

LODGING

Vantage Hospitality Preps for More Growth

By Len Vermillion

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Roger Bloss

In June, Vantage Hospitality Group, the company behind Americas Best Value Inn, Canadas Best Value Inn, Chinas Best Value Inn, and Lexington Collection, surpassed the milestone 1,000th hotel mark. And, by the growth plans laid out by President and CEO Roger Bloss and COO/CFO Bernie Moyle during the company's annual conference at the Golden Nugget Las Vegas this week, that was just the beginning.



Bernie Moyle

As widely reported, Vantage Hospitality has risen to become the 10th largest hotel company in the world in only 11 years of existence. Since June, the company has added an additional 43 properties and stands at 1,043 total properties through December 2011.

Moyle opened the conference's general session by declaring that despite the downturn in the economy, the privately held company is financially stable. Bloss added that a number of initiatives debuted this week are intended to increase the visibility of both Americas Best Value Inn and Lexington Collection, as well as to increase the ability of members to increase their average daily rates.

The biggest debut for the company this week was the announcement of a partnership with Sabre Hospitality Solutions to switch Vantage's central reservation system and to install a platform which seamlessly reached customers across a variety of channels, such as third-party bookers, social media, mobile devices, and tablet computers like the iPad.

"Our membership has grown so fast, we now need a different type of technology," Moyle said.

Bloss said he believes the new technology, which will launch on Feb. 1, will increase the company's ability to attract new members and properties, especially for the company's soft brand, Lexington. "This will help us get new properties," Bloss told reporters following the general session.

Scott Anderson, president of High Country Hospitality, told the audience that Generation X and Generation Y consumers are going to become the travel buyers in the next few years, and many of them shop via smartphones. "We cannot afford to not be innovative. We cannot afford to not take advantage of the latest mobile technology," Anderson said.

Moyle agreed, saying, "We must commit more resources to mobile technology."

But, CRS development was just one of the ways Vantage is preparing for additional growth. The company also announced a renovation program for properties to economically make only the necessary upgrades that are needed, when they are needed. Bloss railed against system-wide renovation mandates, saying, "No one should have the right to force system-wide renovation plans with no justification."

Instead, Vantage's renovation plans are separated into three programs, each designed to make the investment in remodeling easier for owners and operators. It also is designed to let owners decide which improvements are truly necessary for their customer base and to be done on their timetable. "We wanted options for our members," Bloss said.

Bloss said the company expects approximately 65 percent participation in the renovation programs. He also said that any member within Vantage who is in good standing automatically qualifies for credit to help with the programs.

The company also announced several marketing initiatives designed to raise the profiles of Americas Best Value Inn and Lexington. Among the initiatives is the company's foray into television advertising where it will debut 10-second, in-program commercials on several popular TV shows.

Bloss also reiterated the need to develop in high-profile locations. "We need to be in New York, Chicago, Miami," he said. "We need to get in the premier locations. That's our biggest opportunity." And, he hinted that several big deals are in the works, although the company was not ready to discuss such plans.

He also said that Lexington, which currently has 25 properties, will soon "have future contracts that will blow your mind."

Bloss also offered that the company is looking into the possibility of brand expansion, "although we will not have any new brands that compete with our current ones," he said.

He admitted that the company "has a huge appetite for an extended-stay brand." Ideally, that would come from an acquisition, but Bloss didn't rule out the possibility of creating Vantage's own extended-stay brand. "We would create our own, but our model is to first invest in member services, not corporate services," he said.

