



# A SLICE OF HOSPITALITY

## CANOPY BY HILTON BRAND DELIVERS A FRESH APPROACH TO HOSPITALITY

As Global Head of Luxury & Lifestyle Brands for Hilton Worldwide, John Vanderslice is a force to be reckoned with in terms of luxury branding. GISELLE WHITEAKER talks to Vanderslice about the meaning of luxury, Hilton Worldwide's new lifestyle brand and how the hospitality brand differentiates itself within the luxury sector.

A gust of energy sweeps through the room heralding John Vanderslice's entrance. We're on his home turf at Hilton Worldwide's Headquarters in McLean, Virginia, eight miles northwest of downtown Washington D.C. and Vanderslice is preparing to speak on behalf of the brand. His sandy blonde hair falls in neat waves across his forehead and his gait is filled with the confidence of a man who's used to getting things done.

Vanderslice pauses when he sees the broadcast set-up, his wide grin replaced with a raising of eyebrows. "Oh, we're filming?" he asks, the surprise reflected in his pale blue eyes. Within moments he's out of his casual wear and into a backup blazer. "I don't know how long you want this to go on for..." he whispers to me as the camera crew finish setting up. "However long you can talk for," I reply. "I can talk for a while," he laughs and the ice is broken. The cameras are on and we're ready to roll.

Vanderslice joined Hilton Worldwide in September 2009. Amongst his many prior brand-related achievements, he is credited

with successfully integrating Club Med's marketing and commercial activities, finance and operations whilst repositioning the all-inclusive resorts as upscale destinations. He was also responsible for transforming the 13-year old Miraval Spa in Tucson, Arizona, into a top-ranked lifestyle resort and, launching the first branded lifestyle real estate concept, Miraval Living, in New York.

His ideals and experience are a clear match with Hilton Worldwide, which encompasses 12 world-class brands and is one of the largest and fastest growing hospitality companies in the world. Even whittling down Hilton Worldwide's 4,200-plus hotels, resorts and timeshare properties to only the luxury and lifestyle brands, including Conrad Hotels & Resorts and Waldorf Astoria Hotels & Resorts, Vanderslice's remit is extensive. It can't be easy keeping a finger on the pulse at all times, but if anyone can do it, Vanderslice can. And he's modest about it, too.

***As Global Head of Luxury & Lifestyle Brands for Hilton Worldwide, perhaps you could tell me a little bit about what your role entails?***

Well, I have this really fascinating job. I am in charge of three, now global, brands for Hilton Worldwide – Waldorf Astoria, Conrad and our newest addition, Canopy by Hilton. I've been charged firstly with creating credibility for Hilton in the luxury space and secondarily, just last week we introduced a new brand which is in the lifestyle space, a little bit under luxury.

***I know that you've had some experience in the past with luxury property, but you also worked with Kraft Foods. That's an interesting transition from fast-moving consumer goods (FMCG) to luxury lifestyle...***

I started three weeks after university at Kraft General Foods. There's an American product called Crystal Light [Crystal Light is a low-calorie powdered drink mix that comes in flavours ranging from lemonade to mocktail Mojitos]. I rolled that out nationally and worked in the beverage and cereal division for many years. I still say that I've been CEO of a bunch of companies and here I am at Hilton, but I'm a brand manager at heart. And the discipline that they taught us at that time [at Kraft] has carried with me throughout my career.

***On the topic of luxury, how would you define luxury?***

Well, everybody has their own definition of luxury. A lot of it is emotional. People get confused in the luxury space. They confuse architecture and design, hard goods and content and "what I can have in my driveway that my friends will envy?" They define that as luxury because they can see it and tangibly feel it, but the reality is, for a luxury client, it's what they feel. It's kind of the emotional myth that creates a luxury brand. It's your bond with an Armani suit. It's your Birkin bag and what it means to you when you have it on your shoulder. It's those experiences and the way you feel and the way your energy even pulses up a little bit when you're having these luxury experiences. To me, that's the definition of luxury and that's what we have to inspire in this space in order to take it to another level.

***So how do you move beyond the architectural sense of luxury, which you clearly have with the kind of hotel brands you represent, into emotional luxury?***

We spend a lot of time talking about this and all of the team members on Waldorf Astoria, for example, have a culture called "True Waldorf Service", which creates the memories people have. We call it 'cocktail party currency', which is, after you've left one of our hotels, what is the thing that you tell your friends about at the next cocktail party? Our team members are charged with and encouraged to help create those authentic moments that will bring that state alive.

