



How to **Win Hotel Guests' Loyalty**
Now and Forever

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The hip Moxy living room. (Photo courtesy of Moxy Hotels.)

We asked our Magic 8-Ball how the future of the hotel industry is looking. **"Outlook hazy,"** it reported.

After a few years of strong demand for hotel rooms, industry watchers expect growth to level out. CBRE Hotels, an international hospitality service provider, predicts "slight declines in occupancy, combined with minimal real gains in ADR."¹ Average daily rates are growing slowly because of heated competition to capture price-sensitive travelers, as well as competition from the sharing economy.

What does this mean? **U.S. hotel chains will have to work harder to win over guests — and to keep them coming back.** Dario Gonzalez, vice president for enterprise architecture with DerbySoft, said hotels must focus on the guest relationship. "The biggest opportunity will be the definition of 'The GUEST.' The Guest is no longer defined by the creation of a folio (check-in). The Guest is a relationship that starts early in the funnel with exploration and themes all the way to sharing the experience in social media," Gonzalez said.²

OK, so how do you build a positive, lasting relationship with the guest? That's an important question for Hamilton Beach Commercial, who has spent decades partnering and building relationships with thousands of hotel operators worldwide. To find out, Hamilton Beach Commercial spoke with experts in hotel interior design and product design, as well as scouring the latest trends in hotel operations and tech.



*Charlotte Marriott City Center.
(Photo courtesy of Marriott and published with permission.)*

HOW TO CHARM THEM AT CHECK-IN

1 Invite Guests to Get Out of the Guestroom

An experimental Marriott in Charlotte, North Carolina, has redesigned its lobby with space to encourage conversation among guests, with an eye to making frequent travelers feel less lonely.³ The lobby in a Tru hotel, a midscale concept from Hilton, has its own name: the Hive. It includes a work zone with private alcoves and sound-absorbing booths, a play zone with games and a large TV, a lounge zone where guests can sit in hammock-like chairs by large windows and an eating zone with breakfast, coffee and a market.⁴

In 10 years, will guests still expect their hotel to be a social hub? "I think so, because I think people are all about the experience," Bob Bomholt, Director of Operations for hotel design-build firm Pinnacle South, told Hamilton Beach Commercial. As the world becomes smaller and more people travel, he observed, **travelers want to be immersed in their destination.** Hotels can facilitate this experience.

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*Hilton Garden Inn Downtown, Nashville, Tennessee.
(Photo courtesy of Pinnacle South.)*

2 Make Your Lobby Work Harder

The hotel lobby is changing from merely an entrance into a place that entrances. “We’re trying to make this more of an experience, a place to go to rather than a place to go through,” Alexandra Jaritz, global head for Tru by Hilton, told the New York Times.⁵

One way to do this is to **envision the lobby as not one space, but an ever-changing succession of functions.** In the morning, it can be a coffee bar. Mid-day, it’s a café, and in the evenings, it becomes a cocktail bar. “That’s a great return on the exact same space,” Bomholt said. If your lobby design includes flexible, multifunctional furniture, the same table used for breakfast in the morning can be raised to serve as a bar table in the evening. Switch on different lights, change the channels and the music, and guests will say, “Wow, is this the same room?”

The same goes for workspaces within the hotel. “I don’t want to go down the hall to find the business center,” Bomholt said. Workspaces can be incorporated into the lobby and made flexible, so they can serve as quiet places to concentrate or intimate nooks for client meetings. An experienced design-and-build firm can update a traditionally styled lobby with minimal disruption to guests. And the ROI is rapid, Bomholt said. “If it’s done well, it’s done smart, they’ll start to see the impact right away.”



