Hemsworth
COMMUNICATIONS

FEATURES

35
The Independent Hotel's Guide to Soft Brands
The soft brand segment of the lodging industry is expanding at a rapid pace. This Guide compiles important data from 15 major soft brands, helping any independent hoteliers looking to join a portfolio make the best decision for their property.
BY LODGING STAFF

40
Forward Facing
Best Western CEO David Kong discusses how the company's move away from its roadside motel roots into a contemporary, vibrant chain shaped with the youthful traveler in mind keeps the company feeling fresh even as it celebrates its 70th anniversary.
BY CASEY GALE

45
Breaking New Ground
Developers must contend with a number of challenges to get their hotel projects off the ground. But that doesn't prevent them from building one-of-a-kind portfolios. Take a look inside the creative growth strategies of three companies making bold investments.
BY MEGAN SULLIVAN AND CASEY GALE

Setting Records

THIS SUMMER, THE WORLD WATCHED as Olympic athletes set records left and right—oftentimes besting themselves to become bigger and better than ever before. Hospitality has been a lot like an Olympian in recent years, bouncing back from the injuries of '08 to see soaring numbers in leisure travel and hit record highs for revenue and profit margins.

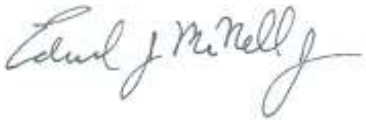
Now that our industry has reached the peak of its cycle, many hoteliers are wondering where we can go next—after being an international star, how can we possibly prepare to not land that perfect 10?

In this issue, the *LODGING* staff sat down with some of the industry's most respected developers not only to catch up on their latest projects, but also to learn their strategies for boldly moving into the future, even with threats looming in the distance. While cautious and concerned, these developers know what it takes to keep a steady footing on shaky ground.

And, speaking of development success stories, this issue also includes a spotlight on Best Western Hotels & Resorts' 70th anniversary, as well as insights from Best Western President and CEO David Kong. Kong's thoughts on the potential downturn, and how to train appropriately ahead of the slowdown, offer a deep dive into industry issues that many of us don't want to address. We hope that David's insights help you take your next steps with confidence.

You might be reading this at The Lodging Conference in Phoenix—if so, make sure to say hello to our *LODGING* crew. Our intention with this issue is to ensure you enter one of the industry's biggest events, now in its 21st year, feeling well-informed enough to share your thoughts with fellow hoteliers at think tanks and soak in this year's most vital information when listening to esteemed speakers.

Go ahead—dive into our September issue. Olympians must wait four years in between their moments of glory, and sometimes, hoteliers must do the same. The important part is what we do in our downtime so that we're ready to go for the gold next time around.



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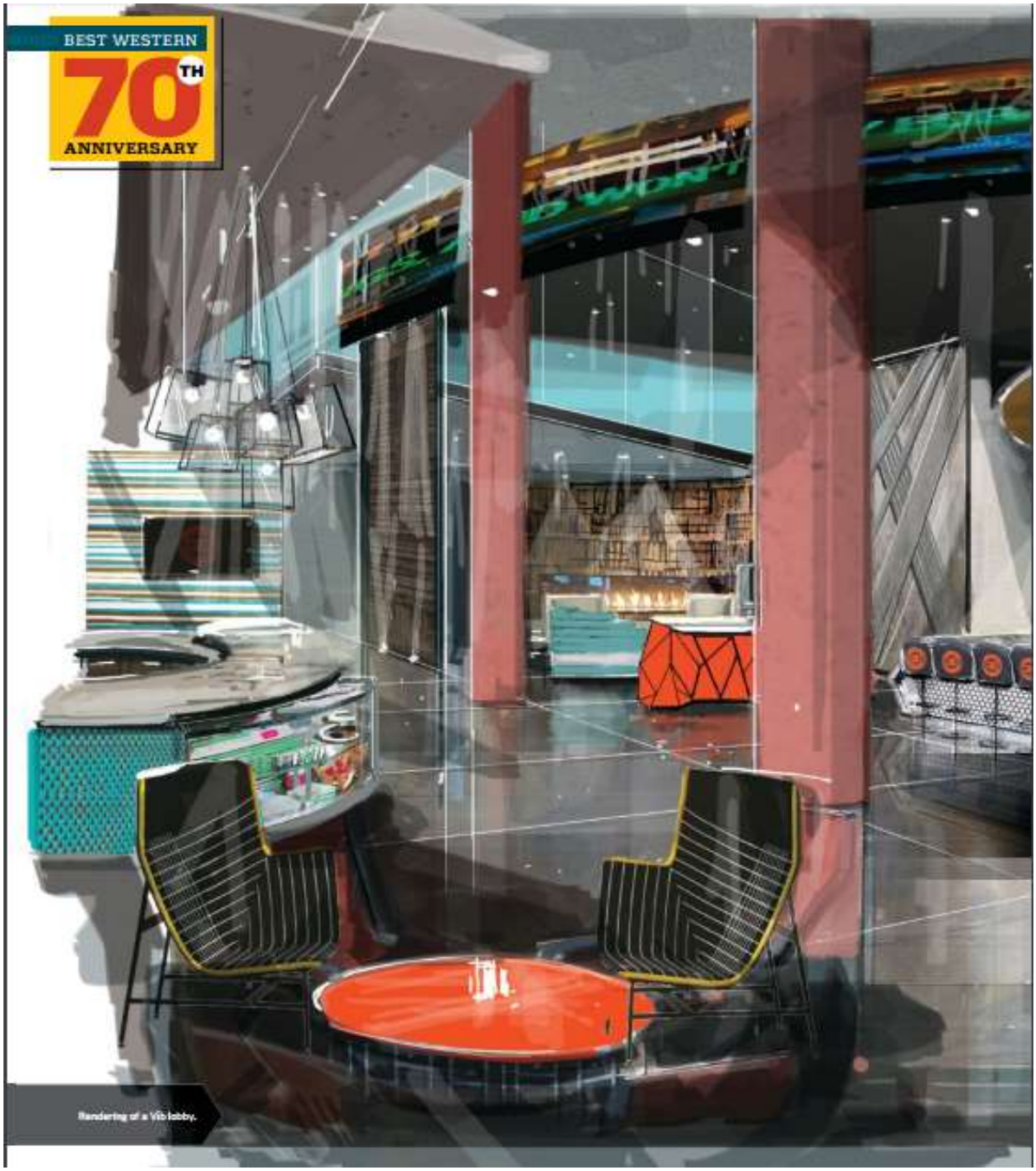

