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Trendtracker / Hospitality Goes Retail Hotels to Go

By Stacy Shoemaker Rau

In a reverse twist of consumer demand, hotel guests no longer just want their hotel to be a home away from home; they want their home to feel like their favorite hotel. And hoteliers are listening: increasingly guests can buy their favorite hotel furnishings—from headboards to linens to bath amenities—with a click of a mouse. “Residential and hotel design influence each other so much, you can’t tell where one begins and the other ends,” says Tery Young, vice president of creative and operations for Boxport, a company that provides luxury hotels and condos online retail merchandising programs and re-order fulfillment. “The hotel room is a living, breathing retail environment. Guests get to sleep in the bed, lay on the pillows. They don’t get to test bed products on such an intimate level in retail stores.”

But selling hotel items is not a new phenomenon. Hotels have been getting calls from guests requesting linens and furnishings for years. When Westin introduced the Heavenly Bed in 1999, the hotel company received 32 calls in the first week from customers asking how they could take the bed home with them. “We hadn’t expected that—people getting emotionally attached to a brand and product,” says Sue Brush, senior vice president of Westin Hotels & Resorts. In fact, they didn’t have extra to sell; but within six months they had set up a toll-free number for customers to call. After forming a catalog and website over the next few years, in May 2005, Westin became the first hotel chain to sell its custom designed, signature line of luxury bedding at a leading national retailer, Nordstrom. And it is a huge success: the Westin line already has sales in excess of \$5 million. (In November, Westin started selling its Heavenly Bed and Heavenly Dog Bed at Nordstrom stores as well.) “It makes sense. It’s extending a brand into a lifestyle, which is what it is all about,” Brush says. “It allows customers to bring design ideas and life style experiences outside of the four walls into home and daily life. And they can test drive it first, which you can’t in a retail store.”

Buying hotel room items may not be new, but it is definitely gaining momentum, according to Hoteluxury at Home, Inc., a Boston-based company that provides web-based retailing solutions for luxury and boutique hotels. The company surveyed more than 300 U.S.-based upscale hotels and found that 60 percent didn’t have a retail program; but of the 60 percent, 90 percent wanted one, and hoped to implement a program in the next 12 to 18 months. “In five years, every hotel should have a director of retail,” says Jodi Goldstein, vice president of business development for Hoteluxury. Anna Mancebo, vice president of spa and retail services for Marriott International, says the trend has taken cues from the

retail industry. “It drove the hotel industry to get with the program. Retail saw people responding to the hotel industry and started launching their own hotel collections,” she says.

As a result, customers are increasingly demanding the products they love in their favorite hotels. “The philosophy of retailing hotels is more widely accepted now,” Mancebo says, noting that last year Marriott started an online retail program (shopmarriott.com) because they had guests tearing beds apart and contacting vendors, asking how to buy them. “A lot of thought goes into the design and people want to tap into it and their experiences. It is wonderful to be inspired and take the step further and bring it home.” Part of the reason people want to take hotel products home is because they know they are getting quality products. “They can trust that it doesn’t shrink, fade, and holds up,” Mancebo says. “We basically have test driven the product.” Young agrees: “Westin revolutionized the hotel bed. Before the Heavenly Bed, no one wanted to take hotel sheets home. Now with more people traveling and wanting to nest after being exposed to design from so many outlets (HGTV, Target), hotels have had to up the luxury quotient.” And he thinks a sense of finding something unique plays a role in the purchase as well. “They are taking home a bit of luxury with a level of exclusivity,” he says. “Hotels feature products that customers can’t buy on Main Street. It is great that there is a Pottery Barn on every corner, but then again they are on every corner.” In fact, the retail program of W Hotels, who sell nearly 1,000 beds and 20,000 signature pillows a year, has evolved into a “sort of lifestyle authority,” says Ross Klein, president of W Hotels Worldwide. The company’s seven boutiques, dubbed W Hotels the Store (more are scheduled to open in other W properties in the next two years), catalogue, and website (whotelsthestore.com) not only sell furnishings, but unique, hard-to-find jewelry and handbags, limited edition apparel, CDs, and more. “It’s all the stuff you can’t find in department stores. Local trendsetters see it as a source for what’s hot before it becomes hot,” he says.

But not all hotels are tapping into their full potential. According to Hoteluxury’s study, 90 percent of hotels are selling signature items such as hats, robes, and bath amenities. Only 20 percent sold linens; 16 percent sold mattresses; and two percent sold furniture and furnishings. “Hotels are just touching on where they could go. They could extend the brand further,” Goldstein says. “They could double their revenues if they start selling their furnishings. It is a missed opportunity by only selling the small stuff.”

The problem? Many hotels don’t have the ability. Of the 40 percent that had a retail program, only 8 percent had a formal one. “You would be surprised how many housekeeping departments took care of requests,” Goldstein explains. So Hoteluxury, like other companies such as Boxport and Hotels at Home, are providing web-based solutions for hotels that don’t have the manpower to handle the high demand of requests.

Nine Zero, a boutique hotel in Boston, hired Hoteluxury to handle its retailing. “At the end of the day, we are hoteliers and Hoteluxury are the retail experts. Having it managed professionally ensures the success of the program and lets us focus on what is most important, our guests,” says Thomas Holtmann, director of operations for the hotel. Now, by logging onto www.ninezero.com or ninezero.hoteluxury.com, guests can buy everything found in the hotel’s guestrooms or even purchase the entire lobby—for a mere \$145,237. And Hoteluxury is taking a designer approach by offering information on the website about Nine Zero’s designer, Dallas-based Wilson & Associates.

Boxport, who boasts clients such as Kimpton hotels, Shutters on the Beach in Santa Monica, California, and the Borgata Hotel and Casino in Atlantic City, New Jersey, has started supplying furnishings for another market: the condo-hotel. For instance, for the W Dallas Victory, Boxport is offering condo buyers several all-in-one pre-furnished packages that reflect the hotel’s design. An interactive online showcase (and print brochure) guides the client through the concepts, including a detailed walk-through of floor plans, and furniture placements and finishes. And Boxport manages the process, overseeing budgets, margins, and timelines to reduce costs and streamline the product flow in effect allowing the developer to offer a turnkey solution at the time of sale. “Condo buyers are so hungry for it,” Young says.

And with less than six percent of the population hiring an interior designer, it makes sense for hotels and condo-hotels to sell their rooms that have been outfitted by top designers. “Hotels put a tremendous amount of investment in the design, and now customers can access an interior designer’s thoughts that they didn’t have access to before,” says Sarah Bates, vice president of Hoteluxury. Plus, it is a win-win situation for all involved. “It is new income for the designer, hotel, and vendors,” Bates adds. (Some hotels, like Nine Zero, are giving designers a percentage.)

But Robin Holt, director of the Seattle-based Callison Architecture, says more hotels should be creative in the channels they use to market and sell their product. “Not everyone knows about the websites. There should be a button on the phone that guests can touch and order the bed they just slept in. Or they could sell products on touch screens on the televisions,” she says. “There should be touch points along the journey.” But she warns hotels not be too sales-driven. “It’s still about guests getting away from it all,” she says.