3 Revamp the Breakfast Bar

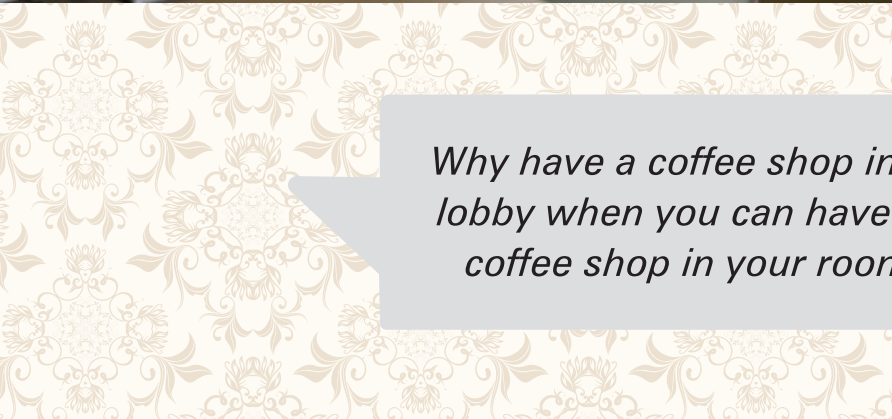
Today's health-minded, ingredient-conscious travelers may skip the wilted Danishes and bruised bananas offered in a conventional breakfast bar. They still want easy, fast self-service options, though.

Updating the lobby offers an opportunity to rethink the breakfast bar and turn it into the highlight of a guest's stay. "For obvious reasons, **breakfast is still the meal that most hotel guests are likely to enjoy on-premise**, and that makes it a selling point that can attract business and build sales," Nestle Professional noted.⁶

Tru is trying a fresh, customized take on a free breakfast bar: a selection of 30 toppings both healthy and sugary (like sprinkles) that guests can use to customize Greek yogurt, oatmeal, bagels or doughnuts.⁷

Don't forget to upgrade the lobby coffee offerings while you're at it. Consider partnering with a local roaster. The chic Ace Hotel chain builds relationships with specialty coffee roasters, which either provide the hotel's coffee or operate lobby cafés. In Portland, Oregon, it's Stumptown Coffee Roasters; in London, it's Square Mile Coffee Roasters. **What about developing a signature coffee blend for your hotel?** Richmond, Virginia's Quirk Hotel collaborated with local coffee roaster Blanchard's to create Quirk Coffee, a popular blend "with notes of nectarine, honey, graham cracker, and sage."⁸





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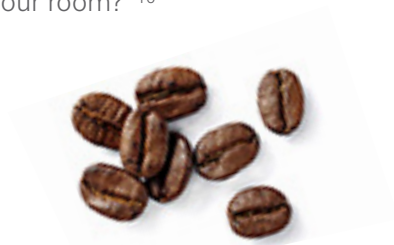
HOW TO GRATIFY THEM WITH THE GUESTROOM

1 Upgrade the Coffeemaker

Modern guestrooms are losing a lot of things: Closets. Desks. Even dressers. But what about the coffeemaker? Is that an essential amenity, or an unnecessary luxury?

Coffee connoisseurs love to criticize the flavor of in-room coffee — the taste of tap water, the addition of water softeners, the poor quality of the coffee itself.⁹ However, **access to complimentary in-room coffee is a must-have for most guests.**

Some hotels have gone a little nuts with the attention lavished on in-room coffee. The best example is Philadelphia's Roost Apartment Hotel, where "guests can grind whole La Colombe Coffee beans in a Baratza Virtuoso Grinder, heat Vero filtered water to 205°F in a Bonavita Gooseneck Electric Kettle, and pour it in a circular motion through a glass Chemex Coffee Maker atop a Hario Drip Scale," according to Conde Nast Traveler. "Why have a coffee shop in the lobby when you can have the coffee shop in your room?"¹⁰





Hotel Sorrento in Seattle treats its guests to French press coffee with real cream. Another option: deliver a free pot of freshly roasted coffee to guestrooms each morning. That's what Omni Hotels does for its loyalty program members, winning it rave reviews.

But what does the average, non-coffee-obsessed guest want in their room? First of all, they want a pod-based, single-serving coffee maker. "In hotel rooms, people want a good cup of coffee, but **they don't want to make a cup of coffee using something a previous guest has used,**" said Suzanne Super, hospitality product manager for Hamilton Beach Commercial.

Super recommends the Single Serve Hospitality Coffeemaker, which Hamilton Beach Commercial refers to as the "A to Z cup" coffee maker, because it handles not only K-cups but any compatible pods. Using a flexible single-serve maker gives hotels the ability to offer a variety of high-quality in-room coffee without having to sign a contract with a specific roaster.

