

Independent Insights

Tips for marketing hotels post-renovation

21 AUGUST 2018 7:13 AM

In three case studies, independent hoteliers share how they communicated with guests, built strategic marketing plans and worked with revenue managers to find the ROI in renovations.

By [Stephanie Ricca](#)
srcicca@hotelnewsnow.com
[@HNN_Steph](#)

REPORT FROM THE U.S.—While refreshed designs and amenities are the most visible proof of a hotel renovation, the real payoff comes when hotels can successfully raise rates to match their new and improved products and services.

For three different independent hotels that recently completed comprehensive, multi-year renovations that payoff required well-planned marketing strategies, constant communication with revenue management teams and a strong grasp of consumer trends.

Woodstock Inn & Resort
Woodstock, Vermont
No. of guestrooms: 142
Scope of renovation: Full property, from 2016-2018



To garner higher rates, The Woodstock Inn & Resort added several new room types to the property during its renovation.. Shown here is the Mary Rockefeller Suite. (Photo: Woodstock Inn & Resort)

One of the goals of the Woodstock Inn & Resort's comprehensive renovation was "to capture more of that affluent, luxury traveler," said Courtney Lowe, director of sales and marketing at the resort.

Design was a big part of the \$16.5-million renovation, Lowe said. Matching the 200-year-old hotel's Federal-era history was a top priority, and the hotel captured that through vintage and period-style furniture, historically accurate colors and what Lowe called "modern amenities, but still a historic edge of what these Federal-era buildings would have."

Those efforts supported the hotel's ultimate goal—raising rate.

"We wanted to focus on (average daily rate) because in these very seasonal markets such as Vermont, with winters like we have them, you often have three seasons, not four," he said. "So you can max out pretty quickly on occupancy, which means your other avenue is to drive rate. Being a luxury property means capturing more of that luxury affluent traveler who can attach to our brand and want to be a part of it."

To get there, Lowe said much of the rooms renovations centered on creating several new room types that could command higher rates, thanks to elevated design and amenities.

The hotel stayed open throughout the two-year process, and one thing Lowe said was very important is that the staff never used the word "renovation" when talking to guests. Instead, they talked in terms of "enhancements and refurbishments," he said.

"We didn't want people to feel we were taking the walls down; everything was still livable," he said.

Playing up activities and amenities that weren't part of the renovation dust also was big, he said, as was being transparent with guests about what was going on, to get people excited about new changes.

When it came to messaging guests, Lowe said the hotel staff had a multipart approach that involved talking to guests, sharing letters at check-in, talking with conference groups and other groups about what was coming in advance, news releases and maximizing the various distribution channels.

On social media, Lowe said his team waited until about halfway through the renovation to start sharing pictures "because we wanted to show progress," he said.

Lowe said showcasing the renovation was critical, since the hotel's focus was more toward brand marketing than transactional marketing. That meant the team not only created new videos and updated photography, but they also created a full marketing suite of new fonts, colors and a style guide for marketing materials.

"The goal is a long-term plan," he said. "You can't just say, 'hey, we're now a super-high-end property, so come pay more money!' We understood that we needed to get people here and they needed to tell others who may not have tried us before because we weren't on that level."

Lowe said it was important the hotel could retain many of its long-time loyal guests who were used to paying certain rates, and that factored into the revenue-management strategy.

"Over the next two months, the new rate strategy will be in place," he said. "On the entry-level side, rates are still within reason. Guests who have been coming here for years may not pay a lot more. It's on the top-end side where we're gaining the additional ADR."

**Harbor Court San Francisco
San Francisco**

No. of guestrooms: 131

Scope of renovation: Full property, from November 2017 to July 2018



Maximizing large lobby space and creating more revenue-generating areas were important for the renovation of the Harbor Court San Francisco. The renovated lobby has meeting rooms, communal tables and 24/7 grab-and-go food options. (Photo: Harbor Court San Francisco)

Before this current renovation, the Harbor Court's last update was 14 years ago, said GM Todd Metzger. With a prime location in San Francisco's historic YMCA building and proximity to the city's bustling waterfront, Metzger said the hotel needed to update in order to capture additional revenue opportunities.

"When we looked at what was in the area as far as product type, one thing missing was that full-service-slash-limited service feel," he said. "We wanted to serve the people who want to get a great room in a great location and add on all the features and touches you want, like a latte from the lobby restaurant or a grab-and-go sandwich."

The hotel's layout—the top five floors of the historic landmark YMCA building—was unique in that all the guestroom types are single-bed rooms, but the hotel has a lobby that's much larger than normal for the neighborhood, Metzger said.