Rendering of a Vib lobby.

FORWARD FACING

BY CASEY GALE

KEEPING **BEST WESTERN'S** IDENTITY FEELING FRESH AS THE BRAND CELEBRATES ITS **70TH ANNIVERSARY**

OVER THE COURSE OF 70 YEARS, it would be easy for a major hotel chain like Best Western to grow stale. But for CEO David Kong, the company's 70th year is merely a continuation of a fresh era for the brand. Following its 2015 identity revamp—which included an official name change from Best Western International to Best Western Hotels & Resorts, refreshed logos, and the launch of GLō, a broad-midscale brand for secondary markets—under Kong's leadership the company has continued moving away from its roadside motel roots into a contemporary, vibrant chain shaped with the youthful traveler in mind.

Kong has served as CEO since 2004, making him one of the longest-running CEOs in the industry. His career with the company includes serving as executive vice president of international operations, senior vice president of marketing and development, and senior vice president of strategic services and operations. (Prior to joining the Best Western team, he held leadership roles at KPMG Consulting, Hyatt Hotels, Omni International, and Hilton Hotels.) Though that period of leadership is short relative to Best Western's storied history, in his position he has seen massive change in the industry.

"So much has changed in the last 12 years. You think about the number of brands that have been launched, and the fact that extended-stay has become one of the hottest concepts. You've got all these new lifestyle and boutique concepts," Kong reflects. Design and technology in hotels, he says, have been particularly impacted by millennials' influence, regularly changing with the latest trends over the last 12 years.

Rendering of a GLō property.

"The iPhone wasn't even launched until 2007 and then the iPad in 2009, but those launches have driven the industry's focus now on mobile. And social media—you think back to 2004, Yelp and Facebook were just launched. Today, over 70 percent of people look at reviews before they even book."

With each new wave of change, Best Western has risen to the occasion by staying focused on its brand strategy: Enhancing its image and driving superior revenue to its hotels. Keeping those two components in mind, Kong says since he took the reins in 2004, the company has particularly learned to leverage technology in ways that further the brand.

"We don't let the latest shiny object distract us. We are very focused on what we set out to do, and we're not afraid to evolve," he says. "We use technology as an enabler, not a strategy. It needs to support our business units, whether it's sales or marketing or revenue management. For example, we decided that we needed better visual assets, and assets that will differentiate us online, so we decided to partner with Google to create the virtual reality to showcase our hotels."

Having gone through the Great Recession as CEO, Kong has experience in handling a downturn in hospitality. Still, he says he is concerned about reaching the peak of the cycle. "We have to be honest with ourselves. There's no occupancy growth, so how strong is our pricing power really? If we're not going to see occupancy growth, I think it would be hard to see RevPAR growth," he says.

With a potential downturn on the horizon, Kong is focusing Best Western's efforts on building a broader customer base and strengthening brand loyalty. "Even when business turns sour, we'll still be able to count on them," he explains.

While there are bumps ahead for the industry as a whole, Kong feels optimistic about Best Western's performance. His success as a leader, he says, is due to the continuity that comes from having the same ideals in place over an extended period of time. "Continuity is important not just in terms of staying true to the strategy that you put forth, but also in terms of the reassurance that you give to the outside world and internally," he says. "That continuity carries forward to the team."

His team, in particular, is who he highlights when reflecting on his 12-year contribution to the much larger 70-year history of Best Western. "There are a lot of people who have made huge contributions, and we're so fortunate that we have so many dedicated and talented people who work for this company," he says. "Together, we've been on this amazing journey."

Kong teases that there is a big announcement coming soon from Best Western, but cannot divulge the details. Instead, he offers this: "The best is yet to come."