

## Brand Revolution Embassy Suites Looks Forward As Atrium Refresh Gains Momentum

Monday, July 10, 2017

Dennis Nessler

bookmark this



We are on Twitter

@hotelinteractiv

Not surprisingly, the spate of new brands that have been introduced over the last several years within the lodging industry is having a profound impact on both owners and guests. But the new flags have also impacted existing brands which need to continue to evolve in order to maintain appeal among both developers and consumers alike.

Case in point, when the Embassy Suites by Hilton brand turned 30 in 2014 management recognized this as a critical time for the all-suites brand, which now numbers some 234 hotels, according to Alan Roberts, global head of Embassy Suites by Hilton.



Roberts noted during a roughly five-year span through 2019 that nearly half of the brand's licensing agreements would expire and that prospect inspired some significant changes. "We said 'if we don't do something to get our arms around this the owners are going to do whatever they want to do.' This is our time. We need to figure out what we want to be for the next 30 years versus the last 30 years," he said.

That thinking inspired the company to introduce its Atrium Refresh program, an initiative designed to revitalize existing hotels by transforming the brand's signature large, open air atriums into intimate social lobbies. The program is a component of Embassy's Design Option III concept, which was previously created to provide owners and developers with more flexibility.

Roberts pointed out that many of the brand's old atriums featured multiple elevations as well as jungles and rivers. "That doesn't work for today's travelers so much as it did in the '80s, when that was all designed," he said, adding it was particularly problematic for business travelers. "So we knew we had something we had to get ahead of."

He further detailed the refresh, which is aimed at recapturing some of the space by moving the bar back into the middle of the lobby. "It was designed to use the atrium as the central part of the hotel and activate it, commercialize it and make it a place they [guests] want to be as opposed to a place they just want to pass through," said Roberts.

He acknowledged the refresh is a "major undertaking," particularly when it comes to removing multiple levels. Roberts further noted the atrium refresh brings the properties in line with a more contemporary operating model, most notably with regards to food & beverage.

According to Roberts, the brand had completed some 45 refreshes through 2016 and is expecting to finish another 35 to 40 this year. Considering 38 hotels were developed under Design Option III, the brand will be approaching 50 percent of its 234-hotel portfolio being refreshed by the end of 2017. He further noted he expects some 70 percent to be converted by the end of 2019.

"That's a 30-year renaissance or facelift for the entire brand and it positions us in a really good place," said Roberts, adding he expects to have the entire brand refreshed by the "early 20's." He acknowledged at that point that the brand will have to consider putting in a mandate for the remaining properties that haven't been updated.

Roberts said that the costs of the renovation to owners varied but were generally in the \$1.5 million to \$3 million range. However, he maintained there is proof that the bottom line supports those efforts as the company just completed a survey of hotels that completed the refresh in 2015. "The numbers are coming back strong," he said.

Roberts said those properties saw double-digit returns in terms of overall experience, RevPAR, and ADR. According to some of the GMs, the properties didn't necessarily see new business, but that "old business that had left is coming back." He reported additional feedback to sales personnel. "They were waiting to see this from our hotels. It was old; business travelers didn't feel comfortable having meetings there," he said.

Roberts emphasized that flexibility is key for the brand going forward. For example, he noted the brand's signature General Manager's reception—which offers complimentary beverages—will now be followed up with a pay bar. "Some of this is the brand recognizing that we've put some of these rules in place and moving some of these things out of the way so the hotels can take advantage of what they do," he said, noting the properties will market their food and drink menus.

In terms of other changes, Roberts said the company is taking a long look at the breakfast program, which he described as "a core staple of the brand for 30 years." It currently includes a free made-to-order breakfast. "We need to change it; everybody recognizes that," he noted, citing the need to reduce lines, make it easier on the operator and introduce more healthy options.

Roberts also pointed out that Hilton just launched its first marketing campaign for all three of its all-suites brands, which also include Homewood Suites by Hilton and Home2 Suites. Primarily an online campaign, "Bring It" encourages guests to bring their stuff with them and underscores the lofty space provided by the brands, which Roberts describes as a "differentiator in all of our customer research."

He touted the Embassy Suites pipeline, which includes some 49 properties. Roberts said the brand is expected to open 9 properties in 2017, three of which have debuted already in Atlanta, Charlotte and San Antonio. Among the locations to be added later this year are Syracuse, NY; Amarillo and Houston, TX; and Oahu, HI, in addition to a pair of unique projects in Manhattan and Seattle.

With the Manhattan new build project, Roberts noted the company couldn't construct the typical side-by-side suites because of space restrictions so it had to go with shotgun style. "This is going to be a very unique, very different Embassy Suites," he said of the property, which is slated to open this fall.

Meanwhile, the Seattle property—which is scheduled to open in early 2018—will be built on a site adjacent to the Seattle Seahawks football stadium with some of the upper suites offering a view into the stadium.

From an international standpoint, Roberts noted Latin America remains a large focus and the company has inked a number of deals in the Caribbean. He further added the brand doubled its presence in Canada with the addition of two converted Quality Suites properties in the Montreal and Toronto airports. He commented on the prime location of the latter property within the airport. "It's going to be nice to get that kind of visibility in that kind of a market," he said.