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THE PIPELINE

DoubleTree by Hilton **p36**

With a fresh look that includes a new name and revamped logo, this brand is poised for rapid growth — especially beyond North America — with an aggressive goal of doubling in size by 2016.

THE INTERVIEW

Sheila Johnson **p42**

This entrepreneur's resumé includes experience as co-founder of Black Entertainment Television, professional sports team owner and even accomplished violinist, but on the hotel front, her sights are set on making Salamander Hotels & Resorts a go-to management company known for repositioning distressed assets.



FOOD & BEVERAGE

Great Hotel Restaurants **p54**

This year's 10 honorees from around the globe reflect contemporary trends like local sourcing and interactive design, but they mostly focus on timeless elements such as personalized, memorable service.

DoubleTree by Hilton Istanbul-Moda, which opened in May 2011, was the 200th property for the brand.



DoubleTree by Hilton is poised to continue its rapid global expansion, aiming to reach 500 hotels by the end of 2016.

**By Ann Bagel Storck,
managing editor**

DoubleTree by Hilton may have turned 42 in 2011, but there has been no midlife crisis for this growing brand. Instead, DoubleTree — which officially became part of Hilton Worldwide in 1999 — has marked multiple milestones this year: ongoing expansion beyond North America, with debuts in new markets such as Jordan and the United Arab Emirates; the 25th anniversary of its iconic chocolate chip cookie; the launch of a comprehensive advertising campaign to raise awareness of its rebranding initiative; and — perhaps most significant — the opening of its 250th hotel, the DoubleTree by Hilton Istanbul-Moda.

With 261 hotels in 18 countries as of late July, DoubleTree's portfolio has grown by more than 40% since 2000, and the brand has no intention of slowing down. By the end of 2016, Rob Palleschi, global head of DoubleTree by Hilton, expects the brand to have 500 hotels, ideally with half of those outside North America. "It's very aggressive, but I believe it's achievable," he says.

Palleschi's not alone in his optimism. Rich Conti, president of Tampa, Florida-based hotel brokerage firm, consultancy and asset manager The Plasencia Group, notes that although new construction will be limited in the short term, conversions will

DoubleTree by Hilton

BY THE NUMBERS

SIZE

261 hotels representing more than 65,000 rooms in 18 countries as of late July

PRODUCT LINES

DoubleTree by Hilton Hotels, the brand's core collection of full-service hotels in gateway cities; DoubleTree Suites by Hilton; and DoubleTree Resorts by Hilton

PIPELINE

More than 75 properties currently, with a goal to reach 500 hotels in at least 35 countries by the end of 2016

COSTS PER KEY

US\$33.5 million-US\$53 million for a 250-key, new-build property, not including the cost of land. Costs per key for conversions vary.

INVESTMENT IN REBRANDING INITIATIVE

DoubleTree has invested approximately US\$20 million this year, capping owners' investment at US\$25,000 per property.

CHOCOLATE CHIP COOKIES DISTRIBUTED DAILY

60,000

RESULTS

RevPAR index of almost 107, up 2.5 points year over year

happen — an attractive scenario given DoubleTree's positioning. "The marketplace sees DoubleTree as a conversion brand," Conti says. "As transaction volumes go up, conversions are going to happen much faster than new construction. They should be able to capitalize on this."

"I like their global reach," says Steve Van, president and CEO of Prism Hotels & Resorts, Dallas, who has worked with DoubleTree for more than 20 years in both ownership and

franchise agreements. "Every year we become more globalized, so every year it's more important that there's global recognition of the brand. There's a race to become the global dominant brand, and Hilton is certainly in the lead pack on that."

Broad bandwidth

DoubleTree's pace of growth, particularly internationally, has accelerated since 2008, the year it began its worldwide brand expansion with openings

in Central America, Europe, the Caribbean and Asia. Paleschi notes that Hilton Worldwide President and CEO Chris Nassetta, who assumed that post in December 2007, counted expansion as a primary objective — one that aligned well with DoubleTree's goals. Even during the severe economic downturn of 2008-2009, the brand opened more than 40 hotels around the world, and today, Paleschi adds, DoubleTree counts more than 75 projects in its pipeline. "It's hard to say that there was a silver lining during the economic crisis, but we did see a lot of success during that timeframe," he says, crediting efforts to educate owners about the brand as well as the power of Hilton Worldwide's global support in sales, e-commerce, property management and overall brand recognition.

In addition to the brand's core offering — DoubleTree by Hilton Hotels, full-service properties in gateway cities — about 25% of its portfolio is in DoubleTree Suites by Hilton, with another 20% in DoubleTree Resorts by Hilton. Paleschi says about 60% of DoubleTree's guests are business travelers, and although the brand skews a bit more toward women and younger consumers than its competitors or sister brands, overall its typical guests are similar to those for the rest of the upper-upscale segment.

Although DoubleTree has a number of key standard brand features at all of its properties — among them the signature Sweet Dreams by DoubleTree Sleep Experience, in-room coffee and tea and, of course, the chocolate chip cookie presented to every guest at check-in — Paleschi highlights the variety of its hotels as a major asset. "We have everything from historic hotels like the Courthouse in London to cool, hip hotels like the Curtis in Denver," he says. "We've got a pretty big bandwidth there, and our guests like that."

Paleschi has a broad bandwidth when it comes to his wish list for the brand's pipeline, as well. Primarily, DoubleTree is targeting properties with at least 120



DoubleTree by Hilton Kosice Slovakia represented the brand's entry into Eastern Europe when it opened in March 2009.

