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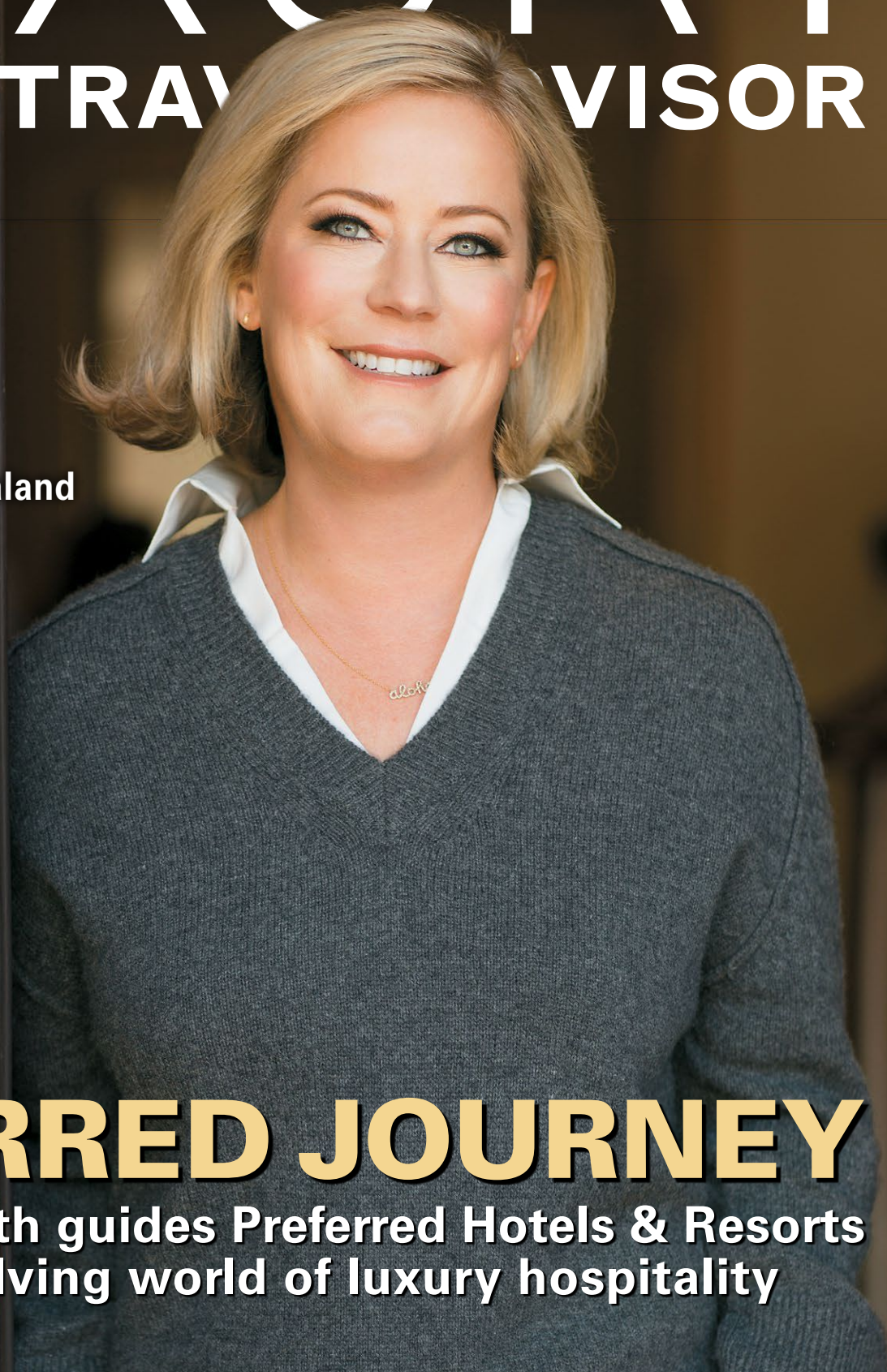
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## PREFERRED JOURNEY

Lindsey Ueberroth guides Preferred Hotels & Resorts  
through the evolving world of luxury hospitality





## COVER STORY

LINDSEY UEBERROTH, CEO, Preferred Hotels & Resorts, says, "Travel advisors are more important today than ever before, and I believe we'll continue to see their value perception rise." She and Preferred have just launched a new "Believe in Travel" brand promise in support of travel advisors.



