

Business Travel

Every Tuesday

Indie hotels cater to elite travelers

Focus on service and reputation helps them keep up with chains

By Barbara De Lollis and Roger Yu
USA TODAY

The big hotel companies — Hilton, Hyatt, Marriott, Starwood and the like — dominate the growing sector of high-end business-center hotels. And why not?

Chain-affiliated hotels gain competitive advantages through worldwide reservations systems, popular loyalty programs and slick marketing campaigns.

But in many cities, independents such as The Rittenhouse in downtown Philadelphia continue to compete for the travelers who can pay \$300-plus a night for charm, a clubby atmosphere and a reputation upheld over the decades. The Rittenhouse last year reported its best sales and occupancy figures ever. Nonetheless, general manager David Benton says, "We have to pedal twice as fast to keep up with" branded rivals.

The Rittenhouse and other grand old downtown hotels — The Hay-Adams in Washington, D.C., and The Adolphus in Dallas, for example — compete with the chains on the basis of such things as prestigious locations, lavishly furnished rooms, grand architecture, rich history and ultrapersonalized service.

They survive by focusing on an elite group of customers — top-tier executives, celebrities and affluent, older travelers — who don't care much about accruing loyalty points and rewards.

Including resorts, about 70 older, luxury hotels with at least 100 rooms operate as independents in the USA, according to industry tracker Smith Travel Research. Since 2001, Smith says, the number of hotel rooms in that segment of the industry has remained flat at about 17,000.

Affiliations with chains

But the longer-term trend for the high-end independents has been to become affiliated with chains, says lodging consultant Bjorn Hanson of PricewaterhouseCoopers. Chains can buy supplies for less, and their

sales channels reach more people, he says.

For example, the 97-year-old U.S. Grant, the grande dame in downtown San Diego built by Ulysses S. Grant Jr., son of the president, joined Starwood's Luxury Collection in 2005 to gain "worldwide exposure," says Mark Dibella, the hotel's spokesman.

The independent Copley Square Hotel in Boston's Back Bay area recently closed its doors for the first time in 117 years for major renovation. Its new owner, CapStar Hotel Group, plans to continue as a higher-end independent hotel, general manager John Maibach says.

Back Bay is filled with chains, and the Copley Square Hotel hopes to stand out after the \$14 million renovation with a better look, nicer amenities and highly personalized service where guests are greeted at the door. The hotel expects to reopen in late spring.

"This is a tremendous opportunity for an independent," Maibach says. "We can take advantage of only being 184 rooms, where we can get to know our customers and have the freedom of not having a brand dictating to us what the environment and service should be."

The Boston hotel had been catering mainly to tour groups. Earlier in its life, it featured a famous jazz club that hosted the likes of Billie Holiday and Ella Fitzgerald.

'No man is an island'

Some of the independent hotels receive limited support by joining groups such as Leading Hotels of the World, Preferred Hotels & Resorts, or Small Luxury Hotels of the World to gain access to reservations systems, sales networks and marketing programs.

"No man is an island," says Marshall Calder, a marketing executive at Leading Hotels of the World, an affiliation of 450 mostly independent luxury hotels worldwide, including about 70 in the USA. "An independent hotel needs some level of affiliation."



NO. 1 IN THE USA

Nice spots for weary travelers

Here are some independent, luxury hotels that cater primarily to business travelers:

Establishment	City	Open	Rooms
The Adolphus	Dallas	1912	428
Beverly Hills Hotel	Beverly Hills	1912	204
Hotel Bel-Air	Bel Air, Calif.	1946	91
Brown Hotel	Louisville	1923	293
Brown Palace Hotel	Denver	1892	241
The Rittenhouse	Philadelphia	1989	98
The Hay-Adams	Washington	1928	145
Hotel Fort Des Moines	Des Moines	1918	234
Mayflower Park Hotel	Seattle	1927	171
Talbot Hotel	Chicago	1927	149

Source: Smith Travel Research



The Rittenhouse

Welcome: The Rittenhouse in Philadelphia.

But the loyalty of guests such as Aaron Rosand of New Canaan, Conn., is key to the survival of the independents. A concert violinist who visits Philadelphia often to teach at The Curtis Institute of Music, he always stays at The Rittenhouse.

"I feel so at home," Rosand says. "It's like having a big family."

The 145-room Hay-Adams in Washington, which is affiliated with Leading Hotels, depends heavily on its historical name, rep-

utation for service and prestigious location. Many upper-floor rooms, for instance, have a great view of the White House.

Highly personalized service

Since opening 80 years ago, the hotel has catered to a guest list that includes Amelia Earhart, Sinclair Lewis and Charles Lindbergh.

Its occupancy rate and revenue have grown steadily over the last three years, says Hans Bruland, the

general manager. Its main strength is highly personalized service, he says.

"The hotel has built its reputation over the years, but customer loyalty can change swiftly if we didn't meet their expectations," he says.

A renovation six years ago refurbished the lobby and guest rooms and delivered wireless Internet. Guest rooms contain bulky tube TVs in armchairs, but flat-panel TVs will be installed in all the rooms this year. The hotel is also replacing

all bedding and installing new windows that retain a historic look.

The 428-room Adolphus in Dallas has a worldwide reputation partly because of The French Room, the hotel's award-winning restaurant. It just completed its best year for sales and occupancy, says Tom Garcia, the hotel's general manager.

Still, it's not enough, he says. The hotel added about \$1 million of art in the lobby and renovated suites to meet the competition.

It's also working with Neiman Marcus to design a suite that reflects the tastes of the high-end hometown department store.

Nat Coleman, a wholesale produce executive from Palestine, Texas, usually stays at The Adolphus because of its service. A fan of the University of Texas football team, Coleman says that Adolphus employees call him each year to remind him to book a room when his team plays the rival University of Oklahoma team.

"If I were to go to another spot, I'd feel like I was betraying them," he says.

Garcia says that they take pride in knowing customers' needs.

"This is how it used to be before the brands got too big," he says.