



As Independent Hotels Flourish, Preferred Hotels & Resorts Rebrands

Many intrepid travelers make a point to seek out independent hotels, hoping to amplify the authenticity of their experience through a property that captures the true essence and culture of a destination. With this idea in mind, Preferred Hotels & Resorts, under the direction of President & CEO Lindsey Ueberroth, in March announced a sweeping rebranding initiative designed to help consumers better identify and connect with the experiential aspects of a property and provide a more intuitive way to capture how luxury travelers search and shop for their next adventure.

In the company's words, Preferred is moving from a "house of brands" to a "branded house" with five distinct collections: Legend (which includes such luxury standouts as The Stafford in London and Castello di Casole near Siena, Italy), LVX, Lifestyle, Connect, and Residences. The properties are searchable on the website through their collection classification, which is based on criteria across ten categories including location, awards and recognition, and experiences.



The stunning Castello di Casole in Tuscany is one of Preferred Hotels & Resorts' world-class independent properties. (Photo courtesy of Preferred Hotels & Resorts)

So how does Preferred work, exactly? In essence, it's what the hospitality industry calls a soft brand collection, and offers what might best be described as a variation on outsourcing. Member hotels get the best of both worlds (in theory at least): They can tap into the expertise and support services of a global brand (such as help with reservation management and inclusion in Preferred's marketing campaigns) while still maintaining the autonomy and individuality that make savvy travelers seek them out in the first place. The cost for a Preferred affiliation is less than 3.7% of gross room revenue, and the average contract length is five years.



President & CEO Lindsey Ueberroth is determined to make Preferred Hotels & Resorts the leading independent hotel brand in the world. (Photo courtesy of Preferred Hotels & Resorts)

“Since the introduction of boutique hotels, there’s been a shift in consumer interest towards unique, authentic independent hotel experiences,” says Ueberroth. “Travelers are moving away from traditional indicators of luxury like star ratings and toward the bespoke. This trend is behind our decision to move to one master brand, with our goal being to better connect with consumers with clarity and simplicity.”

As part of the rebranding initiative, visitors to the Preferred site can search by criteria like ambience (beach, city, mountain, lake), activities (hiking, golf, winter sports), and amenities & services. There’s even an “Ideal For” option, with choices that include honeymoon and pet-friendly.

While Preferred is far from the only soft brand collection—Leading Hotels of the World is another standout example—Ueberroth is determined to make the brand a game-changer in the sector. President since June 2010, she’s helped propel Preferred’s global portfolio out of the economic downturn by doubling total year-end reservations revenue and generating a 25% increase in Average Daily Rate (ADR) from 2010 to 2014. Last year, the company generated \$882 million in reservations revenue on behalf of its member hotels (a 30% increase over the previous year), welcomed 108 new properties to the portfolio, and increased member bookings by 26%. Under her direction, the company also launched the innovative points-based *iPrefer* guest loyalty program to lure more consumers toward independent hotels with incentives such as exclusive offers, upgrades & amenities, early check-in and late check-out, and programs like PreferredFamily.com, an online family travel planning resource.



The hotly anticipated Baha Mar Casino & Hotel is one of the latest high-profile additions to Preferred's top-tier portfolio. (Photo courtesy of Preferred Hotels & Resorts)

Some very high-profile names in the hotel world are taking note of Preferred's success and joining its burgeoning portfolio. Recent additions include the much-ballyhooed (and behemoth) Baha Mar Casino & Hotel in the Bahamas, the sleek SLS Hotel & Casino Las Vegas, and Belle Mont Farm in St. Kitts, West Indies, a frequent mainstay on some top-tier lists of best hotels in the world.

By revamping Preferred, Ueberroth is presciently positioning the brand to tap into a demographic that's poised to dominate the travel market very soon: the all-important millennials. According to travel marketing consultancy MMGY, 59% of millennials stayed at independent hotels in 2013 (latest figures available). Cultivating this deep-pocketed group is crucial, as millennials currently represent some 32% of all U.S. travelers, a figure that will grow to more than 50% by 2025. Meanwhile, according to hotel data powerhouse STR Global, last year luxury and upscale independents performed much better than the U.S. average through June (latest figures available), and already make up nearly one-third of room supply in the U.S.

With her eye on the future, Ueberroth has some ambitious goals for the next three years, including expanding Preferred's portfolio to encompass 1,000 hotels strategically located in 100 countries and making Preferred the world's best-known independent hotel brand among consumers. Simply put, she's laser-focused on creating the world's premier membership organization for standalone hotels.

<http://www.forbes.com/sites/alexandrakirkman/2015/06/10/as-independent-hotels-flourish-preferred-hotels-resorts-rebrands/2/>