In an interview with Leaders magazine, Vanderslice further expounded this point, explaining that the value of luxury is what people bring home in memories. It's the stories guests can talk about after they return from a luxury trip; the special dining experiences that they had at a Waldorf Astoria or at a Conrad Hotel, the local excursions they were sent on, the recognition of an anniversary – those things, he says, define a value equation for the new luxury customer. It's not about the price or the size of the room.

***Can you give me one or two examples of this?***

One of our personal concierges in Florida actually married two of the guests that were there for a one night stay. This couple decided in the morning, "Hey, why don't we get married tonight?" and sure enough, our personal concierge was lucky enough to have the license available to actually marry the guests. We also focus on creating special moments for birthday celebrations and things like that. Everybody understands that, but a lot of the time it's the efficiency of leaving the hotel in the morning when you're on a crazy business trip that creates an experience that you didn't expect.

It's a lot of different things. We have hundreds of personal concierges located throughout the globe and every day thousands and thousands of guests are experiencing this true Waldorf service.

***That's the Waldorf Astoria. How do you see the difference between the Waldorf Astoria and the Conrad brands?***

Waldorf Astoria is unforgettable, which is great. Conrad in two words is: smart luxury. So Conrad really appeals to this global elite. If Waldorf Astoria is high touch, Conrad is high tech. This is designed for the new luxury traveller who is more casual in attitude but actually more demanding in service. For that brand we've created something called the Conrad Concierge, which is basically...with your phone [here Vanderslice picks up his own mobile phone for added emphasis] we put all hotel services in the hand of our guests, so personal luxury at your fingertips, whether it's a valet car being called around, room service, anything you need in the hotel is available in your hand. You order it on your phone, you order it before you arrive, you check in before you arrive and all of a sudden all those services are delivered instantaneously and transparently and that is really appreciated by this new luxury customer.

As Vanderslice speaks he gesticulates with his phone. One of the camera crew pauses proceedings, pointing out that the buttons of his blazer are tapping on the table. She rummages around in search of some padding to place on the table-top to mute the clicking sound. Vanderslice has other ideas, taking matters into his own hands. "I'll just rip them off," he says, proceeding to tear the decorative buttons from his sleeves as we all watch on open-mouthed. The room erupts into laughter. "That was hard core," comments a cameraman. "Dude, I do a lot of this," Vanderslice retorts as we resume filming.

***Back on to technology. It seems the Conrad is setting a great example for how technology is playing an increasingly important role within that sector?***

A number of years ago, we laid down the gauntlet in the luxury space. Whoever figures out where service meets technology first, I think, wins in the luxury space. We've just started with Conrad Concierge. I think more and more as time goes on, the ones that succeed will be the ones that have intuitive luxury and technology – nothing creepy, nothing that invades your privacy – but things that make life easier. The joke that I tell is: I love the beverage Fresca. It's a grapefruit soda here in the US. My dog has a chip in him and I know where my dog is all the time. Imagine if I arrived at my hotels and they knew exactly where I was because of the chip I have in me, and they have cold Frescas waiting for me any time I'm there. You know what? I'm going to give up my privacy if the cold Fresca is waiting for me at the hotel.



Canopy by Hilton brand delivers a fresh approach to hospitality



The Canopy hotel lobby is designed in a way that's eclectic and organic

***It's a tradeoff – a little bit of privacy in exchange for great service? Are there any other trends you see that are becoming increasingly important in the sector?***

Exactly. Well, I think it's the focus on experiences more than anything else. I mean, a lot of our people in the luxury space are talking about experiences and it's not just hotel brands. We're seeing fragrance brands who are talking about experiences now and traditional leather-goods manufacturers are talking about experiences. Everybody understands at the end of the day that it's that emotion that they're trying to get to. The more we can do – what's more experiential than hotels? – the more we can build that and frankly, create some relationships with other brands. We're really good at creating those experiences and a lot of those other brands could probably learn from us on how we do it.

***One of the ways you were working with other brands was with Luxury Manifesto...***

Yeah. There was a downturn in luxury – I'm not sure whether you forgot it or not, a lot of us did – in 2008 and 2009. Basically, we knew that luxury was going to come back. It always comes back. But it comes back differently. So I did a video series. I toured around the globe and I asked other leaders in luxury how they thought it was going to come back. People like Salvatore Ferragamo, Tommy Hilfiger, Steve Sadove the chairman of Sachs, Danny Meyer, the restaurateur from New York and the Chief Executive Officer of the Union Square Hospitality Group. It was amazing and one of the, well, two of the big conclusions that came out of that were, first of all, it's not about just making your customer happy. It's about making your team member happy first. If your team member is happy then they can carry that to the customer. That is a big conclusion. The second one is that true luxury is white space on the calendar. The more we can enable that, the better we will be in the luxury space.