"High-quality" is the important word there. Guests prefer name-brand coffee, like Starbucks or Green Mountain. Hilton reports seeing "a significant increase in consumption" since switching to Coffee Bean.¹¹ Even budget brand Red Roof Inn now serves Seattle's Best Coffee in its premium rooms.¹²





2 Reassure Germaphobic Guests

Hotel owners and housekeepers do their utmost to keep hotel rooms clean. But that doesn't help ease the fears of guests who have seen one too many TV exposés on dirty hotel rooms. Bleach and black lights only go so far; to maintain guestrooms that are truly clean, begin with the right room amenities and furnishings.

Lauren Webb, Marriott's senior manager for product development, shared her expertise on room cleanliness with Hamilton Beach Commercial. When approving a product for guestrooms, Webb said, Marriott's designers and brand managers ask the practical questions: "Is it easy to clean? And will it show marks? **And will the guest believe it's clean every time?**"

Webb, a former housekeeping manager, knows what to look for in room products, whether it's a hair dryer or an ironing board. They need to be made of durable materials that can withstand cleaning chemicals and are easy to wipe clean. A wastebasket with a decorative texture may look attractive, but "housekeepers aren't going to sit there with a toothpick to get the grime out of every crevice," she said.

The remote control inspires particular dread in many germophobes. That's why in 2012, **Best Western introduced the "fresh remote" program.** Remotes are sanitized by housekeepers, then placed in a hygienic envelope to reassure guests the remote is clean.¹³



Visual cues like the remote's hygienic envelope are particularly important. Another visible reminder that a hotel cares about cleanliness is a high-quality allergen reducer. Hotel operators should look for an allergen reducer that can effectively filter the air of dust, dust mite debris, mold spores, pollen, smoke and pet dander while running quietly.

In the end, a room's cleanliness depends on how much time a housekeeper can spend on it. "Housekeeping is really all about time and efficiencies," Webb said. Small things, like having to wrap a cord around an iron, waste precious minutes. Remaking the bed takes up the most time of any housekeeping task. **"The bed is the focal point,** and it has the most steps to strip it and then remake it and do the nice presentation," Webb said. The goal should be to make the bed attractive but simple.

The last thing guests need to feel a guestroom is truly clean? Someone reassuring them that it is.

Hyatt's research showed that **women travelers especially "want assurance that their guest rooms have been cleaned,** and want the opportunity to voice their needs to hotel personnel."¹⁴ Hyatt began adding "communication cards" to rooms with personal messages from housekeepers assuring guests that the room has been thoroughly cleaned, including the remote control and telephone, and inviting guests to share any feedback. Hampton Inn housekeepers leave yellow sticky notes on beds saying, "Duvet covers & sheets are clean for your arrival."¹⁵



*Best Western Plus in Winston-Salem, North Carolina.
(Photo courtesy of Nicole Gould.)*

Gould advocates the use of solid fabrics and neutral palettes with pops of color. "I think that's something that probably really will stand the test of time."

3 Renovate Guestrooms Before They Get Too Tired

A hotel should renovate its lobby and guestrooms at least every seven years, Nicole Gould, Director of Interior Design for Vertically Integrated Projects, told Hamilton Beach Commercial. Most major brands require updates at that interval, or even more frequently.

To know if it's time, **examine the guestrooms closely for signs of wear and tear.** Stained or water-damaged carpet is the most significant turnoff for guests, she said, because it's perceived to be dirty. Worn furniture is another. "People try to prolong renovations on their case goods," Gould observed, but peeling veneers, scratches and wobbly legs are all problems that shouldn't be ignored. Last, look for faded, stained or outdated fabrics.

Guestroom renovations aren't just about updating furniture, fixtures and equipment (FF&E). More than ever, **the goal is to adapt a hotel to guests' changing expectations and habits.** Almost every guest now wants convenient places to charge devices and use laptops, such as clock radios with USB ports. Gould said there's also a trend toward adding USB ports to furniture, like nightstands or headboard side panels.





