

The hotel industry has witnessed a proliferation of new brands (or old brands rebranded) purporting to sell new hotel concepts over the last few years. I wonder.

Starwood has introduced aloft and element, both proclaimed to contain “the DNA of W”. Hyatt has introduced Hyatt Place (a reconcepting of Amerisuites), Hyatt Summerfield Suites, and Andaz. One presumes that Hyatt is attempting to enter the upscale “lifestyle” space, and its first development, on Fifth Avenue in New York is to be the prototype. Marriott has decided that it could not internally produce a “hip lifestyle” brand, so it has announced a joint venture with Ian Schrager, the self-proclaimed guru of lifestyle branding. And, with Blackstone buying Hilton, how will LXR’s (a Blackstone subsidiary) London brand fare; does “London” become Hilton’s competitive upscale “lifestyle” brand?

Our industry has forgotten, in large measure, Bill Kimpton, founder of Kimpton Hotels and, in this man’s opinion, the creator of the “lifestyle” hotel. It was Kimpton who bought and renovated old urban hotel properties in San Francisco, upgraded the properties, built out the restaurant space, and brought in a young, upcoming chef/restaurateur (this was before the days of “celebrity” chefs) to operate an apparently standalone restaurant. The success of Kimpton Hotels prompted Barry Sternlicht to attempt, successfully as it turned out, to replicate the “lifestyle” element in a corporate chain environment. W has enabled Starwood to expand in places where it might have been shut out due to non-competes or the simple inability of a location to support more than one Sheraton or more than one Westin, and so on.

How the Hyatt Andaz and Marriott/Schrager marriage (and London by Hilton, if that occurs) will perform in the face of the established W brand and the Kimpton ongoing expansion will be something the industry will watch in the months and years ahead.

But one needs to ask whether any of these concepts is truly new or are they just another attempt by the brands to create yet another niche in the business? Other than folks in Bethesda, can anyone really explain the difference between Fairfield Inns & Suites, TownePlace Inns & Suites and SpringHill Inns & Suites? At what point does a Courtyard compete with these sibling brands? A Residence Inn? Surely, not everyone staying at a Residence Inn is an extended stay guest. Or, is Residence Inn turning down transient business these days? One could substitute Hampton Inns, Hilton Garden and Homewood Suites for the Marriott brands.

There is no question that one does not think of Four Seasons and SpringHill Suites competing with one another. But, what does the guest who must be in Chicago next Tuesday do when he learns that the entire city is sold out because McCormick Place is full? He finds a hotel room in the general vicinity of where he needs to be and he pays the necessary freight, whether the high price at the Four Seasons or the inflated price (due to yield management) at the SpringHill Suites. Or, when the city is empty, and the upscale properties offer a deal that compresses the rates to the SpringHill, won't the traveler ask himself whether the \$10 or \$15 per night difference might make it worth his while to "treat" himself at the so-called higher end hotel? Of course, when he finds out that the lower end hotel provides free wireless and wired Internet, and he's paying another \$10 to \$15 per night for that at the Ritz Carlton, perhaps he'll go back to the Fairfield.

Let's face it. The most important aspect of our business is providing a comfortable room in a secure environment, with a nice bed, a strong shower, and a decent internet connection. The niches exist to enable the brands to gain market share, not necessarily to provide the consumer more choices.

That's One Man's Opinion

Four Corners Notes

It is a custom at Carolina that freshmen basketball players carry the equipment bags during the basketball season. No matter how celebrated a freshman might be, nor how much better a player he might be than some of the upperclassmen, the newcomers have to carry the ball bags. Perhaps the lesson to be learned from this is that all of us have to pay our dues, to walk before we run.