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BR Guest

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Starwood showcases Le Méridien's rebranding strategy, Westin's redesign

BY MATTHEW MARIN

STAMFORD, CT—Starwood Hotels & Resorts offered a preview of the new design schemes for the next generation of Westin Hotels & Resorts' upscale guestrooms and public spaces, as well as the brand refresh of the upper-upscale Le Méridien, at the global chain's headquarters here.

For Le Méridien and Westin, Starwood is introducing a rebranding that carries the theme "Destination Design," which includes a new advertising campaign, marketing campaign and visual identity that showcases new elements such as typefaces and photography, to offer a fresh perspective of global destinations.

"With a reinvigorated brand positioning, built off our promise of unlocking the destination for guests, we are committed to offering a range of curated experiences around the arts, culture and cuisine in key destinations around the world," said Brian Povinelli, global brand leader of Le Méridien and Westin.

The Le Méridien brand refresh strives to appeal to "the

creative-minded traveler," who may not have enough time to explore cultural landmarks while visiting destinations, according to Povinelli. He recounted a recent business trip to Istanbul, where he was unable to discover the sights in the city. Therefore, the brand devised a strategy to ensure that cultural aspects of the locations are incorporated into each Le Méridien hotel. "Travelers are looking for experiences," said Povinelli. "And 75% of Millennials want to travel abroad."

Le Méridien's design team applied art as a differentiator, devising a color palette and scheme that builds upon existing aspects of the brand's personality and French heritage. When coming up with new ideas for the Le Méridien makeover, the design team researched concepts from French new-wave cinema. Other influences included Cinemascope, urban architecture, *Monocle* magazine and the title sequences designed by Saul Bass for such movies as *Vertigo* and *Anatomy of a Murder*.

"We looked at the great juxtapositions



HB ON THE SCENE

The vertical wall gardens in Westin's lobby are intended to connect the wellness-minded traveler to nature.

and graphic elements within these films," said Ravi Hampole, VP and creative director for graphic design of the global brand design group at Starwood, who also refreshed and launched the Aloft identity. "Paris was huge for us. Knowing that the Le Méridien originated in Paris, we wanted to acknowledge the heritage of this brand."

The Le Méridien brand, which has a portfolio of more than 120 hotels in 50-plus countries worldwide, was established in 1972 by Air France "to provide a home away from home for its customers." The first Le Méridien property was a 1,000-room hotel in Paris, called Le Méridien Etoile, which is currently undergoing a renovation. Within two years of operation, the group had 10 hotels in Europe and Africa. Starwood acquired Le Méridien in November 2005.

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Waldorf Astoria NY sold to Anbang in \$1.95B deal

BY DENNIS NESSLER

NEW YORK—While Hilton Worldwide has made plenty of news of late with the launch of new brands, it was the recent agreement to sell its most iconic property—the Waldorf Astoria New York—that sent shock waves throughout the lodging industry, not to mention the U.S. government.

The company entered into an agreement with Beijing-based Anbang Insurance Group Co., Ltd. to sell the iconic hotel for some \$1.95 billion. While the price tag—which would make it the most expensive hotel ever sold—caught the attention of many industry observers, it was the Chinese buyer that had the deal being given a "closer look" by the U.S. government at press time.

Terms of the sale allow Hilton to continue to operate the hotel—which represents the flagship for the company's Waldorf Astoria Hotels & Resorts luxury brand—for the next 100 years, and the property is scheduled to undergo a major renovation.

"We are very excited to be entering into this long-term relationship with Anbang, which will ensure that the Waldorf Astoria New York represents the brand's world-class standards for generations to come. This relationship represents a unique opportunity for our organizations to work together to finally maximize the full value of this iconic asset on a full city block in Midtown Manhattan," said Hilton



Hilton Worldwide recently agreed to sell the iconic Waldorf Astoria in New York City for \$1.95 billion. The company will retain management rights to the hotel.

President and CEO Chris Nassetta in a statement.

Hilton officials acknowledged that while the company did not necessarily put the hotel on the market per se, it was opportunistically looking for a buyer. In addition, Hilton, which plans to use the proceeds of the sale to acquire additional assets in the U.S., had developed a relationship with Anbang over the course of the past several years.

Daniel Lesser, president and CEO of LW Hospitality

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Waldorf Astoria

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Advisors, commented on the price tag, which works out to a little less than \$1.4 million a key. “The \$1.95-billion price represents a global high-water mark for the largest amount paid for a single, non-gaming hotel asset. Tremendous value creation opportunities exist to significantly reduce the size of the hotel and create luxury residential, as well as high-end retail, on the ground floor of the property,” he said.

But, the price garnered attention from some for other reasons: “I was surprised at the price, thinking it should be higher. There are a couple of reasons why it may not have traded higher than it did. One is the 100-year management agreement. The second is the fact that Waldorf has become a brand. I think the hotel would have sold for more if there had been only one Waldorf,” said Bjorn Hanson, clinical professor, Preston Robert Tisch Center for Hospitality and Tourism, NYU School of Professional Studies, who also acknowledged that \$1.95 billion represented a fair price for the asset.

Lesser talked about why the historic hotel appealed to Anbang. “Overseas investors, including those from China, perceive a very positive outlook for the U.S. economy, as well as a sense of long-term safety and security with ownership of well-located real estate in major metropolitan American cities. Additionally, foreign capital recognizes that well-executed U.S. hotel investments typically provide superior risk-adjusted returns when compared with other deal opportunities,” he said.

Hanson noted that many dignitaries, including U.S. presidents, typically stay at the hotel. In fact, for more than 50 years, the State Department has leased a residence for the U.S. Ambassador to the U.N. on the 42nd floor of the hotel’s Waldorf towers.

As such, according to the Associated Press, the pending renovation has U.S. officials concerned about the potential of Chinese eavesdropping and cyber espionage.

“We are currently in the process of reviewing the details of

the sale and the company’s long-term plan for the facility,” said Kurtis Cooper, a spokesman for the U.S. Mission to the United Nations. He and other officials told the Associated Press the decision about the future of the U.S. relationship with the Waldorf would be made based on

cost; Anbang’s long-term plans for hotel; and the government’s needs and security concerns.

When asked if the U.S. government’s concerns would ultimately be an obstacle to the agreement being finalized, Hanson noted, “It’s unlikely it will have no effect.”

In 1893, millionaire William Waldorf Astor opened the 13-story Waldorf Hotel on 5th Ave. and 33rd St. Four years later, the Waldorf was joined by a 17-story Astoria hotel. In 1929, the original Waldorf Astoria closed to pave the way for the new incarnation of the hotel on

Park Ave.. The current property, which is a member of the Historic Hotels of America, dates back to Oct. 1, 1931. Conrad Hilton, founder of Hilton Worldwide, acquired the management rights to the hotel in 1949, and the company acquired the hotel outright in 1972. **HB**

Big picture.

~~LITTLE DETAILS.~~

Big

At The Dow Hotel Company, our experience as owners and operators lends us a unique perspective. We begin with focusing on the overall view, from market conditions to branding. We also address the finer points of management, such as menu customization and outstanding guest service. Through a comprehensive approach, we are able to drive both immediate financial success and future asset value for our investors.



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