While some hotel brands are opting to entirely remove desks from guestrooms (a move that angers some travelers), Gould is pro-desk. Even though some guests may prefer to work in their beds or down in the lobby, **they still need a space to put their laptop and other possessions.**

What about design? While many new, millennial-focused hotel brands are trying to grab attention with bright, in-your-face color schemes, Gould advocates the use of **solid fabrics and neutral palettes with pops of color.** “I think that’s something that probably really will stand the test of time,” she said.

Flooring is also changing in a big way, Gould said. Carpet tiles are replacing broadloom — not only because they’re easy to swap out if they get stained, but because carpet tiles give designers the ability to define different areas by using contrasting patterns or colors. **Luxury vinyl tile, or LVT, is also increasingly popular in guestrooms and public spaces,** Gould said. LVT resists stains, absorbs sound and can realistically mimic the look of ceramic tile or hardwood. Using LVT in all guestrooms has resulted in significant cost savings for extended-stay chain Value Place, President Kyle Rogg told Hotel Executive.¹⁶ Not only is it easier to clean, but a damaged plank can be replaced in minutes for just \$10.



HOW TO STUN THEM WITH SERVICE

1 Let Guests Do Everything on Their Phones

Mobile check-in is rapidly becoming the norm at forward-thinking hotels. Marriott Rewards members can use the chain's app to check in up to two hours before they arrive and check out as well, skipping the front desk entirely. Select Marriott hotels also allow guests to text staff if they need fresh towels or other amenities. Starwood's SPG app allows not only **mobile check-in and check-out**, but also enables keyless entry at Aloft, Element and W Hotels.

More traditional travelers may wonder if sending a text is really any easier than dialing 0 on the hotel phone. But **these innovations are made to please millennials, and they can also streamline hotel operations.** "Metrics built into the apps' framework can generate reports on peak usage times and popular amenities, delivering measurable statistics on quality issues like slow periods in valet service or optimal housekeeping staffing assignments," Cris Davidson wrote for HotelExecutive.com.¹⁷



Guests desire even more options on their mobile devices, however. A recent report on mobile use from the Cornell University Center for Hospitality Research found that guests also want hotel apps to let them upgrade rooms, have the valet bring their car, schedule a taxi and reserve a spa appointment, among other things.¹⁸

To push boundaries further, Aloft developed a program that lets guests order room service kits by texting sequences of emoji characters. “The kits range in price from \$10 to \$30 and are called The Hangover (vitamin water, Advil, bananas), The Munchies (Doritos, Snickers, chocolate brownie and a Coke), The Sightseer (\$10 Metrocard, city map and two drinks at WXYZ), Phone Charger (iPhone or Android), The Refresh (toothpaste, toothbrush razor and other toiletries), and Surprise Me (miscellaneous items),” according to Skift.¹⁹

There are some obstacles to widespread mobile-technology adoption by hotels, however. One is the **“personalization-privacy paradox.”** Mobile users are overwhelmingly concerned about their privacy when using apps, but they’re also happy to receive personalized offers and discounts, the Cornell study noted.²⁰ Mobile security is a concern as well.





Room service requires a significant staffing commitment.

2 Replace Room Service with High-Quality Takeout

A few years ago, the New York Hilton Midtown — the largest hotel in New York City — announced it would no longer offer room service. The decision shocked some guests who have come to associate the silver tray with luxury hotels, but only confirmed what hospitality professionals have known for some time: **room service is rarely profitable.**

Room service contributes just 1.22 percent of a hotel's average revenues, according to PKF Hospitality Research.²¹ That represents about \$3.25 per occupied room. Not only that, but room service requires a significant staffing commitment.