# A Preferred Journey

Lindsey Ueberroth guides Preferred Hotels & Resorts through the evolving world of luxury hospitality.

BY RUTHANNE TERRERO

It's been 15 years since the Ueberroth family acquired Preferred Hotels & Resorts and the changes over that time have been significant. The hotel company has grown from its nearly 300 hotels in its collection, with eight offices and 80 associates. Today, 36 offices and 300 associates tend to 750 hotels, resorts and residences in 85 countries. Eighty of those team members are dedicated to sales of Preferred's five hotel collections: Legend, L.V.X., Lifestyle, Connect and Preferred Residences.

To understand what Preferred is all about, its most recent member add-ons speak volumes. In the first quarter of 2019, 27 new hotels came under its umbrella, including **Shutters on the Beach** in Santa Monica, CA; **The Fullerton Hotel Sydney**; **Halepuna Waikiki by Halekulani** in Hawaii; **Villa Copenhagen** in Denmark and **Hotel Montecatini Palace** in Tuscany, Italy. These, and all hotels in the Preferred portfolio, receive an array of services, such as reservations, distribution and marketing.

Throughout the past 15 years, the mantra of the company, which is now led by CEO Lindsey Ueberroth, has remained steady. "We're still very strong believers that technology is an enhancement, but at the end of the day — and I think luxury travel advisors would agree with this — this business is still very relationship-driven. It's about having access to sales associates who really understand the properties and who have access directly to the general managers on property. That's still the way the world goes around," Ueberroth says.

For that very reason, Preferred maintains a very strong relationship with travel advisors, under the leadership of Rick Stiffler, vice president of leisure sales (see sidebar), who has been with Preferred for 19 years.

"Travel advisors are more important today than ever before, and I believe we'll continue to see their value perception rise among the greater travel market," says Ueberroth. "Travelers, increasingly, are desiring more complex and exotic experiences, which entail much more than the typical air and accommodations arrangements. For that reason, travel advisors' expertise and consultative nature is crucial, especially with a luxury hotel booking."

Preferred Hotels & Resorts all told is actually 51 years old; it became a family business a decade and a half ago when the

Ueberroth family purchased the hotel membership company, which was then called IndeCorp. John Ueberroth, Lindsey's father, at first held the title of CEO, but Lindsey has steadily grown her way to the top of the company, learning the ropes of virtually every element of the business.

We asked Ueberroth how the independent hotel landscape has changed, particularly as affluent travelers seek out unique experiences.

She says that just by nature of being independent, hotel owners and managers are nimble and flexible. "They're not being mandated by a chain that you must do X; that if they're catering to Millennials, then now they're going to roll out Y. They have that independent nature to say, 'Here's what I want to do within my hotel within my market.'"

That could mean partnering with locals to provide artisanal offerings, says Ueberroth. "I could tell you 1,000 different stories of what our hotels are doing that I find fascinating. Overall, what we're seeing more of is a focus on how independent hotels craft and curate their property."

Having recently visited the **Farmhouse Inn** in Sonoma, CA, she says, "When you check in, you choose from a selection of handmade soaps, made by a local vendor and they send a s'mores kit to your room, so you can take it down to the fire pit. This is the type of thing that make things more fun and it's not hard to do."

There's great creativity in the food and beverage arena for independent hotels, says Ueberroth. "How can you be one of those hotels that creates a really cool environment that's a blend of hotel guests and locals who are there because of the dining experience you've created?" She is seeing a wave of hotel developers who are deciding not to go with a hard

brand at all because they're so excited about the independent hotel space and the flexibility that it allows them.

One could say this move toward authenticity started with the focus on the Millennial market years ago, but Ueberroth laughs at the irony of brands creating new hotel product for Millennials when Millennials actually despise being told what they want.

