



Investing in the guest experience

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WRITING about trendsetting and writing about being trendy are very different things. Nonetheless, I'm pleased to hear others are picking up on our commitment to the guest room, and the outstanding discussions and reception that have occurred as a result.

But before our commitment to the guest room was referred to as trendsetting, it was called contrarian, and before that, maybe just common-sense hospitality. It wasn't a position we procured to differentiate ourselves while our competitors made significant investments in the public spaces, but it did make us standouts in the eyes of those who matter to us most.

ADD SOME OOMPH

While it may seem contrarian or even anti-trend to some, our approach and our subsequent cost have hardly changed since we launched the franchise system in 2014. In fact, the typical cost of our brand FF&E package did not increase with the release of our generation II lobby in 2017, while it increased value for guests and properties across the board. Our latest release of the generation II guest room follows in similar fashion, but it was developed with a bit more ease and a lot more oomph.

By listening to our guests, operators, and franchisees, we found our most valuable touchpoints were indeed in the guest rooms. While there are considerably many more touchpoints in the

guest room than the lobby, the guest room refresh came along much easier for two reasons.

1. We do not increase cost where we do not see value. As franchisees and operators themselves, our founders have held steadfast to this principle since Day 1. As employee No. 1, I can speak to the extent in which we've committed to that principle.

When it comes to common space investments, we believe there is value but only to a point. So we made simple changes to improve both operational and consumer experiences, while using the opportunity to modernize the finishes and open up the floor plan. Feedback hasn't differed between the generation II lobby and its predecessor, and we don't expect it to. Not seeing much value increase aside from lifting the initial impression of the hotel, we overcame the challenge to produce simple but significant modifications without increasing cost. When it came to the guest room refresh, the changes remained simple and significant, but the opportunity to increase value was abundant.

2. We don't fix what's not broken. Materially, the guest room is what our guests loved most about their My Place experience. Since the beginning, our recliners, beds, and bedding have not only been complimented, but purchased by guests, franchisees, and staff alike. And I can't name all the other ways guests have identified the smaller details we've placed as refreshing additions to their guest room experience. It wasn't only satisfying to improve what our guests already enjoy, but it was

genuinely exciting to create so much value with simple adjustments.

DON'T MISS AN OPPORTUNITY

Regardless of the differences in cost and process, the two developments together address a shift in consumer behavior and an opportunity to maximize revenue. By offering daily, weekly, and monthly rates from the start, we developed a diverse and loyal customer base that consists mostly of transient guests staying 2-3 days. With a healthy fraction of long-term guests staying an average of 12 days on the weekly rate, and 74 days on the monthly, our hotels have an exceptional opportunity to maximize revenue on the nightly rates.

As the extended-stay segment continues to experience unprecedented growth, it's no secret that the affinity for extended-stay accommodations, particularly within the business and leisure segments, has grown. In recognizing that we had the built-in efficiency to cater to guests in all tiers while maximizing dollars on the last rooms, our refreshes were designed to deepen our appeal to a broadening base of both weekday and weekend travelers.

While our industry will see many more advancements in terms of technology and innovative solutions, which really excites me, I believe we should always advance sensibly and be careful to not manufacture trends. At the end of the day, if we all hope our hotels will be like homes to the weary traveler, then our progress should make them feel more like one. ■