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Date: August 20, 2013

Link: <http://www.nightclub.com/openings/working-together-clinton-hall>

Nightclub&Bar

Openings

Working Together on Clinton Hall

Merchants Hospitality and The Lure Group Debut Second Venture

The **Watermark Bar at Pier 15** is located in the ever changing Financial District and was the first venture that the Lure Group and Merchants Hospitality collaborated on. With its success they decided to team up once again to launch their new venture, **Clinton Hall**; the result of like-minded operators applying their skills and experience to create a runaway success.

Nightclub and Bar had the opportunity to catch up with President and CEO of **Merchants Hospitality, Abraham Merchant** to find out more about their secrets of success.

Nightclub & Bar (NCB): The merger between Merchants Hospitality and The Lure Group is major. What are the reasons for this marriage?

Abraham Merchant: After discussing a partnership for many years, we found that The Watermark Bar at Pier 15 gave us a perfect opportunity to merge. Since The Lure Group was already successful at managing their adjacent venue, Beekman Beer Garden, and Merchants Hospitality has found much success in delivering a quality restaurant, it seemed like a perfect opportunity to combine forces and deliver an unrivaled restaurant and bar/lounge experience. It also allowed for synergies and new ideas to be born. With Merchants Hospitality serving as more of restaurant operator and The Lure group as more club/lounge operator, it allowed us to successfully blend both talents.



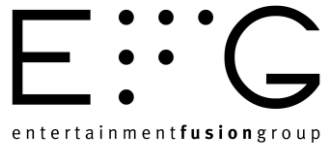
NCB: What are the differences between how the companies operate? Do the fundamental things always apply? What are the common threads over all your locations?

Merchant: Fundamentals always apply, which include good service, good ambience (including music) and great product (food and beverage). These essentials are paramount to all hospitality. The common thread we share is our operating philosophy and style of management. Both The Lure Group and Merchants Hospitality focus on securing top talent, surrounding ourselves with people smarter than us, and most importantly share the trait of being good listeners. We both challenge our management to present new ideas and give them a sense of belonging and because of this we think of our team as an extended family. There are no major differences between the two companies, rather small differences having to do with the technology we use, accountability matrix, cost saving procedures, and buying practices.

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NCB: Watermark Bar has spectacular views and millions of tourist and workers around it. Is a room with a view the selling point or is the hook service and quality?

Merchant: The view is both the hook and the selling point, however, once we get guests through the doors the real challenge begins; how to keep them and how to get them to come back again and again, as well as spreading the word to friends. In order to make sure we have returning and pleased customers, we woo them with the exceptional service and food and beverage options. Our industry has a lot of moving parts and changing trends. We face exciting challenges daily; we both believe location should not be one of them.

NCB: What do you do in the Financial District that may not work or be necessary in your other locations? Are corporate events more important downtown?

Merchant: The fundamentals are the same, regardless of the geography. Having said that, New York City's Financial District operates differently than most financial districts in other areas of the country or world. Besides Lower Manhattan being home to many major financial companies, it is also home to the 9/11 Memorial, superb dining and shopping, as well as an ever increasing residential community. The late head of the Downtown Alliance, [Elizabeth Berger](#), spearheaded the changes. Sadly, she passed away on 8/5/13 of pancreatic cancer.

Corporate events are very important and afford us the opportunity to create one of a kind parties for companies such as American Express, Goldman Sachs, Norma Securities, Bank of America, and many more. Being able to offer offsite catering is extremely important, however, the ability to say "yes" is even more imperative. We have a saying that goes "the answer is YES, what is your question."



NCB: The Financial District used to be dead after dark, but now there has been a surge of residencies and high-end hotels, as well as a vigorous nightlife. How are you tapping in to the locals?

Merchant: Well, for one, we have an excellent PR firm! We are tapped in the local market and utilize social media as our biggest source of getting the word out. We hold various events as well as participate in the River To River Festival, Oktoberfest, and more.

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NCB: Clinton Hall just opened. Tell me about it.

Merchant: Clinton Hall is like we tapped into Amber Gold (beer). It has exceeded our wildest projections. We seemed to hit a nerve. It is the most civilized place to enjoy artisanal craft beer in the city and still be casual. Our beer program is constantly rotating and every day we have a new story or surprise for our guests. We have managed to convert a lot of non-beer-drinking people into beer drinkers. Being that the beer at Clinton Hall is high in alcohol content, it is not consumed in volume; rather it is consumed in style. Drinking beer at Clinton Hall is like enjoying the finest wine. All of the beer we serve is selected by our own cicerone certified brew master, www.cicerone.org. We carry a spectacular list of 25 ever changing draft beer selections, 5 local (with 75 miles of Manhattan), 5 from other various areas of USA, 5 from Germany, 5 from Belgium and 5 from other European countries. All our authentic and extensive selected beers complement our selection of all-natural bratwurst and sausages from the famous Upper East Side German butcher Schaller & Weber.

NCB: You have established multiple brands. Are these brands exportable to places like Vegas or Brooklyn or other parts of Manhattan?

Merchant: Every brand we have is designed for expansion and scalability. Each brand requires a certain demographic and density, Vegas, Brooklyn, and Manhattan are natural markets for our brand.

NCB: How do you evaluate success and failures over so many places? How do you tweak and change?

Merchant: For us, it's easy to evaluate success or failure. If we make money we did it right and if we don't make money we did something wrong. Our trade is part art, part science and part luck. We are continuously tweaking a concept to be ahead of what our guests want and in some cases we even effectuate that change. We're constantly tweaking selections, service, and music. However, at the end of the day the fundamentals remain. At times, the hardest part can be not changing anything and just giving it time to develop and breathe.

NCB: Are employees interchangeable? Does management move around? What are the advantages of operating so many places? Talk about economy of scale.

Merchant: Since we do operate so many places, it definitely gives us an economy of scale. We can negotiate better contract with our vendors, as well as having unified controls, checks and balances in place. For instance, on a very hot summer day, if the AC breaks down and the AC company is busy with emergency calls, we are the first in line. The same happened after Hurricane Sandy. When every electrical transformer was sold in the city we were able to get 5 within 48 hours to get us up and running. These are obvious benefits, what might not be as obvious is that a landlord may want to work with larger firms than small business. Because of this, we will get a better deal and cheaper rent than a one-off tenant. One of our biggest advantages may be that we can collectively raise more money from capital market at good rates since we are what they look for in terms of risk and valuations. As for management, we do have the ability to move, but is it not our practice. Since we run proprietary spaces, managers are associated with the certain brands they operate and understand the culture of the property they work in, a sense of belonging and pride.

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