

Brand Growth

An Interview with Ronen Nissenbaum,
Vice President of Operations, Luxury Hotels,
Americas, Hilton Worldwide



Waldorf Astoria New York entrance (left) and facade (above); the Park Avenue lobby (below)

EDITORS' NOTE Ronen Nissenbaum was formerly the Managing Director of Waldorf Astoria. He previously served as the President and CEO of The Plaza Group, including overseeing the Plaza Hotel in New York as well as development of the Plaza hotel brand. Prior to this role, he held extensive leadership positions at properties around the globe including as Senior Executive Vice President of Operations at Marina Bay Sands Singapore. Nissenbaum's other global hospitality positions include senior management roles with Forte hotels in London and Euro Disney in Paris. Nissenbaum also had a successful 13-year tenure with InterContinental Hotel Group holding various roles from General Manager in Tel-Aviv, Berlin, Paris, and Atlanta to Regional Vice President of Operations for North America where he was responsible for 16 owned and managed InterContinental Hotels. His hospitality career began with positions in the front office and food and beverage departments at properties in Belgium, Switzerland, and Israel. Nissenbaum earned an executive M.B.A. from the renowned Goizueta Business School at Emory University. He is a graduate of the Swiss Hotel School "Les Roches." He is also a veteran of the Israeli Air Force and an officer of the Israeli Defense Forces as IDF Spokesperson.



Ronen Nissenbaum

When you look at the state of the Waldorf Astoria Brand today, how has it evolved and how much opportunity is there to grow globally?

Even though the Waldorf Astoria hotel has been around since the 1890s and in this location since 1931, as a brand of hotels, it only started eight years ago. At that time, it was a one-hotel brand. Today, we have 25 hotels around the world. That is an incredibly fast pace at which to grow a brand. It's a lot less complicated to create select service and economy scale brand in similar volume.



When we are talking about the Waldorf Astoria, we are talking about a significant hotel and a significant investment, with long-term management agreements that potential developers and investors want to develop with us. This lends itself to a slower-paced growth.

Despite that, we have grown in a short period of time compared to Four Seasons, Ritz-Carlton, and similar luxury brands, which have been around for many more years.

There is exponential growth with the Waldorf Astoria because of the size of the parent company, the bandwidth of Hilton, and the executive team that is focused on growing the luxury brands. This focus is why we have been able to accelerate so quickly.

Due to the quantity of hotels we have today, we are now getting to critical mass, which requires us to form an organization that will allow us to scale as we add to our existing portfolio. Until now, we enjoyed a natural progression of the right hotels in the right places. We now have opportunities in other major cities in the U.S. like San Diego, Washington, D.C., and Boston, to name a few, which are markets that we want to present in.

We decided to place all the general managers of our luxury brands under one organization, with one person in front of the owners and the asset managers, and with one person who works together with the developers and brand organization explaining what the Waldorf Astoria and Conrad brands can do for them.

Are there common characteristics in all locations or is it about the local feel?

When we look at a property, it can be determined quickly if it has potential to be a Conrad, which are smart luxury, or whether it has the qualities of a Waldorf Astoria. It is based on the size of rooms, leisure amenities on the property, size and finishes of public areas, meeting space, restaurants, and the spa. We evaluate whether the market can support a Waldorf Astoria with a \$500 to \$800 average rate depending on the specific market. Then we look at the physical building. Does it have the bones to be a Waldorf Astoria? Or is it more about efficiency? The service levels in Waldorf will be different to service levels at Conrad or other brands for that matter.

We also look at whether the owner has the understanding of what it takes to become a Waldorf, the kind of revenue it will produce, the cost structure that will need to be put in place, and whether they are comfortable with that level of profitability.

How much opportunity is there to grow Conrad and what are you looking for in areas where you would consider putting this brand?

Conrad is luxury but not opulent. It's efficient and smart luxury. A guest feels comfortable in that environment. We're providing service at a very high level but with a nuanced delivery that distinguishes it from that of a Waldorf Astoria.

Do you feel it's important that the history of the Waldorf be preserved?

Today, we're a 1,413-room hotel. The public spaces are where the majority of people get the feeling for this property. One can hold an event elsewhere but they're not going to attract the same level of people they might if they tell guests they're invited to an event at the Waldorf Astoria.

What we are planning for this hotel will help extend the history for the next generation. Today we are the flagship of the brand because we are the original. In the future, after our restoration, we will be the true flagship of the brand globally. ●

COMPANY BRIEF Hilton Worldwide (hiltonworldwide.com) is a leading global hospitality company, spanning the lodging sector from luxurious full-service hotels and resorts to extended-stay suites and mid-priced hotels. For nearly 100 years, Hilton Worldwide has offered business and leisure travelers the finest in accommodations, service, amenities, and value. The company's 12 brands are comprised of more than 4,500 hotels and time-share properties, with 745,000 rooms in 97 countries and include luxury and lifestyle hotel brands, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, and Canopy by Hilton; full-service hotel brands, Curio – A brand by Hilton, DoubleTree by Hilton, and Embassy Suites by Hilton™; focused-service hotel brands, Hilton Garden Inn, Hampton by Hilton®, Homewood Suites by Hilton, and Home2 Suites by Hilton; and timeshare brand, Hilton Grand Vacations (HGV). It has more than 48 million members in its award-winning customer loyalty program, Hilton HHonors.