"Millennials are looking for all kinds of experiences, but I think today's traveler, I don't care what age you are, what demographic you are, everybody's seeking something different," she says. "Time is the greatest luxury we have, so you're seeking any sort of experience that's going to make time feel like it

## PREFERRED HOTELS & RESORTS

**Hotel Collections:** Legend, L.V.X., Lifestyle, Connect and Preferred Residences

**Executive Chairman:** John Ueberroth

**Chief Creative Officer and Vice-Chairman:** Gail Ueberroth

**Chief Executive Officer:** Lindsey Ueberroth

**Member of the Board of Directors:**

Casey Ueberroth

**President:** Michelle Woodley

**Executive Vice President, South Asia, Middle**

**East, Africa, and Australasia:** Saurabh Rai

**Vice President of Leisure Sales:** Rick Stiffler

**Global Presence:** 35 offices, more than 300 associates and more than 750 hotels, resorts, and residences across 85 countries

## COVER STORY

stood still and that you walk away with some sort of memories or experience that touched your heart, mind and soul.”

She says hotels of the past didn’t do that. “It was a bed and it was a nice room and check-in was easy. But now it’s the people on property and the things that happen that create the experience.”

And that brings us to storytelling opportunities an independent hotel can provide. Ueberroth cites a recent San Francisco trip where she stayed at the **Huntington Hotel**. “There were two doormen who had been there for 35 years, and they knew more about Preferred than I did,” she recalls. “They were telling me stories about what the hotel’s new owners are doing and all about the history of the hotel. They had such pride in it. That’s what I remember about my hotel stay. I remember these two doormen who made the five minutes that I stood waiting for my Uber to show up fun.”

### ADVISOR INSIGHT

Rick Stiffler, vice president of leisure sales, has been with Preferred Hotels & Resorts for nearly 19 years. Based in New York, one of his main priorities is working with the travel advisor community.

“I’m the liaison for Preferred as it relates to many of the luxury organizations, which is a big part of our business, especially with all the agencies that we work with,” Stiffler tells *Luxury Travel Advisor*. He also oversees Preferred Platinum, which comprises Preferred’s top managed accounts. “I also work with the team globally as it relates to our sales directors who manage the travel agencies,” he says, adding, that on top of all this, he maintains a strong sales presence, along with his colleagues, in the Northeast region for Preferred.

Stiffler is on the road 70 percent of the time, attending conferences that relate to travel advisors, as well as internal conferences and meetings within the Preferred network, which has more than 80 associates in its entire sales force; 10 of those in the U.S. focus on the leisure market. “I still love being engaged on the sales side, with the agency community, whether it’s attending Virtuoso Travel Week, or taking three of my hoteliers in a minivan and hitting three cities in the south visiting my agents,” he says. “It’s always been fun for me.”

In Stiffler’s world, there are three categories of customers: The actual hotel client, the member hotel and the luxury travel advisor. When it comes to travel advisors, his role is to be sure they are taken care of, including ensuring that their commissions are paid. He also sees himself as the liaison that brings travel advisors and Preferred hotel members together to create a partnership.

Keeping a close eye on top managed accounts is also vital.

**A FAMILY AFFAIR:** The Ueberroths bought Preferred Hotels and Resorts 15 years ago. Lindsey is seen here with parents John and Gail Ueberroth, and brother, Casey.

### How to be Preferred

The recipe for being a Preferred hotel is to be unique, memorable and a truly independent property that aligns with Preferred’s brand standards. When Preferred Hotels scopes out new members, it first assesses the destination; its goal is to have properties in every relevant market. Then it looks at the location of the property.

“With hotel product, you’re really looking at not only does it meet the brand standards, but what is unique about the hotel and its design aesthetic. What makes it stand out?” says Ueberroth. “I’ve always said that what makes independent hotels unique is that they are a destination in their own right. The owners or managers are really curating an experience, through art, a unique interpretation of food and beverage or through experiential programming. It’s that uniqueness that makes it memorable, that makes that customer say,



‘If I never left the hotel, I still had a unique experience that I can go home with.’”

With Preferred Hotels and Resorts as the umbrella brand, each of the five collections underneath it has specific brand criteria. That’s measured by an unannounced property inspection carried out by a third-party company. Preferred also uses an online quality insurance tool that aggregates all of the consumer feedback on the hotel from 200 online review channels within the region.

For that reason, Preferred has VIP desks set up in different areas around the world, including Chicago, London and San Paolo. That entails a watchful eye on reservations made through these accounts to arranging VIP services, clearing a waiting list or booking a suite that the advisor might not have access to.

