

**ARTICLE RELEASE – OCTOBER 12, 2014
FOR IMMEDIATE RELEASE**

Contact: Cory Creath, Principal Architect
Telephone: +1 (415) 371-1400
E-mail: ccreath@axisonline.net

**“The Millennial Effect”: International Hotel Brands Reposition
to Create Unique, Local Experiences**

**Big-name hotel chains are breaking the brand mold with Millennials
and destination travelers in mind**

SAN FRANCISCO, CA (OCTOBER 12, 2014) – AXIS ARCHITECTURE + DESIGN STAFF WRITER – Whether attributed to the increasing numbers of Millennials with post-graduation professional incomes seeking “authentic” experiences, or the growing number of one-of-a-kind lodging options flooding the market with the increasing popularity of Airbnb, the warning was the same for those attending Lodging Conference 2014 – cookie cutter hotel experiences are a thing of the past. For consumers, the result is sure to please, with hotel chains likely to respond with more properties reflecting the unique characteristics of each location, relying less on designs and styles rigidly repeated from one hotel to the next.

The Lodging Conference, now in its 19th year, asserts itself as the preeminent perennial gathering of international hotel, resort, and lodging stakeholders, with most attendees purported to be at the CEO, President, and Owner level. Topics ranging from operations, finance, through to design trends are discussed over the three-day event.

Cory Creath, Principal Architect of San Francisco’s AXIS Architecture + Design - a firm noted as one of America’s authorities on hotel architecture and design - was an invited expert panelist to this year’s conference, and addressed the current state of architecture and design trends in the hotel and lodging industry. “It happens very organically every year - a single issue or concern tends to naturally dominate the discussion at the conference. In 2009, access to financing and operating more efficiently during the downturn was obviously on everyone’s minds. This year, one of the most discussed topics was the increasing importance of communicating a ‘local experience’ through a hotel’s physical spaces.”

In the wake of the 2009 downturn, and following on the heels of one of the largest dips in occupancy rates in modern memory, hotels looked to optimize operations and limit costs. In many instances, taking advantage of economies of scale by producing new properties exactly the same as the last or renovating current properties with the exact same palette, furnishings, and floor plan, was a means to that end. “Sometimes it didn’t matter if you were in downtown Austin or on the interstate in Washington, following 2009, many chains duplicated their stay experience on an industrial scale,” states Creath. “At the time it made sense - tailoring a hotel to reflect the unique local character of a place cost money, and back then, operators and brands alike were especially mindful of what it was costing to build, renovate, and design a unique hotel.”

Coincidentally adding to the momentum behind rubber-stamping the look-and-feel between hotels within a chain was the increasing prevalence of select service hotels in REIT (real estate investment trust) portfolios. Select service hotels, like Courtyard by Marriot and Hilton’s Garden Inn, offer guests a less expensive stay by providing fewer amenities (fewer or no restaurants, or possibly no business center or pool). Before 2009, select service hotels were largely owned and operated by individuals and small regional groups; after 2009, with the industry’s focus on leaner operations, international fund managers started to take notice. “By their very nature, select service hotels were meant to be bereft of any unique expression of the local character. From a brand perspective, positioning on price and value demanded a uniform brand experience from one hotel to the next. From an architectural and design perspective, fewer amenities means fewer opportunities - restaurants and lounges for example - where the local character of a place can get expressed,” continued Creath.

--more--

But almost as abruptly as the industry put its weight behind uniform hotel brand experiences after 2009, the industry pivoted once more - this time in the opposite direction. The reason? Simply, on account of the single fastest growing segment of hotel consumers – Millennials.

“Really, a quick look at the Lodging Conference’s agenda tells you all you need to know about where the hotel and lodging industry knows where its future lies; almost every session - at the very least - touched on how the industry will have to respond to The Millennial Effect,” observes Creath. “Addressing their needs is going to transform the industry,” he continues. And he’s not alone in his opinion; in 2012, American Express announced that the Millennial segment – those in their early 20’s to arguably their early 30’s – represented the largest growth segment of hotel consumers, with a 20% increase in 2010 alone. In the next several years, it’s anticipated they’ll outstrip Baby Boomers in absolute hotel spending.

And as for those Millennial needs Cory Creath refers to? “Millennials want amenities. They want luxury, but for them, luxury is an experience, not Oriental rugs and wood paneling in a lobby. Their having been raised from infancy with social media means they crave public spaces that facilitate socializing; long tables and couches in a high-energy boutique-like environment are preferred over sequestered private spaces. Millennials are more likely to visit 3 or 4 restaurants in an evening, so providing multiple unique destinations – each with a different theme but within the same hotel - speaks to that need. They’re one of the most expressive and individualistic generations in modern memory, and providing them spaces and designs that reflect that need for uniqueness is key. Theirs is the generation that made popular the demand for ‘craft’ goods; hotel architecture and design that delivers signature and unique location-based experiences that reflect the local character are a must.”

Amplifying the demand for unique location-based hotel experiences is the influence of Airbnb, which by its nature offers only one-of-a-kind lodging options, each defined primarily by its unique location. Not coincidentally, Millennials are also the largest consumers of Airbnb’s offerings.

Even though Millennials are accepted as the segment driving the demand for unique hotel designs that reflect the local character of a place, their Boomer and executive travel counterparts are following suit. Creath recalls his participation as an expert panelist at the 2014 Lodging Conference as an example. “Indeed, not every progressive idea in hotel and resort architecture and design is in response to Millennials. Case in point, my firm AXIS Architecture + Design is currently working on a major remodel for Rubicon Company, the group that bought the 55 year old landmark hotel near LAX, The Hacienda. We’re splitting this 600 room property into two separate parcels - one of which will be flagged as an Aloft, and the other that will be flagged as a Fairfield Inn & Suites. Both of these select service brands have been looking for an entry into the LAX market, and this project looks to be a home run for our client, the key being the introduction of a ground up standalone two-story lobby building that will greet guests of the new Aloft Hotel portion located on the southern edge of the 7 acre site. The arrival experience is designed to speak directly to Millennial travelers as a quintessential Southern California beach town location and a place to see and be seen, but aims to service seasoned business travelers alike. This is not a prototype design. Instead, guests are greeted with a high ceilinged lobby with a wall of glass that completely opens up to a deck overlooking the pool below. AXIS’ design evokes an oasis... a getaway... an escape from the ordinary. The oversized WXYZ Bar becomes the social hub and invites guests to stay on-property and enjoy all the amenities of a resort in the middle of the city.”

The redesign is expected to be a resounding success, both by its investors, and by the local community. And what’s driving that anticipation? “We’re creating a space that’s rooted in the local character. We’re aiming to provide a space that’s both unique and locally authentic, respecting the history The Hacienda represents to the local community, but also updating the hotel to meet modern market needs,” finishes Creath.

Cory Creath is a Partner and one of the Principal Architects of AXIS Architecture + Design. Based out of San Francisco, AXIS Architecture + Design is a leader in hospitality and hotel architecture and design. For more information on Cory Creath and AXIS Architecture + Design, visit <http://www.axisonline.net/>.

--more--

About AXIS Architecture + Design:

AXIS Architecture + Design (www.axisonline.net) is a full-service architecture and design firm based in San Francisco, California. An all-industry firm, but noted leader in hospitality design, hotel architecture, and hospitality facility renovations, AXIS Architecture + Design offers world-class iconic design that solves real-world architectural challenges.

--30--

ARTICLE_RELEASE_Lodging_Conference_Expert_Panelist_Cory_Creath_Reviews_The_Millennial_Effect_On_Hotel_Brands_251114