

Business Travel Managed Travel & Procurement Solutions

EXECUTIVE

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Business As Unusual
How meetings are planned
under a new code of conduct.

That WOW Factor
One way to keep travelers
alert, creative and productive.

Fresh Start
Ground transportation is back.
So where's the inventory?



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By Michael Andre Adams

The WOW Factor

First it was post-9/11 security constraints. Now it's the economy. Business travelers and travel managers have been under pressure for most of the decade. Both need a break.

Bearing in mind the stress of it all, boutique and lifestyle hotels are increasingly becoming a— if not *the*, — way to a win-win.

They've won us over with the “wow” factor, by way of cutting edge and minimalist interior designs, state of art technology — and delightful-to-quirky cuisine to match. Owners and managers of these properties often create a scenic atmosphere drenched in enough style to make even plain Jane and Jack look and feel very like a million bucks!

According to John Sears, of Boutique Hotel Advisors, boutique properties are not only being included in corporate, government and association hotel programs. They're being pursued. Sears says that “boutique hotels are chosen for these programs for a few main reasons: hotel location, hotel status in the market, hotel participation in agency consortias.”

The birth of the boutique phenomenon swept the nation in the 80s and 90s so thoroughly that major hotel chains were forced to catch the wave and get into the game. Leading the pack, Starwood stepped out with its W brand. Immediately, leisure travelers grabbed hold of the concept, with business travelers trailing behind. In terms of size and number of rooms, W properties were smaller in comparison to nearly all of the other hotels in the chain, while not quite as intimate as most boutiques. Almost always as stylish as boutiques, with intent set on capturing a greater share of business travelers, the term “lifestyle” hotel was created.

Compatibility Cues

Largely responsible for the W concept, former Starwood executive John Russell has since developed a lifestyle concept in hotels called NYLO. With its “Stay Unique” tagline, the hotels' typical guest — ranging in age from 25 to 55 — is a business traveler.

“They tend to be active, technologically savvy, interested in art, music, dining, sports, desiring an experience beyond the tired, humdrum of typical business travel. They enjoy enhanced amenities, such as unique design; allergy-friendly guestrooms; 24-hour state-of-the-art gym; original artwork and music; and a stylish bar. We draw top chefs in each of our markets for creative and healthy cuisine,” explains Russell. “And we're a great option for small meetings for associations, corporations and government agencies.”

Even NYLO's event space is unique — said to inspire top-notch, memorable events that are energized, creative and fun. All the necessary amenities for successful meetings and hotel stays are there: 24-hour business center; full-service restaurant. Their hotels are close to airports, businesses and sports stadiums, shopping, dining and entertainment. Russell goes on to say “this proximity appeals to corporate buyers as well as buyers for associations and government agencies.” Freebies at NYLO include complimentary local and domestic long-distance phone calls, Wi-Fi throughout each property with eth-

ernet in guestrooms, as well as, parking and shuttle service to area shopping, dining and entertainment.

“Meeting attendees and business travelers in general today want something more than a clean bed and quick check-out. They're looking for a richer experience — a hotel with all the conveniences and a lot of personality. At the same time, associations, corporations and agencies are reducing travel budgets. Lifestyle hotels like NYLO offer unique design and all these amenities at attractive rates,” says Russell. Offering two brands, the upscale NYLO hotels and the select-service XP by NYLO, rates are market-driven: \$89 — \$249 for NYLO hotels and from \$90 — \$115 for XP by NYLO.

No Mass Appeal Here

“Travel planners typically look for two things — one: hotel companies that offer a wide range of brands that suit a variety of travel needs (executives, mid-management, etc.) and two: hotel brands that work within the travel managers' program requirements,” explains Gayle Jett, director of brand management, Hotel Indigo. “A company like IHG delivers against both of these needs — we have seven distinct brands and are willing to work within the given parameters of each travel program.”

Each brand seems to have its own fan base. Jett believes IHG's InterContinental Hotels & Resorts brand is perfect for executives with frequent international travel. Holiday Inn, on the other hand, delivers a perfect product for the mid-management “road warrior.” As an upscale yet approachable brand (i.e. not pretentious or outrageously priced), Hotel Indigo offers travel managers a new option — one that is perfect for executives not wanting to pay luxury rates, or for mid-level travelers looking for a new and unique hotel experience.

“With regard to association hotel programs, boutique hotels typically accommodate this business segment since the hotels are typically smaller in size and have limited meeting space. With Hotel Indigo, we've found that certain special interest segments, such as entertainment, — that require small meeting rooms, board rooms or only require sleeping rooms — value the personalized and more intimate experience that's found at



NYLO Hotel — Plano, TX

a smaller boutique hotel," says Jett. This summer, the brand will open in San Diego's historic Gaslamp Quarter, a neighborhood well known as an energetic business and entertainment district.