“It’s about having the advisor’s back and always being their voice to Preferred,” says Stiffler, who is clearly a big believer that advisors are necessary for creating a great, detailed trip. “As much as you have a good lawyer or a good doctor, you have good travel advisor,” he says.

Preferred also has a travel agent advisory board, drawing from global markets. It ranges from 12 to 15 advisors, rotating out periodically. Stiffler prefers to have different levels of the agency community represented so the view is not one-sided.

“We have owners from the big power agencies to some that are small, whether they’re part of Virtuoso or Signature or an independent advisor alone,” he says. “It’s always been important for us to engage the agency network as we put initiatives in place because we always want to protect the travel advisor. And that’s something that’s been very important to us.” That’s been particularly true with the I Prefer loyalty program, which helps Preferred compete with the bigger “hard” brands. As I Prefer has evolved, Stiffler has always ensured Preferred is protecting the travel advisor. The program works like this: As clients accrue points, they can cash them out in the form of vouchers to be used at the hotels toward services or free night stays. These can be booked however the client wants, whether by phone or the GDS. In the near future, the I Prefer program will provide points to travel advisors for enrolling their clients; it will also limit the amount of information the client receives directly from Preferred.

Here's how Ueberroth breaks down each collection: "Our portfolio ranges from ultra-, ultra-luxury with our Legend collection to upper-upscale with our Connect collection, with our Preferred Residences collection spanning the spectrum. The Legend collection comprises slightly more than 10 percent of our portfolio, and these hotels are truly iconic and have to meet our highest quality assurance standards, along with other criteria, such as being named to the world's best lists from all of the well-known travel publications and being given the blessing by our travel agent advisory board. Our L.V.X. collection is ultra-luxury with similar quality standards to Legend hotels in terms of services and amenities but without the additional requirement of awards and approval from external experts. Hotels in our Lifestyle collection offer services and amenities that articulate culture and style authentic to the destination, oftentimes with a buzzing local culinary scene. Our upper-upscale Connect Collection is what I would call very approachable luxury. You're going to find these hotels in major urban markets but

also in secondary and tertiary markets that don't lend themselves to having a traditional luxury hotel. They offer the right amount of amenities in a casual luxury setting, and are ideal for what you need in that market and for the traveler that needs to be there, so they probably won't have a 24-hour bellman or 24-hour room service. Our Preferred Residences collection has nearly 100 residential-style experiences that couple the appeal of a home experience with the luxuries of a hotel stay, ideal for both leisure travelers who want to spread out on vacation and corporate travelers looking for flexible, convenient options to suit their lifestyle while on the road."

### A Passion for Hotels

Ueberroth says many people assume she started at the top of her family-owned company. Instead, however, she earned her way up, using her love of people management, hotels and travel to help her learn every aspect of the business.

She didn't realize it but a career in hotels was almost predestined. Her early days were spent in L.A.'s San Fernando Valley. Her father

and uncle, John and Peter Ueberroth, respectively, owned TCI, Transportation Consultants International, which subsequently bought the Ask Mr. Foster travel agency. John Ueberroth grew the business from 29 offices to more than 1,000. After TCI was sold to the Carlson Companies, Ueberroth became president of Carlson Travel Group, which prompted the family's move to Minnesota.

During this period, the Ueberroths began traveling on international vacations frequently. That continued even after they moved back to Southern California. As a family, they'd visit hotels along their way, just out of natural curiosity.

When she was in eighth grade, her parents took Lindsey and her brother, Casey, out of school for six months to travel the world.

"I remember taking the Siberian Express down into parts of what was then the Soviet Union. I remember going to Checkpoint Charlie. I remember countries that just don't exist in the format that they did then. I can reflect back now; that was the beginning of my passion for travel," she recalls.

"That's just another way that we're going to be involving and engaging the travel advisor community," says Stiffler.

### Preferred Pride

Stiffler also gets credit for creating "Preferred Pride" nine years ago, which is geared to the LGBTQ community. "[Preferred Pride was created] because we had so many hotel options and I thought it a good business model and also what we should be doing as a company," he tells *Luxury Travel Advisor*.