The Luxury Manifesto was a year-and-a-half long project and led to Hilton Worldwide weaving many of the lessons learned into the corporate culture and across all of the brands, particularly those under Vanderslice's remit. Vanderslice believes that we learn the most from times where there is economic or emotional upheaval, and have to reach out to the luxury influencers at that time to discover how they and their customers were dealing with changes in the sector. The video series is available on YouTube.

***So how can you give someone time?***

We make their life more efficient and easier on the things that are task-related – getting into hotels, getting out of hotels and taking care of departure, which we found out is a big dissatisfier. Things like that. We can squeeze their time, we can make their life more efficient. We can give them luxury at their fingertips or we can give them a personal concierge to make their life easier, and if we do that, there's less stress while they're with us and hopefully they'll use that white space time to go to our resorts.

***What's the difference then between your luxury brands and your lifestyle brands?***

All our brands are lifestyle brands. That's a big moniker in the sector. We're not as ambitious to create the name of a sector but we have created a brand that's much more accessible – accessible meaning the price point is a little bit lower than our luxury brands. Everything that we're doing with this accessible brand, called "Canopy by Hilton", is about creating a positive stay. So you walk in and your lobby is designed in a way that's really eclectic and organic and fun. You'll find our casual food and beverage and our front desk – we don't have front desks anymore, just a little hospitality station. It's all Canopy Central, the centre of activity. Our guest rooms we call the "just the right room." We're Hilton. We know how to design the best experience guest rooms and we've made a really tight and efficient room. At the end of the day, all of our guests want to leave a hotel feeling better than when they arrived, so we're just trying to make people [Vanderslice indicates quote marks as he recites the tagline] 'Check out better with Canopy'.

Hilton Worldwide announced the launch of Canopy by Hilton in October 2014. Christopher J Nassetta, President and CEO of Hilton Worldwide said, "Built on extensive market research, our highly anticipated Canopy by Hilton brand delivers a fresh approach to hospitality and the guest experience. We saw an opportunity to not only enter the lifestyle space by developing a new brand, but also to redefine this category by creating a more accessible lifestyle brand. We identified the need to take the emphasis off of capital-intensive design and deliver exactly what the target consumer desires: an energising, comfortable stay with more included value."

***Is it next year the first property comes online?***

It's funny – we designed the brand to do conversions with existing hotels but ten new hotels signed up and we have an eleventh opening in London as well. The first ones will open probably near the end of 2015, but for sure 2016 will be the year of our first hotels.

***The ten that signed up are predominantly US-based?***

Predominantly US to start, but now we're on a flight Monday to London and in the following few weeks we'll be in Singapore. We're taking it globally, but we have to be settled in one place.

***It sounds like you have some rapid expansion planned?***

Yes, we're very excited. We'll open this round of hotels and get the experience right and then we'll let the customer choose. The accessibility, the way we're designing it, we should be able to build hotels in some of those really hip and cool artist communities around the globe that everybody knows about, because we actually have a product for it now.

***I understand that you're looking at local design and making each hotel part of the neighbourhood?***

Yes, that's the other tenant of the brand, which is Canopy Central. That central lobby will be 50 per cent designed by us and 50 per cent from the neighbourhood. We want to open the front up. Basically, we call it a street lamp and we want to have the neighbourhood come in to the hotel and the hotel go to the neighbourhood. Creating that relationship with the neighbourhood is really what it's all about and that's what people are really looking for now, when they go to Manhattan, when they go to Newport Beach, you know. When they go to Savannah, Georgia, they want to experience Savannah, Georgia. Our job is to be able to do that and we don't think any other hotel brand has done a really terrific job of doing that. So Canopy is all about the neighbourhood.

***Speaking of other hotel brands, who do you see as your competition in this area?***

Well that's the difficult thing because of the way we're designing it. We don't think that there's a direct, head-to-head competitor. I mean, there are aspects of certain hotel brands that we envy and are inspired by, but at the same time we think we're kind of creating a new category.

**What demographic is Canopy by Hilton targeting?**

Good question. We don't actually think of demographics anymore. We don't think demographics, we don't think psychographics. We actually think in terms of mindset. So the mindset we're going after mostly is cultural vacationers – people who are looking for these unique experiences in each place and that match directly with the neighbourhood. We also have other people that are just looking for the room product, so smart business travellers and people looking for “just the right room”. Those are two huge groups.

**I notice the Hilton Honors programme will also extend to Canopy by Hilton?**

Absolutely. It's the best programme in the system. We have Hilton Honors in Waldorf Astoria and Conrad as well. Hilton Honors is the award-winning guest-loyalty programme covering all of Hilton Worldwide's distinct hotel brands offering its approximately 38 million members a multitude of ways to earn and redeem points.

