand the needs of the meeting and organization market, and to develop pricing. This analysis led us to develop Gracefully Yours, which is a program tailor-made to ensure that the meeting planners and personal assistants of executives can rely on consistent deliverance of the best possible outcomes.

What's the key to building a successful hotel restaurant?

Everybody is looking for great food and very good service, and that has evolved in hotels. However, the key to building a successful hotel restaurant depends on the location of the property. We look to create a concept based on the information we gained in developing Gracefully Yours, and understanding the consumer base in the local community. We need to create the restaurant to also cater to that local community; not just for hotel guests. At day's end, we need a critical mass of revenues to be profitable.

The food offering needs to be very simple, very good, and very local. We strongly believe that being as local as possible will help make us very successful. Of course, having a great chef also makes a huge difference. ●