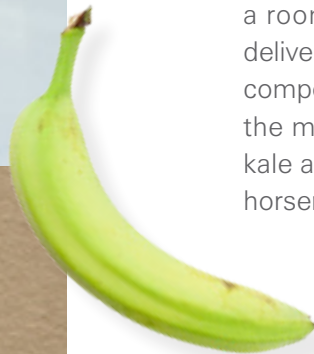
Guests still need to eat — and they don't always want to commit to a full-service meal. But large hotels in urban environments, where takeout choices abound, can step back from their obligation to provide 24-hour dining, HotelNewsNow.com's Jeff Higley told Entrepreneur magazine.²² Hotels are coming up with **novel ways to give business travelers and others the effortless dining options they want.**



As it phased out room service, the New York Hilton introduced the Herb N' Kitchen **concept to serve guests casual but well-made takeout meals.** The menu includes not only the standard sandwiches and salads but also some imaginative items, such as the gluten-free corn arepa with eggs, bacon and cheddar, the BBQ pork-belly flatbread and the fregola salad with walnuts and dried cherries. There's local flavor too, with cheeses from Murray's Cheese and Baked in Brooklyn pita chips. For travelers who really don't want to venture out, the Herb N' Kitchen does offer room delivery.

The Grand New York Hyatt chose to retain room service while cutting back its hours. To ensure well-fed guests around the clock, the Hyatt offers Market: a modern, gourmet food shop with fresh breakfast, lunch and dinner options. Affinia Hotels takes a different approach, partnering with Fresh Direct to deliver carefully selected grocery kits to guests.²³ The kits, which start at \$52, include fruits, vegetables, snacks and microwavable meals.

Instead of ending room service altogether, some hotels are coming up with simpler ways to deliver it. Seattle's boutique Hotel Max announced a room-service partnership with restaurant Miller's Guild. Meals are delivered in custom-stamped brown paper bags with butcher's twine and compostable containers, labeled with the name of the cook who prepared the meal. Menu options include the healthy, like the sausage-topped kale and hazelnut salad, and the meaty, like the short rib sandwich with horseradish, parsley and yuzu.²⁴





1 Develop Sustainability Strategies Guests Can Feel Good About

Guests expect hotels to operate some kind of sustainability program, but they remain **motivated more by price and convenience than concern for the environment**, according to a recent study by Cornell University's Center for Hospitality Research.²⁵ And, the study found, "the link between environmentally sustainable programs and improved customer satisfaction is weak compared to standard drivers like facilities, room, and food and beverage quality."

In short, guests want green hotels, but they're not going to pay any extra. Not only that, but if sustainable practices cause them any inconvenience, they'll be upset. The question for hotel operators, then, is how to shift toward sustainable operations while saving money and keeping guests happy.

"Greenwashing" just doesn't cut it. Guests have come to understand that serious sustainability means more than vague claims about energy efficiency or local produce. That's why hotels need to start with hard numbers, by conducting a thorough assessment of waste, energy and water usage. The American Hotel & Lodging Association provides a list of guidelines to help hotels with this process.²⁶ One suggestion is using the Energy Star Portfolio Manager tool to record energy and water usage and then compare your hotel's usage to hotels of a similar type.



EnergyStar estimates that reducing electricity consumption by 10 percent in a typical full-service hotel has the same financial benefit as increasing the room rate by \$1.35.²⁷ **Sustainable practices may even result in cost savings that go beyond the obvious.** Eric Dominguez, corporate director of engineering, utilities, and environmental affairs at Caesars Palace in Las Vegas, found that reducing water use by 7 percent resulted in annual savings of \$135,000 to \$218,000 — not in water bills, but in the natural gas used to heat the water.²⁸

Don't miss an opportunity to communicate these benefits to guests, and to make them feel involved. The Cornell study found that **guests are more willing to participate in sustainability efforts when they get something in return**, such as loyalty program points. Starwood Hotels and Resorts' Make a Green Choice program gives guests 250–500 Starpoints or a \$5/5€ voucher for food and beverages for every night they opt out of full housekeeping services. The benefit: saving almost 50 gallons of water and 0.19 kWh of electricity per night.²⁹

It doesn't have to be a monetary reward. Meluha-The Fern, a business eco-hotel in Mumbai, added an ECO button to the control panel in guest rooms. When a guest presses the button, the air-conditioning thermostat rises by two degrees and the hotel issues a certificate of appreciation to the guest. It's simple, effective, saves the hotel money in the long run — and keeps guests happy.³⁰



The hip Moxy living room. (Photo courtesy of Moxy Hotels.)

