



Vantage CEO Open to Adding Another Brand

By Jeff Higley
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Roger Bloss

LAS VEGAS—After collecting more than 1,000 hotels in its membership platform in 11 years, Vantage Hospitality Group is looking possibly to expand further by adding another brand to its portfolio.

During a press conference following Wednesday's general session at the company's 2011 conference and trade show at the Golden Nugget Las Vegas, Roger Bloss, Vantage's founder, president and CEO, said the desire for the company to continue spreading its "freestyle lodging" concept could lead to the acquisition or launch of another brand.

Unlike other hotel companies, Vantage offers hotel owners the resources of a hotel franchise but the freedom of a membership program. This freestyle-lodging concept allows members to choose amenities and programs they want for their properties.

"We are not looking to have brands that compete with our existing brands," Bloss said.

The Coral Springs, Florida-based company's goal is to add brands in segments it is not represented in to ensure differentiation between brands, Bloss said.

"We have a huge appetite to find an extended-stay brand," he said, adding the extended-stay hotel model of being about location, price and amenities fits well into Vantage's strengths.

Bloss made it clear that Vantage's approach to potentially launching a brand would be cautiously measured because he believes the large amount of capital required to do it could test the company's focus.

"Our culture at Vantage is to reinvest in member service rather than corporate service," he said. "To take those corporate dollars and spend it there rather than focusing on what you have and making it better is just not our culture."

However, if the right opportunity came along, Bloss said he would be interested in expanding Vantage's roster of brands.



Bill Hanley

Continuing the March

In the meantime, the company will continue its march to expand the Americas Best Value Inn, Canadas Best Value Inn, Chinas Best Value Inn and Lexington Collection brands.

A primary focus for Lexington brand Group President Bill Hanley is to court larger hotel ownership and management companies to convert properties; the Lexington brand has 25 hotels in its portfolio.

"We need to be in Chicago, New York, Los Angeles, Miami, and that's what Bill's objective is by going to see those companies because those are the companies that control those properties," Bloss said. "... It's part of our business plan."

Bloss said Vantage enjoyed a 98% renewal rate of properties in 2011 and removed the bottom 10% performing properties. It added 127 properties to the system and currently stands at 1,043 hotels.

"It's not about adding numbers, it's about putting quality properties in the marketplace," Bloss said.

Soft Branding

The CEO noted that the Lexington brand is active in the soft-branding trend that is popular in the industry.

"We have several contracts out today with properties that will just blow your mind that will do a soft brand with us (under the Lexington flag)," Bloss said.

He said Vantage's switch to hotel Internet marketing company Sabre Hospitality Solutions' central reservation system, which was announced earlier in the day, will make it more attractive for such companies to become part of the Lexington portfolio.

"It's going to open up doors," he said.

Bloss said one example of a proposal Lexington has in front of a potential prospect will save that property about US\$1.50 per transaction by having an affiliation with Lexington.



Jordan Langlois

Guest Services

The discussion about additional brands in Vantage's portfolio came following the annual conference's company update. The session featured a video in line with the conference's superhero theme that depicted Vantage defeating villains Doctor Downturn, Chaotic Chameleon (changing technologies), Double Vision Demon (hidden fees by competitors) and Mr. Megabucks (large marketing funds).

Jordan Langlois, Vantage's VP of brand management, said the directive for members is simple: "The area to focus on this year is guest services, which cost zero dollars to fix."

One major program launched during the conference allows members to renovate their properties for US\$1, US\$2 or US\$3 per room a day.

"It positions you to increase your (average daily rate)," Langlois said.

During the press conference, Bloss said the program has been in development for about two years, and the various levels of renovation fit the needs and budgets of each of the company's properties.

"We knew the competitors will come out heavily with strong property improvement plans," Bloss said. "What we wanted to do was create options for (members)."

Every property in good standing with Vantage qualifies for financing from program provider American Hotel Register Company, according to Bloss.

"There are three or four things you can do that aren't going to break you," Hanley said.

Bloss said he expects about two-thirds of the company's members to use the program.

