



Vantage Adds Pricing Empowerment Programs for Member Hotels

At Vantage Hospitality's annual conference, the company launched several new programs designed to empower hoteliers to make better room pricing decisions

By Glenn Haussman
December 13, 2011

It's official. In less than a dozen years, Vantage Hospitality has achieved a major milestone; the fastest hotel company to reach more than 1,000 properties in its system. In fact, the company is well on its way to 1,100 properties under such brands as Americas Best Value and Lexington Collection.

The announcement was made last week as part of the company's annual conference, which was held at the Golden Nugget in Las Vegas, Nevada.

But even though reaching 1,000 hotels is impressive – all while roughly eliminating the bottom 10 percent of hotels annually due to low quality scoring – the company announced some new plans and promotions designed to help their core ownership base of mom and pop hoteliers better compete in a topsy-turvy hotel market.

To excel in today's operating environment, many hotel companies are looking to get their hotels in the best shape possible so owners can up rates. That means millions of rooms are already under, or will get renovated in 2012. And all those new rooms put rate pressure on for hotels that are not up to date.

Problem is many owners – especially those small family businesses – cannot get secure financing to update and modernize their hotels. Enter Vantage Hospitality founder and CEO Roger Bloss, whose team created what's being dubbed the '\$1, \$2, \$3 Dollars-A-Day Program.' Essentially the program is for all member hotels in good standing to receive pre-approved financing that will give them enough money to upgrade their facilities. The name of the program refers to how much it costs property owners per room per day, depending on the type of work that needs to be done. The program is in cooperating with American Hotel Register Company and Cicero's Development.

"This is something we worked hard on with our operations and vendors," said Bloss. "We knew competitors would come out heavily with strong PIPs (product improvement plans). I don't think we have the right to look into people's bank accounts and ask them how much they are willing to spend.

"There is a lack of confidence to raise ADR so we felt that this gives [owners] a model that shows if they do this they can raise rates. They don't have to go through a bank or friends or family to raise money," Bloss continued.

The main focus of the program will be on FF&E renovation, operational supplies required to improve guest experience, and consolidating and streamlining the procurement process.

For example, for just one dollar a day per room, owners can choose between 12 drapes and duvets that will sharpen a room's look while helping boost rates by more than that single dollar.

He expects about 65 percent of hotels to participate. About 25 percent of hotels in the system have been updated already within the last few years.

The company is also adding educational and training programs to help operators boost the profit line.

But to be successful, Americas Best Value Inn and Lexington Collection hotels need guests. Though Bloss said reservation flow is increasing, the company also unveiled its 2012 marketing plan.

One highlight is the addition of 10-second commercial spots located within the body of certain syndicated television shows like "Dr. Phil" and "Judge Judy." The idea here is combat DVR users who are accustomed to skipping traditional television ads. Since these spots are located within the show they are more likely to be viewed.

Another non-traditional marketing move is to give away hotels stays as part of game shows, like the very popular "Let's Make A Deal," starring Wayne Brady. During the conference's annual general session we saw a one-week stay in a Lexington Collection hotel given away as part of a prize package to Jackson Hole, WY.

Vantage also announced an agreement with Sabre Hospitality Solutions to utilize its Central Reservation System (CRS) platform.

The other big news coming out of the conference was Bloss' continued confidence the company eventually get a new brand, most likely an economy extended-stay concept.

"It's no secret a brand extension is very much on our radar. And it's no secret we bid on AmericInn. We have a huge appetite to find an extended stay brand and think that it's a real good niche for us," said Bloss, who said they'd consider launching one if one was not available for purchase.

Finally, we don't want to miss discussing Lexington. The brand has 25 hotels with several big announcements set to come immediately. In fact, we know of one real big one but have promised to keep it under wraps. When announced it's sure to cause a stir about the Lexington soft brand to deliver reservations.

"We have been concentrating on building a strong base of properties and delivering programs that deliver a strong return on investment," said Bill Hanley a partner in Vantage who runs that side of the company. "The high end and mid-tier hoteliers are desperately searching for alternatives to franchising and Vantage has been their beacon of light. Soft branding shows the power of Vantage and how hotels can join and maintain own identity while taking advantage of Vantage's resources."

Vantage Hospitality is a freestyle membership company that allows hotels to come and go through annual contracts. All brand standards and fees are voted upon by its members. Vantage Hospitality operates brands under the names Americas Best Value Inn, the Lexington Collection® of hotels, inns and suites as well as Canadas Best Value Inn, Chinas Best Value Inn and Value Inn Worldwide.

