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Four Points Nairobi Airport

Innovation and renovation – delivering brand value through design

Branding is fundamental to influencing choice. In the hospitality sector, a decision on where to stay will inevitably be influenced by brand personality, values and provenance. Expectations then need to be met and this is where the relationship between brand and property is key.

Over the last few years, around a third of leading hotels have been converted from one brand to another. Quite often, the number-crunching has led to a refurbishment which reflects an experience of less luxury and more pragmatism. But it is the hospitality experience which creates brand loyalty and guests' desire to repeat the experience.

Defining and differentiating the experience is the challenge. Some hotels may already have a clear and successful brand personality. Others less so. Guests may know exactly what to expect as they walk into the lobby. From the bedroom to the bar and from rest rooms to restaurants, there are few surprises. Accommodation is consistent in both quality and service offer. For business travellers, consistency may be what is preferred. The brand promise being delivered through a template of functional,

but perhaps not the most creative design?

Sometimes, though, personality can be injected into this design template. Take the recently opened Four Points by Sheraton at Nairobi Airport, a new hotel which is unashamedly efficient and respectful of the design template this brand commands. As a new-build, award-winning project, the interior design challenge was simply to satisfy the needs of the business traveller, but still create an interior which responds to local heritage and culture.

As Andrew Linwood, Head of Hospitality at Areen Design explains: "Our design ethos captures the spirit of the locality, with furniture and fittings drawing reference from the vibrancy of Kenya's textiles and the rich colours of Kenya's natural environment. Bespoke structure and details are inspired by authentic timber

craftsmanship, carvings and sculptures".

The result is a new hotel with excellent occupancy levels, meeting the expectations of the business traveller but also responding to its locality and respecting the brand promise of Four Points by Sheraton. This success has now led to Areen Design being appointed to work on its sister hotel in the city. On this hotel, the work is refurbishing some of the public spaces and creating interiors which again respect the Four Points by Sheraton brand but make the hotel more appealing to its guests.

Andrew continues: "As with any Four Points by Sheraton property, the brief was an amalgamation of brand, functionality, locational context, and an international aesthetic. Nairobi's mix of old and new, cosmopolitan and cultural, as well as

tremendous urban growth provide a unique context for the design of this particular hotel."

As part of the refurbishment, one of the challenges has been the transformation of the gift shop and lounge into a modern lobby café, creating a dynamic F&B outlet for the hotel as well as a new spot for guests to relax, socialise or work. From the investor's perspective, this allows more dwell time and more spending, comfortably justifying the refurbishment risk and expenditure. It also enhances the Four Points by Sheraton brand, ensuring guests are also more likely to return.

Branding and refurbishment – to upscale or downscale?

Whether to upscale or downscale? Once again, if the latter route is chosen then it is following both the current trend and investment logic. Research has shown that occupancy levels increase, as do repeat visits when refurbishment and re-branding of hotels takes place.

A study by the Centre for Hospitality Research has shown that conversions generate around 6% increase in hotel occupancy, with two thirds of this figure being attributed to the brand and the remainder to the fit between the brand and the property. The challenge for the

design team is to create the experience which reflects the new brand and vice versa, without a detrimental impact on the functionality and performance.

Even though a downscale move might suggest less service and fewer amenities, the hotel will still have some services or physical attributes as remnants from the higher tier brand. This will lead to greater guest satisfaction in the downscale version of the hotel. Having said that, an upscale switch will create higher expectations in guests that the newly positioned brand may be unable to meet, at least in the short term. In other words, a downscale move will, if handled correctly, often offer the most attractive return to investors.

Another factor which directly impacts on expected returns is capital expenditure. When faced with the option to either demolish and re-build the hotel, or convert the existing hotel, many investors and operators are now choosing the refurbishment route with construction costs increasing.

Hilton Worldwide has just announced that its expansion drive will continue to be driven by conversions, particularly in the EMEA region. As Hilton's CEO says: "Conversions are a big focus in a tightening lending environment. Year-to-date construction costs have gone up 7% >

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Westin Palace Madrid

or 8%, so, you have cost going up in an environment where lending standards have tightened, and while RevPAR is growing, it's not growing enough to keep up with that."

Whilst increased revenue per room may always be the holy grail, there are three types of conversion to consider. Brand to brand (B2B), brand to independent (B2I) and independent to brand (I2B). Research has again shown that occupancy increases for B2B and I2B hotels, while occupancy for B2I hotels decreases. This result implies that branded hotels attract more travellers than independent hotels.

As mentioned earlier, the relationship between the brand and the property is therefore vital to define, understand and use creatively when considering a refurbishment project. Brand strength will always help to determine performance and profitability, but creating a clear understanding of the brand ethos is a vital part of any designer's brief. >

*Westin Palace Madrid*

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The B2B renovation of the iconic Westin Palace Madrid, for example, was carried out on a fast-track basis with Areen Design responsible for both interior design and procurement. This approach minimised disruption and shortened the programme, allowing the new bedrooms to generate increased occupancy and revenue as quickly as possible.

"Leading international hotels, such as the Westin Palace Madrid, are increasingly looking at renovation opportunities to maintain brand values and provide guests with the standard expected," says Andrew Linwood. "Their investment provides a great return, in terms of both customer experience and building brand loyalty."

"Investment decisions are made on projected occupancy levels and a pricing strategy which reflect a hotel brand and market position. As designers, we need to have a clear understanding of what this brand represents from day one."

In conclusion, the design challenge will be to create solutions which are

'on-brand'. Easy to say, not always easy to deliver. Brands, like strategies, are dynamic and will change according to market demand.

A guest's decision on where to stay may well be influenced by the brand and the values associated with a brand, but it will always be the hospitality experience which is remembered. Getting this right is central to a designer's response. Whether new build or conversion, it is all about delivering brand value through creating this experience.

As Andrew Linwood explains "The touch, smell and feel of an experience is just as important as what a space looks like. As designers we need to balance functionality with finesse, delicately leading clients to understand that revenue per room is not all about efficiency. Sometimes, not always, the added sparkle is well worth the investment, creating memories which will ultimately enhance the bottom line."

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