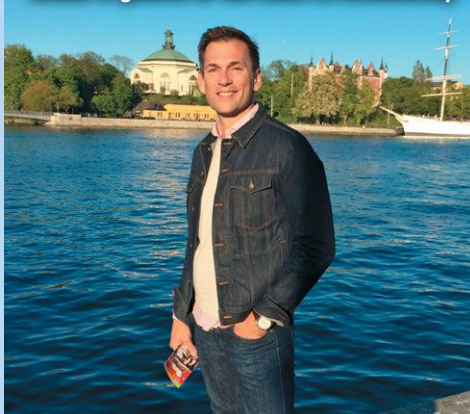
Prior to its inception, Stiffler did a company presentation that showed the actual value of the LGBTQ community. He was given the green light to launch the program with a limited budget, but the positive response was overwhelming, receiving press from all over the world.

From the beginning, Stiffler was adamant that hotels not use the phrase "gay-friendly." "It sounds like pet-friendly," he says, noting that the program was really about educating member hotels on how to be more engaged with the LGBTQ community and not just going after the "gay dollar."

He partnered with groups like the International Gay & Lesbian Travel Association and Community Marketing and worked with TAG Hotels to pre-qualify Preferred's hotels for the LGBTQ market.

"Sometimes, at the five-star level, we have so many hotels that say 'Yes, we're LGBTQ-friendly. We are non-discriminating. We accept everybody,'" says Stiffler. "But at the same time,

**RICK STIFFLER created "Preferred Pride," which is geared to the LGBTQ community.**



when you say you're LGBTQ-welcoming, really, are you? Are you educating the concierge so that if someone asks you, 'Hey, do you have a gay bar in the area?' Do you know where that information is or do you have to go back and look for it? Do you educate your front desk on the check-in process? Do you make sure when you have two men going into one room, does the turn-down service provide two extra-large robes, extra-large slippers and male toiletries? It's really about paying attention to what's going on at your hotel and educating everybody, not just your front desk."

Through Preferred Pride, a program was set up that includes LGBTQ hospitality training and webinars several times a year. Hotels are also able to load Preferred Pride rates into the GDS and a dedicated website provides additional amenities and the best available rates the hotels offer. As a sales team, Preferred has dedicated collateral on Preferred Pride to present this to travel advisors to educate them on the program.

Nearly a decade old, Preferred Pride has been a business success as well; Stiffler says over recent years the GDS code alone for Preferred Pride has pulled in \$23 million in revenue. But for him, the real success of the program has been the awareness Preferred Pride has brought to the trade and to the public through a very structured program that includes a marketing plan with specific ads and specific messaging. "And it's also been great to have Preferred, a family-owned company, support this initiative all along the way," says Stiffler.



## COVER STORY

When John Ueberroth became chairman and CEO of Hawaiian Airlines, the family moved to Hawaii. When it was time for college, however, Lindsey headed south to Wake Forest University in North Carolina where she studied organizational communication.

A career in travel and hospitality was still not on the horizon, even though she worked in several DoubleTree hotels as a student during summer breaks. Instead, Ueberroth went to work for Accenture Consulting in their change management division.

This focus was a natural, since she had moved a fair amount when she was younger. “I was really good at my own version of change management,” she tells *Luxury Travel Advisor*. “It was in my DNA.”

Her job entailed working with companies that were doing mergers or acquisitions or executing huge system implementations.

“Part of the job was just listening really

well,” she says. “You’ve got people who are going through change and so they’re unhappy, so they just want to talk. You realize that if you let them talk, you can understand the problem and then solve it. Or at least you can understand the root of the resistance to the change.”

Business hit the pause button at Accenture after the Y2K scare in the year 2000 (when everyone thought computers would reset themselves to the year 1900 at the turn of the new millennium) abruptly subsided.

“The world didn’t come to an end; it essentially slowed down a little bit and I definitely had a lot of time on my hands,” recalls Ueberroth. Her family, in the meantime, had lost a home in a fire and the dramatic event prompted a mind shift; they decided they would invest in travel-related companies, an industry they clearly loved.

John Ueberroth bought a company called People to People, which morphed in to Ambassadors International. “It was about travel that connected students with other students in other countries, or adults in certain professions with other professionals, with

the sole mission of interacting with people around the globe,” says Ueberroth.

