

Hospitality

Becoming One with the Community

An Interview with Efrem Harkham,
Chairman and Founder, Luxe Hotels



Luxe Rodeo Drive Hotel in Beverly Hills

EDITORS' NOTE Efrem Harkham, a visionary veteran hotelier, bought a struggling hotel in Los Angeles' Bel Air neighborhood 31 years ago and launched what would become the Luxe Hotels brand. In 1989, Harkham founded the Luxe Worldwide Hotels representation company, which is known today as L.E. Hotels.

COMPANY BRIEF Luxe Hotels, (luxehotels.com) an international hotel brand, is recognized for its distinct individuality and personality.

The Luxe brand epitomizes exceptional design, unique style, and a sense of place. Luxe Hotels includes the L.E. Hotels representation company, limited to 200 members; corporately owned properties including the Luxe Rodeo Drive Hotel in Beverly Hills and the Luxe Sunset Boulevard Hotel in Bel Air; and a branded property, Luxe City Center Hotel in Los Angeles.



Efrem Harkham

How do you differentiate yourself and your brands?

We become one with the community surrounding each hotel. Our brand standards call for each GM to participate in the business community, as well as its cultural life. It is about building relationships within the communities they are in. As to Luxe Hotels, we believe that the location of the hotel itself and the surrounding neighborhood differentiates the space. For example, the Luxe Sunset Boulevard Hotel is very focused on the arts be-

cause of its proximity to the The Getty Museum and UCLA Performing Arts, while the Luxe Rodeo Drive Hotel very much ties in with the Beverly Hills community. In fact, we celebrated Beverly Hills' 100th birthday with a specially baked 4,000-pound cake that had 15,000 slices, and residents flocked to that event. In the case of the hotels we represent, we are careful in selecting properties that have a signature distinction and a one-of-a-kind individuality, rarely found among the many hotel chains and collections that abound today. Each property has its own distinctive personality and the properties are often located near historic sites offering compelling design and unique architectural elements.

How do you get the message across on what makes you special?

It is all about service and the long-lasting value of making each guest feel special. Our hotel personnel are well-trained in the messages that we want to put out and there is consistency through the Luxe Hotels brand, from the very first encounter at the front desk through to the parking attendant at departure time. It is the little things that count and word of mouth is a very valuable tool. Additionally, we have a very strong outreach program that involves all aspects of marketing, from earned and paid media to a very active social media component and events. It has become the "norm" for our brands to incorporate social media when communicating programs, promotions, incentives, and events. Most companies embrace this as part of their own marketing efforts. However, we try to take the opportunity to add value by sharing from our own social media platforms.

How do you evaluate success? Is there a point at which you know you have succeeded?

In the end, it is always about the return guest or group booking returns but, there are many other ways to look at performance. It is about increased interest in our promotional packages. We evaluate our programs, such as four-day get-aways, Valentine's Day packages, and Memorial Day weekend promotions, as well as the quality of the bookings in banquet/meeting rooms. We also get a personal sense from our restaurant guests as to preferences and adapt accordingly. We additionally evaluate increased interest in our market segmentation, such as the leisure market versus family and business markets. We always consider our market niche within the larger hospitality industry.

How do you prevent losing the personal relationships as you grow?

Personal relationships are vital in the hospitality industry. We make it our mantra to retain and value them. While growth can sometimes infringe on personalized attention given at each property, we pay careful attention that each property manages its strategic direction, marketing, and booking potential. Many chains have over 500 hotels and there is no way you can make a personalized difference with that many properties. In contrast, we are where we want to be by design. As we acquire more properties, we will continue to emphasize our personalized services, which are at the core of our culture. That is the very reason why we have limited the L.E. Hotels brand to less than 200 hotels.

How do you expect 2015 to be for luxury hotels?

We can expect that 2015 will see moderate growth, around 4 to 6 percent, depending on luxury hotel locations throughout North America. Industry experts have predicted that growth expectations for Europe and Asia will be more moderate than in 2014.

What is the mission of The Luxe Hospitality Foundation?

It was formed because I care so deeply about the future of the hospitality industry. I established it in 1995 with the mission to perpetuate my vision of hospitality through education and training, and to foster the hospitality community's engagement by elevating the awareness of the industry and the professionals that serve it. It provides educational training programs and will offer scholarships for students and lodging industry employees, as well as outstanding achievement awards to hospitality and travel industry veterans. The Foundation is very close to my heart. ●

What single event has been most significant for you and your brands in 2014?

This year, we folded all of our brands under the parent company, Harkham Hospitality, while maintaining each brand's signature distinction. It made sense to us to have four business units as separate entities but still under one conglomerate parent name.

How has 2014 been for the luxury hotel segment?

2014 was a great period of growth for us across the brands, as reflected by our bookings. According to our partners in the industry, this year also saw a sizable increase in the luxury meetings market throughout North America and globally. Current trends show that 2014 will close with an 8 to 12 percent increase in the overall market, with more development occurring in business within North America versus other destinations.

What trends do you see for 2015, in particular when it comes to group spend at luxury hotels?

For 2015, we note that meeting planners are budgeting moderately. Although there will be some increase, the focus will be on expenses that enhance meeting ROI for the company and its attendees. In general, groups are looking for unique destinations, low-cost services, and great value.