**How does sustainability fit within the lifestyle, but also the luxury sector?**

Well, first of all, there's nobody better at sustainability than Hilton Worldwide. Let me explain why I say that – You are what you measure. We have a programme called 'Light Stay'. They call it “greenwashing”. Everybody talks about sustainability, but you don't know how sustainable you are until you know what your carbon footprint actually looks like and does. At Hilton Worldwide, we measure every single thing that adds up to your carbon footprint. We know, for example, say you're a US-based company and you want to have a meeting in Dubai, we can tell the planner what kind of impact they are going to have on the environment by having that meeting in Dubai. We actually print out a report and discuss it with the planner. We track and make sure that all of our sustainability goals are in-line and that we're achieving them.

There are a lot of systems like that in Hilton Worldwide. With 4,000 hotels we can think system-wide and really make an impact for the world.

Hilton's LightStay programme measures energy, water, waste, and carbon impacts throughout 200 areas of hotel operations including housekeeping, paper product use, food waste, chemical storage, air quality and transportation. In 2009, following the first year of the programme, Hilton reported that the company conserved enough energy to power 5,700 homes for a year, enough water to fill more than 650 Olympic-size pools and the carbon emissions equivalent of taking 34,865 cars off the road. In 2013 they reported US\$253 million estimated utility cost-savings since 2009.

A sweet treat; Canopy truffles

**Are there some hotels that you think have really hit the nail on the head in terms of sustainability?**

Yes, for example Conrad New York is a Gold Leadership in Energy and Environmental Design-certified (LEED) hotel. It was a conversion from Embassy Suites and I don't even know, technically, how hard it is to get a conversion hotel to be LEED-certified, so we're really proud of the Conrad New York, as well as all of our other hotels.

The Conrad New York achieved LEED Gold certification for New Construction from the U.S. Green Building Council for sustainable building practices and design. The hotel is the first LEED Gold new construction project in an existing building in New York. Noteworthy environmentally-friendly initiatives at the Conrad include a green roof and chef's roof garden; bike racks for public use; low flow plumbing fixtures for water conservation; the use of LED lights for more than 60 per cent of all the lighting in the hotel; low VOC (volatile organic compounds) materials to promote indoor air quality; and Energy Star kitchen equipment that contributes to the overall building's energy efficiency.

**What's next? Obviously you have a lot of launches coming up for Canopy by Hilton, but what's new for Conrad?**

We have a pretty good year of openings for Conrad. Conrad Mecca is opening, Conrad Fort Lauderdale and Conrad Minneapolis. We just signed Conrad Washington DC and we have a host of activity, more in 2016, in China. We're back to opening hotels in places like Suzhou. Asia Pac is in love with the Conrad brand and we continue to expand there as well.

**Mecca is the entry for the Conrad brand into Saudi Arabia?**

Into Saudi Arabia, yes it is. It's part of a mixed-use project. There's a lot of expansion going on there now and we're excited to participate in it.

**With Conrad, you also recently opened in London?**

Oh yes, Conrad London St James. We're really excited about that hotel and already it's doing quite well. It's important to have a Conrad presence in the UK and it's in a fantastic area in Westminster. It was a perfect opening.

The Conrad London St James opened for business in September 2014. This is Conrad's first foray into London, although the Capital hosts several other Hilton brands. The Conrad London St James features an array of bespoke British art and design throughout, with strong political themes, including animations and 3D caricatures from cartoonists Gerald Scarfe CBE, Martin Rowson and Simon Bingle.

**How about for Waldorf Astoria?**

Well Waldorf has just hit a string of many openings from Ras al Khaimah [in the United Arab Emirates] to Waldorf Astoria Dubai Palm Jumeirah. Then we opened Waldorf Astoria Jerusalem and Waldorf Astoria Amsterdam, which is a really over-the-top fantastic hotel. We do have a Waldorf Astoria coming up in Doha. That'll be a first, but we're going to take a break for a few months since we've just had all this flurry of activity. Doha will be the next in 2016.

**Do you have further plans for London?**

I don't have anything I can tell you about...but we have many ideas.

This coy teaser marks the end of our interview. Despite his calm and collected presentation, Vanderslice breathes a gentle sigh of relief. “You know usually, when I did Bloomberg for example, I stay up all night. I have post-it notes all over the place. I study for six hours and then let it roll the next morning,” he says conspiratorially. It seems there's no need. Vanderslice knows exactly what luxury and lifestyle mean and he's doing a fine job of keeping Hilton Worldwide firmly within this space. Someone get this man a bottle of Fresca before he asks for it.