



Kaori Yamaguchi, Managing Director, Japan, Preferred Hotels & Resorts

Executive Impact

Preferred Hotels & Resorts brings independent hotel experience to guests worldwide

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By Chris Betros

TOKYO — Many independent hotels, both large and small, often need help to attract inbound visitors. Unlike major chain hotels, they don't have the network and they also wish to keep their identities distinct from other hotels.

Membership in Preferred Hotels & Resorts helps them do that. The family-owned company, founded in 1968, represents more than 750 distinctive hotels, resorts, residences and unique hotel groups. It has 35 global offices and assists hotel owners and operators, supporting their goals by providing strategic group, corporate and integrated marketing, as well as global connectivity. Preferred Hotels & Resorts has five global collections — Legend, L.V.X., Lifestyle, Connect and Preferred Residences. In Japan, the company has 19 member hotels.

Overseeing Preferred Hotels & Resorts' operations in Japan for the past 10 years is Managing Director Kaori Yamaguchi, a veteran of the hotel industry. She is responsible for the acquisition of new hotel members and also maintains the engagement and retention of the company's current portfolio in the region.

Prior to joining Preferred Hotels & Resorts in 2009, Yamaguchi started her career at Hyatt Regency Osaka. In 2002, she joined the pre-opening office for Grand Hyatt Tokyo and was later promoted to director of sales and marketing.

Japan Today visits Yamaguchi at her Tokyo office to hear more about Preferred Hotels & Resorts.

For readers not familiar with your company, what does Preferred Hotels & Resorts do?

We offer sales and marketing services for member independent hotels. Many independent hotels want to promote themselves globally, so they need a global company that offers these solutions.

In Japan, hotels can manage themselves domestically, but if you look at the Japanese market today, 70-80% of guests are foreigners. The domestic market in Japan is not as strong as it used to be. The hotels are getting more inbound business so they need our support to reach out to overseas markets. Our strength is that we have a global structure with strong local support.

Are all five collections represented in Japan?

We have three collections in Japan, but do not have hotels in the Legend and Residence Collection as of today.

In Japan, what type of hotels are your members?

Our members range from large-scale hotels with 1,400 rooms, like Keio Plaza Hotel Tokyo, to boutique hotels with less than 100 rooms like The Kitano Hotel Tokyo.

Where are you looking to expand?

Since I joined in 2009, all of our member hotels are located in big cities. So what I am trying to do is expand into regional areas because many travelers are keen to visit secondary cities and remote areas, outside of better-known cities such as Tokyo, Osaka and Kyoto.

One of our strategic goals as a company is to thoughtfully expand the Preferred brand footprint while complementing our existing portfolio through innovative partnerships. I'm hopeful we can work together with foreign boutique consumer-brand hotels which are starting to enter the Japanese market.

What about traditional ryokans?

We would like to have Japanese ryokans as members, and will be exploring ways to work with them so that we can tap into leisure destinations outside of big cities. Some cultural challenges need to be addressed, such as the unique service style of ryokans, which usually includes two fixed meals per stay, served at fixed times. Foreign guests would prefer to dine at the time of their choice, and would appreciate menu options. We are starting to see more ryokans changing their offerings and operation, to better cater to diverse guests, such as implementing English websites and menus.

Was 2019 a good year for you?

2019 was a positive year with several new hotels joining our brand. The Preferred Hotels & Resorts brand recognition has increased within the Japanese market over the years and we are starting to see an increase of inquiries from independent hotels who are showing interest in our brand.

As our business grew, we also expanded our office last year by adding team members. Our team members all have experience working in hotels and with an international background, so they understand what hotels need and expect from a hotelier's perspective, and for me, this is important when serving our clients.

What other benefits does being a member of Preferred Hotels & Resorts offer?

The *I Prefer* Hotel Rewards program, which launched in 2013, rewards members with points and special benefits upon stays at hundreds of participating hotels worldwide. Points can be redeemed toward free night stays. The free-to-use *I Prefer* app allows members to easily manage their accounts before, during and after every stay. Loyalty programs have worked well with hotel chains, and we knew it would be

successful with our hotels. It took many years for us to get member hotels' agreement but they now understand that without a strong loyalty program, they cannot compete with large hotel chains.

All of our hotels in Japan are participating in the *I Prefer* program. Overall, we have over 750 hotels worldwide and about 700 of them participate in the rewards program. As of 2019, the *I Prefer* Hotel Rewards program had 3.3 million members.

How often do you visit the member hotels in Japan?

I believe that maintaining a relationship through effective communication with our clients is key to a successful partnership and so I try to visit our member hotels as much as possible. Yes, we do have advanced technology, but it is the face to face communication that helps build trust and a solid long-term relationship.

What is your management style?

I generally don't like meetings. My management style is not to micro-manage, and to ensure that a comfortable working environment is provided for my team. I encourage a healthy work-life balance with the staff and we don't work on weekends. As for myself, I enjoy playing golf on my days off.

How do you think the hotel industry has changed since you first started?

The advancement of digital technology has fundamentally changed the hospitality industry, from selling, marketing and promoting. Hotels are implementing cutting edge systems to streamline and increase efficiency, and I see more and more hotel chains consolidating their departments across hotels. Although technology provides speed and efficiency, I believe that maintaining a healthy balance with a human touch is important in our industry.

For more information, visit PreferredHotels.com.

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