About Hamilton Beach Commercial®

Hamilton Beach Commercial is the trusted partner of thousands of hotel operators, both large and small. Talk to us about how our commercial-quality in-room amenities and foodservice equipment — coffeemakers, coffee urns, hair dryers, irons, toasters, and more — can boost your bottom line and improve your guests' stay.

- ¹ CBRE: <http://www.cbrehotels.com/EN/PressCentre/Pages/2017-Hospitality-Outlook-Is-a-Mixed-Bag.aspx>
- ² Cornell School of Hospitality Administration: <https://sha.cornell.edu/centers-institutes/chr/blog/2017/01/17/what-to-expect-in-2017-a-view-from-the-chr-advisory-board/>
- ³ Fast Company: <http://www.fastcompany.com/3061829/marriott-is-preparing-for-gen-z-with-an-innovation-lab-hotel>
- ⁴ Tru By Hilton: <http://trubyhilton.com/our-place/>
- ⁵ The New York Times: http://www.nytimes.com/2016/01/25/travel/tru-hilton-hotels-millennials.html?_r=0
- ⁶ Nestle: <https://www.nestleprofessional.us/trends/better-food-keeps-hotel-guests-onsite>
- ⁷ The New York Times: http://www.nytimes.com/2016/01/25/travel/tru-hilton-hotels-millennials.html?_r=1
- ⁸ Blanchard's: <http://blanchards-2.myshopify.com/products/quirk-coffee>
- ⁹ Forbes: <http://www.forbes.com/sites/kimwesterman/2013/11/29/why-we-should-give-up-in-room-hotel-coffee/#184dc4cb749f>
- ¹⁰ Conde Nast Traveler: <http://www.cntraveler.com/stories/2015-11-20/these-hotels-take-their-coffee-seriously>
- ¹¹ Hotel F&B: <http://www.hotelfandb.com/biol/jan-feb2015-in-room-coffee.asp>
- ¹² USAT Travel: <https://usattravel.wordpress.com/2015/10/07/these-11-hotel-chains-have-name-brand-coffee-in-guest-rooms/>
- ¹³ You Must Be Trippin': http://www.youmustbetrippin.com/road_warriors/clean_at_last.html
- ¹⁴ Hyatt: <http://experience.blog.hyatt.com/2013/03/04/female-business-travelers/>
- ¹⁵ USA Today: <http://www.usatoday.com/story/hotelcheckin/2012/12/11/hotels-duvet-cover-questions-hampton-inn-bets-guests-want-to-know-theyre-clean/1759401/>
- ¹⁶ Hotel Executive: http://hotelexecutive.com/business_review/3894/increasing-staff-efficiency-through-furniture-fixtures-and-equipment
- ¹⁷ Hotel Executive: http://hotelexecutive.com/business_review/3313/hospitality-is-on-the-move-how-mobile-apps-are-empowering-guests-and-boosting-hotels-bottom-lines
- ¹⁸ Cornell School of Hospitality Administration: <http://scholarship.sha.cornell.edu/cgi/viewcontent.cgi?article=1203&context=chrpubs>
- ¹⁹ Skift: <https://skift.com/2015/10/22/aloft-tries-to-speak-millennial-with-new-emoji-room-service-ordering/>
- ²⁰ Cornell School of Hospitality Administration: <http://scholarship.sha.cornell.edu/chrpubs/200/>
- ²¹ Hotel Management: <http://www.hotelmanagement.net/hilton-worldwide/the-real-revenue-behind-roomservice-20882>
- ²² Entrepreneur: <http://www.entrepreneur.com/article/227435>
- ²³ USA Today: <https://www.usatoday.com/story/travel/hotels/2013/09/10/hotels-room-service-grocery-deliveries/2788329/>
- ²⁴ Hotel F&B: <http://hotelfandb.com/biol/hotel-max-room-service-breakfast.asp>
- ²⁵ Cornell School of Hospitality Administration: <https://www.hotelschool.cornell.edu/research/chr/pubs/reports/abstract-18593.html>
- ²⁶ AHLA: <https://www.ahla.com/Green.aspx?id=24988>
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- ²⁸ Cornell School of Hospitality Administration: <https://www.hotelschool.cornell.edu/chr/pdf/showpdf/4583/chr/research/vermasustainability.pdf>
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