In general, many hoteliers tend to sway towards the belief that corporate planners, association planners and govern-



ment planners are all seeking the same things for the most part when evaluating a hotel — business functionality in meeting rooms, state of the art technology and personalized service.

"Great design is a hallmark of a boutique hotel, but if the design is not comfortable or functional, it is not a productive business environment. Our guestrooms offer function as well as comfort. This can be seen at Monaco Baltimore in the spacious work stations in each room, ergonomic chairs, reliable high speed Internet access and phones that have multiple lines and speaker phone options," comments Mike Damon, the general manager at Hotel Monaco Baltimore. "Our signature meeting packages are designed to engage the attendees and are anything but ordinary."

Corporate buyers who set up programs for government agencies also have their own unique criteria, says Stacy Ragland, vice president of operations for Choice Hotels' Ascend Collection: "One example of a difference in criteria is that hotels need to be FEMA-approved for government agencies."

"I've spoken to many travel managers who say the main advantage of working with a smaller, more intimate hotel is that they get more personalized service," says Marylouise Fitzgibbon, GM at W Atlanta-Buckhead. "Often times you are the only client in the building at the time, so the hotel can completely focus on

making sure that your meeting or event is flawless, without getting pulled into five other conventions they have going on that same day.

"Boutique/lifestyle hotels are able to quickly and easily make necessary changes to fit the need of the group. A perfect example is that recently we had a product launch for a pharmaceutical company that required high confidentiality. We were chosen to host the meeting because it was very easy for us to secure sections of their meeting rooms, which they were not able to find at any of the larger hotels they had toured," continues Fitzgibbon. W Buckhead is able to meet the requirements of many events and meetings with its fully adaptable function spaces of more than 8,000 square feet in total, ranging from studios (500 square feet) to its great room (4,000 square feet).

Overlooked Gems

For many of the smaller independent boutiques, however, attracting corporate buyers is often a challenge. "Boutique hotels are typically smaller with no brand alliance, which makes it more difficult to attract the corporate buyer looking for the points or rewards that come with the brand hotel," says Patrick Aversa, director of sales at The Talbott Hotel in Chicago. "Organizations that host meetings nationally are sometimes locked into corporate contracts with larger brands and are forced to work with chain hotels in each market.

"Those who have the flexibility to seek out the experience at a property like The Talbott are very happy they do," he asserts. Talbott's typical age 40-plus business guest enjoys a combination of quality and value, with low season rates beginning at \$159, with reports of some suffering under current economic conditions.

"Because our hotel has demanded a higher rate in the past than most four-diamond hotels, we have had to lower our rates to match some of the chain hotels that have been more freely dropping rates in order to compete during these challenging times. Our customers are very important to us and if we can work with them now to help alleviate the financial burden they are experiencing, hopefully that will

impact our future relationship with only positive results to come," says Aversa.

"In focus groups, business travelers expressed a real desire for authentic hotel experiences that actually enriched a business trip and broke the monotony — but often found the option missing from their company programs. No doubt that some travelers are point-junkies — but based on research from industry-leading travel research done by Market Metrix, many would trade up for something unique," says Cheryl Doll, VP of brands and marketing at LodgeWorks, L.P.

A privately held hotel development and management company, LodgeWorks is in the midst of an exciting portfolio expansion. Based in the American heartland, the LodgeWorks team has a rich history of more than 20 years as hospitality brand innovators with industry-leading guest satisfaction and sophisticated development acumen. Among recent developments, the company announced AVIA, a new boutique hotel collection with sophisticated, locally-inspired designs and an imaginative service culture crafted to bring authentic moments of discovery to discerning travelers.

"Not all boutique hotels foster a scene. Many, like AVIA, are a grown-up, classic hotel choice that delivers a real business travel alternative to a traditional big box hotel. AVIA does, however, foster discovery. Local art and design, fresh local ingredients and recipes and true local recommendations are hallmarks of the AVIA experience," says Doll.

"Business travelers are from all industries: insurance, pharmaceutical, health-care, government, technology, food, etc.," explains Sears of Boutique Hotel Advisors. "Just the same, good restaurants attract people with a taste for good food and atmosphere. These are people from all walks of life. On the other hand, colleagues in the same company may be attracted to chain hotels and chain restaurants. Would 10 individuals traveling from, say NASA or Deloitte, be more productive at Denny's or Daniel Boulud's? 'Before — During — After' encompasses the entire point-to-point of productivity.

"A hotel that has an interesting character would surely foster a more productive, creative, appreciative and dynamic mind-set than an ordinary hotel," he concludes. That said, and with a wide variety of decidedly out-of-the-ordinary hotels out there, there's a choice for everyone. **BT**