That meant that in addition to renovating guestrooms, a big focus was showcasing the lobby by creating flexible co-working areas, like fireplace sofas and glass-enclosed rooms, and a 24-hour grab-and-go option that complements the hotel's adjacent full-service restaurant.

Updated amenities create value that translates to the bottom line, a critical marketing approach, Metzger said.

"Renovations can be about staying relevant, but for us specifically it has to be about more than that—you want ROI on the investment," Metzger said. "Our ownership and management (the hotel is owned by LaSalle Hotel Properties) fully expected an ADR lift, which we've been able to achieve. It's been about moving new clients in at a rate and also helping our regular clients into a category that works for everyone."

"For us and our ownership, we laid out a five-year ROI well before any aspect of the renovation was approved, and at the six-month window (from completion) is really when we started to dig into the marketing," he said. "Our renovation happened in between two budget periods, and we have a lot of business travelers, so we had to know where we could potentially sell to business travel clients at a price where we could meet at a happy medium."

Metzger said the plan has been successful so far. And while the hotel went through the typical marketing strategies like press releases and social media outreach, he said "we wanted to give the hotel a month where actual guests see it and let them be our marketing tool."

Revenue management and marketing to various segments is working too, he said.

"We break our segmentation into about eight or nine categories," he said. "We felt that for this hotel, the lowest-hanging fruit was to make it more attractive to the leisure traveler, because that's personal money being spent. We've been able to grow ADR in this segment, which for us is bringing the lowest segment up."

Overall, Metzger said ADR has jumped about \$30, driven by that leisure traveler.

“They’re enjoying the product—a refreshed look in a historical building,” he said. “We have a great story, and guests are looking for an experience.”

Claridge House

Chicago

No. of guestrooms: 165

Scope of renovation: Full property, from December 2017 to May 2018



Claridge House in Chicago re-branded from a Hotel Indigo with a full-property renovation, so creating hotel spaces appealing to regular guests as well as new visitors was important. (Photo: Nicholas James Photography)

For Chicago’s Claridge House, marketing itself following its recent full-property renovation was about more than just talking about updates—the hotel had to shed its previous image as part of a brand, while still hanging on to loyal guests.

That meant communication and transparency were key, said director of sales and marketing Haroon Chaudhry.

That meant always talking to guests about what was happening, when certain areas of the hotels would be closed or moved and what the next iteration of the hotel would look like, Chaudhry said in an email interview with Hotel News Now.

Marketing plans started about two months before the renovations began, when Oxford Hotels & Resorts took over management for the Interwest Capital-owned hotel.

That plan was very hands-on, he said.

“When we had renovated sleeping rooms on one floor, we invited clients to see what our new product would offer,” he said. “We shared all renderings with clients and potential clients. We worked closely with surrounding restaurants and bars and we partnered with outlets to host our guests while we were under renovation. Once we finalized the concept of our restaurant, we informed clients that Chef Nathaniel Cayer and Grant Gedemer of the Godfrey Hotel Chicago would be heading the team at Claridge House’s new restaurant. ... The response was out of this world, as they have an impeccable F&B reputation in Chicago.”

Getting the word out now that the hotel is no longer part of the Hotel Indigo brand required careful attention to language and wording, particularly on online channels, Chaudhry said. The hotel team employed many digital marketing tools to target new guests and to make sure guests searching for the hotel’s previous name would find Claridge House.

On online-travel-agency channels, Chaudhry said the hotel made sure its listings said it was formerly the Hotel Indigo, but also listed under new hotels.

He said social media efforts “have been knocking it out of the park,” particularly for leisure guests, not only with original posts, but through social advertising efforts, as well as Google advertising.

When it comes to raising rate, Chaudhry said he and the hotel's revenue management team work very closely together.

"It is a tricky thing to push rate for a brand-new, independent, boutique hotel that did not have large coverage due to brand limitations leading into the grand opening," he said. "Our goal was to show the renovated property to as many people as we could, while maintaining an ADR that would showcase our product as a four-star property."

Those efforts are paying off, Chaudhry said.

"We could not justify a certain increase in ADR without our travelers seeing the renovation via personal visits and marketing," he said. "Occupancy is there; justifying rate increase takes time and patience, but we have had a successful strategy in place that has steadily increased our ADR since Claridge House has been officially open."

Link to article: <http://www.hotelnewsnow.com/Articles/289001/Tips-for-marketing-hotels-post-renovation>