He also acquired incentive travel companies under the umbrella of Ambassadors Group. Lindsey finally took an interest when John began speaking about the change management journey his new enterprises were undertaking. This was a topic that fell directly into her area of expertise.

“When you’re buying people’s businesses and you’re keeping them on board you go through a process of which processes do you keep. That’s how I accidentally went to work for my father,” she tells *Luxury Travel Advisor*.

The purchase of Preferred Hotels, then known as IndeCorp, came about after 9/11. IndeCorp was seeking investors or to be fully bought out. Yes, this was a troubled hotel company, but the Ueberroths were passionate about the hotel business.

“We knew every single one of our competitors. It was at that stage that we made the decision as a family that this would be a fun endeavor for us,” says Ueberroth.

She recalls that her father traveled to

### BUILDING THE PORTFOLIO

Since 2013, Preferred has welcomed 72 hotels to its brand portfolio after they de-flagged from either a hard brand (i.e., a chain) or a soft brand competitor. Preferred says that it will work with hotel owners who want to go the independent route. Among the most recent to join the portfolio are **Sea Containers London** (formerly Morgan’s Hotel Group), the **Royalton Park Avenue** (formerly Gansevoort Hotels), **The Inn at Perry Cabin** (formerly Belmond), **Shutters on the Beach** (formerly The Leading Hotels of the World), **The Dominick** (formerly Trump Soho), **The Fullerton Sydney** (formerly Westin), and **Hotel Unique Sao Paulo** (formerly Design Hotels).

Overseeing a large part of this expansion is the executive vice president of South Asia, Middle East, Africa and Australasia, Saurabh Rai, who has been with Preferred for more than 11 years. During that time, he’s brought on between 125 to 150 hotels. “It’s been an incredible journey,” he tells *Luxury Travel Advisor*.

We asked how he scouts out new hotels for the Preferred portfolio. “The genre of opportunity that comes our way is very distinct in an up market and in a down market,” he says, noting that in a down market, in locations that are brimming with hotel supply when demand falls, owners may tend to deflag their hotels from the hard brand they’ve signed up with.

SAURABH RAI is the EVP of South Asia, Middle East, Africa and Australasia.



“These are owners who basically have the confidence in saying: ‘I can retain my top line even if I change the brand on the masthead and come up with a brand of my own, as long as I can access sales, marketing, distribution, loyalty and a quality assurance program,’” says Rai. “Preferred’s business model is to be able to provide exactly those services to an independently minded owner who has operating expertise as well. So deflagging becomes a real opportunity for us.”

He’ll also see hotel owners take that attitude if they’re opening a new hotel. As they get closer to opening date and there’s been a correction in the market, the owner may decide to go without a hard brand.

Preferred has just teamed up with the Westin in Sydney, which is deflagging after the hotel was sold to the owners of the Fullerton in Singapore. The hotel will become the Fullerton Sydney, set to open in October.

“It’s arguably one of the most iconic buildings in Sydney,” says Rai. “We are thrilled to report that it will be in our Legend Collection. That is a good example how a hotel that has operated under the Starwood-Marriott banner for so long, has had the confidence of changing over and relaunching itself as an independent. Over the last two years, I think I can roughly count about 20 to 25 deflags that have [been] done. And all of these deflags are from most of the major operators in key gateway cities around the world.”

nearly 100 hotels in the first 60 days of owning the company. Lindsey accompanied him on many of these visits.

"He asked the hotels all the right questions," she says. "'What's working? What is Preferred doing well for you? What's not working? What are the top three priorities you would like to see Preferred implement?'"

"It was exciting because we knew what the challenges were," she says. "When people are really honest about what's not working and about the things that they would love to see happen, you can do something about it."

Within the first year, the three groups within IndeCorp: Preferred Hotels & Resorts, Summit Hotels and Sterling Hotels — were brought together for the first time at a global conference. A loyalty program was launched, and the company was reorganized. Communication with hotel partners was a high priority. From the get-go, John Ueberroth expanded the roles of the top sales people across the globe so they were also regional managers whose oversight also included the relationships with the hotels in their regions.

