

Hampton turns to guests, developers for innovation

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Story Highlights

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MIAMI—The evolution of the Hampton Inn brand has come a long way in 28 years, and brand executives met with media this week at one of the newest properties—a new-build urban Hampton Inn & Suites on the south side of downtown Miami—to discuss where the brand is headed next.

Hampton underwent a first-of-its-kind transformation six years ago, implementing 127 brand-wide initiatives such as free breakfast and curved shower rods. Now leaders at the upper-midscale brand are focused on continuing to stay ahead of the pack and leading innovation in its segment.

"How do we strategically think about how this brand will evolve? How are we proactive over reactive? How do we think about Hampton from an experiential perspective and how do we develop a roadmap around that?" asked Phil Cordell, global head of focused service and Hampton brand management for Hilton Worldwide. "To me it's about keeping Hampton alive, keeping the brand relevant and differentiated for the next 28 years."

To accomplish that goal, Hampton has employed several strategies, most of which involve learning from both developers and guests.

Listening to the guest has always been a very important part of what Hampton does, Cordell said, whether it be via surveys, social media or other avenues. A new slogan, Hampton Alive, has been introduced to convey Hampton's continuous innovation process.

The brand recently embarked on a series of sessions called "Voice of the Guest," where executives spend Saturday mornings together learning about Hampton and its competitors. Another recent initiative, called Trendair, gives the senior leadership team the opportunity to mingle with members of Generation Y to ask questions and get to know the latest buying trends. Hampton will ask questions such as "What do you buy? What do you eat? How do you consume media?"

"I wonder how often our industry takes the times to step back and listen to the world outside our industry because that's how we're going to have to stay relevant," Cordell said. "When it comes down to the core, it's people and how they're changing and how that impacts our industry."

Kurt Smith, VP of product quality and innovation for Hilton's focused-service brands, described Hampton's innovation process. The steps: 1) listen, 2) ideate, 3) generate, 4) test, 5) evaluate, 6) refine, 7) launch and 8) measure.

One example, Smith said, is that by end of November all 1,850 Hampton hotels will have oatmeal and 12 toppings hotels can choose to put out. The oatmeal initiative is brand-funded, meaning hotels will receive the product, an explanation and the signage for the guests for no additional cost.

"We felt it was important enough and that it will get the breakfast experience to the next level," Smith said.

[UpperMidscale Ad Will Appear Here](#)

As another major initiative to get their finger on the pulse of today's traveler, Hampton executives work with Getty's Hospitality Design, Procurement & Development to research travelers and brainstorm ideas to stay ahead of the curve. Getty's led an innovation forum this week at the Hampton media event to showcase how the company spurs creative ideas in response to traveler trends.

And finally, Hilton has stressed an increased focus on cross-selling, or informing a guest who might be in the wrong hotel about another Hilton brand nearby. The number of people who call one brand and are sent to one of Hilton's other system brands—Homewood Suites, Home2 Suites, Hilton Garden Inn, Hilton Hotels & Resorts, etc.—measured more than US\$1 billion in revenue in 2010 alone.

Hampton and Hilton cross-sell the most, Cordell said. "We realized it's not so much about the demographics of the guest but the psychographics—why they're traveling and what they're looking for."

Geography of Hampton

Seven or eight years ago, Hampton executives realized there was a great opportunity to develop Hampton hotels in urban markets because urban hotels can drive rate to the tune of many full-service hotels.

"We realized the roadside driver that is willing to pay (US)\$139 along the roadside also is willing to pay (US)\$600 in midtown Manhattan," Cordell said. "So we have a significant opportunity in urban markets."

Today, Hampton has 70 to 80 hotels in U.S. urban markets—including a dozen in Manhattan—but none quite like the newly opened Hampton Inn & Suites Miami/Brickell-Downtown. The 221-room hotel, developed by Hospitality Operations, will achieve LEED-Silver status in the early part of 2012 as it features a host of environmentally-conscious measures, including in-room occupancy sensors, low-flow faucets, dual-flush toilets and a 35,000-gallon cistern to harvest rainwater to be used in public restrooms and for irrigation purposes.

The Hampton brand continues to grow, albeit slowly, in Canada and Mexico. Future international growth will focus on the BRIC countries but will be precisely calculated.

"We want to grow across the ocean, but we realize we couldn't just drop a Hampton Inn across the ocean; it wasn't going to work," Cordell said. "We need to make it nicer, alter the service, etc."

Hampton now will focus on translating the brand into something that resonates in different international markets. The staples—free Wi-Fi, free breakfast, a large white bed—won't be negotiable.

"Primary growth thus far has been in Western Europe, and now we're heading into Eastern Europe, regions such as Turkey," Cordell said. "China is going to take awhile; it's least mature. Many companies left China with their tail between their legs because they did not know what to do."

Cordell said in China there isn't a midscale brand, per se, so Hampton's opportunity is to develop the right product at the right price point. "We're a couple years away from our first Hampton in China, but that's very purposeful," he said.

In the U.S., development has slowed dramatically. In 2010, Hampton approved approximately 60 projects. In 2011 that number will bump to about 70 or 80, but far off from typical years of around 130.

"We'll actually approve more projects in Europe in 2011 than we will in the U.S.," Cordell said.