THE PIPELINE: DOUBLETREE BY HILTON



DoubleTree by Hilton Beijing marked the brand's Asian debut when it launched in July 2008.

keys and 5,000 square feet (465 square meters) of meeting space in gateway cities and major markets, although it is considering options with fewer keys for some of its resorts. Palleschi estimates that conversions represent approximately 65% of the current pipeline.

As for the areas of the world that are most important for DoubleTree's expansion, Palleschi mentions markets ranging from China to Eastern Europe, and India to the south of France. "I have a laundry list of all these cities around the world that I want to be in," he concedes. "There's no area that's out of reason."

New identity

DoubleTree also is showing off a new look as it moves into new markets. Last fall the brand debuted a new logo — featuring a silhouette of a realistic leafy tree alongside a large capital D — as well as the addition of "by Hilton" to

its name. To publicize the rebranding and build overall brand awareness, this year DoubleTree has invested more than US\$25 million in an advertising campaign featuring television commercials, print media and online promotions including social media.

Palleschi expects that by the end of 2011 all DoubleTree hotels in North America will reflect the brand's new identity, with the rest of the global portfolio to follow by the end of the first quarter of 2012. He emphasizes that DoubleTree wanted the relaunch to move quickly. According to the brand, owners have invested more than US\$3 billion over the past several years in upgrading various amenities and services, but in order to accelerate the pace of the relaunch, DoubleTree was prepared "to invest and invest heavily," Palleschi says. This year, he notes, the brand has spent approximately US\$20

million on new collateral for hotels and has capped owner spending at US\$25,000 per property. Consequently, Palleschi says, "The brand has basically controlled this process and controlled the schedule, working hand in hand with the individual hotels and the ownership groups. We have it pretty well programmed out."

Prism's Van says the reimagining is complete at both of his current DoubleTree properties — in Memphis, Tennessee, and Columbus, Ohio. "I really like it," he says. "I like the tagline 'by Hilton.' You're getting the benefit of this huge global distribution system, but with a relatively new brand."

"The absolute best thing from new buyers' and owners' perspective is the tagline 'by Hilton,'" Conti agrees. "By saying DoubleTree by Hilton, you're going to get the road warrior who's a collector of frequency points. This really clarifies that DoubleTree is in the Hilton family of brands."



"I have a laundry list of all these cities around the world that I want to be in. **There's no area that's out of reason.**"

— Rob Palleschi, global head, DoubleTree by Hilton

(Not so) little things

DoubleTree's new brand identity is centered on the tagline "where the little things mean everything," but

THE PIPELINE: DOUBLETREE BY HILTON



The Curtis – A DoubleTree by Hilton Hotel in Denver represents the varied nature of the brand's portfolio, according to Global Head Rob Palleschi.

that concept is hardly an unfamiliar one for the brand. Take DoubleTree's signature chocolate chip cookie, which has used the same secret recipe since it originated in 1986. The brand's hotels distribute approximately 60,000 cookies daily around the world, and this past summer, the DoubleTree by Hilton Cookie CAREavan Tour covered 10,000 miles and 50 cities to share more than 250,000 cookies in honor of the treat's 25th anniversary.

"Everyone loves the cookie, whether that's in London, in China or all the way down in Tanzania," Palleschi says, adding that initially there was some

apprehension within the brand about whether the cookie's charm would appeal to all cultures. "More than the cookie, it's that warm welcome. It's that recognition that our guests have gone through some hurdles to get there. The road nowadays can be difficult."

Palleschi also credits DoubleTree's CARE Culture, which includes committees at each hotel co-chaired by the general manager and a line-level employee that meet monthly and report back to the brand quarterly about initiatives to deliver the brand's promise of bringing humanity back to the hospitality experience. "Those

committees really permeate the hotels," Palleschi says. "They ensure that team members recognize the importance of great customer service and being engaged in that community."

DoubleTree also prioritizes engagement with its owners, who Palleschi calls "our best partners." He notes that especially with the ongoing economic turbulence, "There's still some anxiety out there with some owners. We need to continue to keep the lines of communication open. We need to solicit their feedback and, most importantly, react and react quickly. There's not any grand plan — it's just that, and that works."

The respect seems to be mutual. "Rob Palleschi is viewed very positively by owners because he's very fair," Conti says.

"I've never worked with a more responsive brand," Van says, joking, "I don't know when they sleep."

Van highlights DoubleTree's flexibility as well, noting an example from a conversion his company did several years ago in which the brand allowed an extra couple years for replacing armoires that were only about a year old and that Prism later converted into credenzas. "A lot of other brands wouldn't have done that," Van says.

"You don't want a brand to let you do anything, because then it's not a brand. It's flexibility without brand dilution."

Van also is happy with the increased market penetration his properties have experienced upon converting to DoubleTree. Although Palleschi won't provide extensive details about the brand's performance, he does note its RevPAR index is at almost 107, up 2.5 points year over year. "We have a very aggressive competitive set, one that hasn't changed, and we're gaining share, so we're very excited," he says.

When it comes to broad goals for the brand going forward, however, Palleschi looks beyond the numbers. "I get passionate when I talk about Hilton Worldwide, what we've done as an organization," he says. "Part of my worry is to make sure DoubleTree by Hilton doesn't let anybody down. In addition to all the numbers and metrics, I just would love for everyone to want to be part of this."



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— Rich Conti, president, The Plasencia Group Inc.