"If you're bringing on a hotel partner, you should own that relationship and you should be responsible for whatever you've promised that you're going to deliver," she says.

Lindsey started at Preferred as a regional director, and opened what is now the company's headquarters in Newport Beach, CA. She managed hotel relationships and then launched the Preferred Boutique brand, which has since been retired. During her tenure, she ran IT, meetings and events, group and global sales and even public relations.

"I've worn a lot of hats, I've been in a lot of positions in the company," she tells *Luxury Travel Advisor*.

We asked her what it's like to work with such varied groups of people throughout the world. Ueberroth told us that listening and not being afraid to ask questions is vital. So is being culturally sensitive. For that reason, she consults with her regional offices before visiting their territories.

"They've been very good at educating me on how best to interact with clients," says Ueberroth, who adds that her experiences within just one trip can vary greatly.

One itinerary included both Italy and Japan. "In Italy, we'll do two meetings a day; it's lots of espressos, lot of time talking about life and the business kind of happens toward the end. It's very relationship-driven and done at a pace at which things get done a

LINDSEY UEBERROTH is seen at Grand Hotel Tremezzo, a Preferred hotel on Lake Como, Italy.



little bit more leisurely. In Tokyo, there's a lot of protocol around where you sit, and who you're sitting across from. They're also incredibly efficient, so I could do 12 meetings in a day. In Japan, they are very gracious and their hospitality is incredible, but the way in which they like to do business is very different."

Her advice for international business travelers? You have to communicate with people and understand their protocol rather than wondering why they don't operate at your pace. "It's really important, across the board for people, to understand and respect the cultural differences," she says.

When Ueberroth was named president and CEO in 2014, her parents became co-chairs of the company. Her mother, Gail, is the chief creative officer, overseeing the directories and advertising. "She feels very strongly about the brand and our image and how that gets represented," says Ueberroth, adding that her parents still spend half the year in Paris and half the year in Newport, CA. "They're like our global travel ambassadors. They're always happy to meet with hotel partners when they're there and my dad is still involved in hotel development."

## Looking Ahead

Ueberroth says that the I Prefer Hotel Rewards loyalty program, which currently has three million members, continues to be a major focus for growth and investment. Travel advisors get paid commission on IATA bookings when they use their client's I Prefer number; their commission is also protected during the redemption process because the points-based program produces Reward Certificates that can be cashed in. Preferred is currently working on the deployment of

new back-end loyalty management software that will enable a new travel advisor incentive program that offers points for enrolling their clients. The new software will also help filter marketing communications to ensure advisors are never cut out of communication being sent from I Prefer to their clients, according to the company.

Preferred, later this year, is looking to reward points in immediate room upgrades and offer on-property related travel rewards.

Preferred Residences is another area of focus; in fact, plans are to greatly increase the number of experiences to reach 150 properties across key markets by 2020. "Advisors have been saying clients are looking for this type of product because either the suites in a hotel aren't big enough or they don't want to have to get connecting rooms — or they can't get the connecting rooms. This is why we continue to see this as an opportunity," says Ueberroth.

## A Family Affair

When she's asked what the difference is between Preferred and its competitors, Ueberroth replies, "At the end of the day, it's our name on the door, so I believe that we just care and feel very differently. It's very personal." Going forward, Ueberroth says Preferred is not interested in being bought out or absorbed into a large hotel chain, as has been the case with other independent hotel collections. "In fact, we're the reverse. We would love to acquire," says Ueberroth. "We remain steadfast in our passion for the independent hotel space."

It's clear that 15 years after acquiring Preferred Hotels & Resorts, the Ueberroth family is still having fun. Lindsey Ueberroth, a year ago, appointed a president of the company, Michelle Woodley, a long-time veteran of Preferred. The move means she is freed up to focus on areas that best use her skill set.

"That's very much on the client-facing side of things, making sure we're telling the strategy of the company and where we're headed," says Ueberroth. "It's about keeping the ship moving in the right direction and spending time with all of our strategic partners, including the travel trade, which is essential to our business. My priority looking ahead is on evolving the Preferred brand to focus on promoting travel, not just hotels, so that we can continuously inspire advisors and provide relevant options to support all aspects of the travel experience they are looking to curate for their clients," says Ueberroth. ■