

Hotel Business

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Q&A with Alexandra Jaritz, Tru by Hilton

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Alexandra Jaritz, global head of Tru by Hilton, has big plans for the brand. The executive—who has held roles at Choice Hotels International Inc., Ernst & Young LLP and Lehman Brothers Inc.—discusses why the brand has resonated with guests and owners, and how the midscale segment is evolving.

How is the midscale traveler of today different from the midscale traveler of 10 years ago? A huge difference in today's midscale traveler compared to 10 years ago is how they prioritize technology. Today's consumers are always plugged in whether it's on their laptops, tablets or smartphones.

Another difference is the increased desire for human connection. Now, consumers want more than just a place to rest their heads; they want to be able to connect with other travelers or be “socially alone.”

Tell me a little bit about your development pipeline. Are there any projects you're particularly excited about? Tru by Hilton has more than 470 hotels in various stages of the development process, including nearly 300 in the pipeline, which is the fastest brand launch in the history of the hospitality industry. Since our first property opened last year, we've opened 12 properties to date. We expect to open roughly 50 properties by the end of 2018. We have signed agreements in 43 out of 50 states, and three development deals in Canada.

Since the properties have performed incredibly well thus far, owners are gaining confidence to build in higher-barrier-to-entry markets, including Las Vegas, which opened in December, and downtown Seattle, Denver and Orlando, where we have just signed deals for development. I'm excited to see us entering more billboard markets.

How would you describe your growth? Tru by Hilton's growth has been a combination of opportunistic and strategic. When Hampton by Hilton moved into the upper-midscale segment, we saw an opportunity to be a true game-changer in the midscale market. Before Tru, the existing midscale segment landscape was filled with generic product that is inconsistently executed, forcing consumers to compromise between price and a quality experience. We are the very first brand to meet the needs of a previously underserved group of travelers, who seek simplicity and value without compromising quality and design.

What do you see as the drivers behind Tru by Hilton's growth? Since its launch, Tru by Hilton has experienced unprecedented growth that can be attributed to many things, one of which being that Tru was strategically designed to offer a strong value proposition for both owners and travelers. We worked hand-in-hand with our Midscale Advisory Group, a team of 10 dedicated and innovative Hampton owners, to create a hotel that met consumer demand while generating a compelling ROI.

We knew [existing midscale] hotels weren't meeting the needs of today's travelers. With Tru by Hilton, developers have a new and innovative way to enter the midscale segment that fills this unmet need.

Additionally, as Tru is an all new-build brand, developers also have the option to scale the prototype up to 130 rooms or down to 82 rooms without any significant adjustments needed to the front or back of house spaces. And, the land requirement for a property is only 1.58 acres, offering greater flexibility for developers to choose the location and room count of the property.

And finally, beyond our owner value proposition, we cannot underestimate the power of leveraging Hilton's name and track record of developing, launching and maintaining successful brands. Adding "by Hilton" to the name immediately adds credibility with both owners and guests who appreciate the reliability associated with Hilton.

What do you consider to be the most important aspect of your role? Now that we're approaching the one-year anniversary of the first-ever Tru by Hilton property opening, I feel that the most important aspect of my role is to evaluate our successes and identify areas where we can improve and innovate. Over the last year, Tru by Hilton has been focused real-time on incorporating learnings from the Oklahoma City grand opening and further value-engineering the prototype in close collaboration with the Midscale Advisory Group, Owners' Advisory Council and new developers, as well as utilizing guest feedback. We've been working to implement changes to improve the guest experience based on this feedback that will be rolled out this year.

One of the things we've seen through our guest feedback is a consistent desire for more in-room work surface area, especially for business travelers and more seasoned Hilton Honors members. We've listened to and collaborated with our Tru by Hilton owners and internal Hilton partners to develop a desk solution that is simple, cost-effective and meaningful for our guests. Innovation is always an iterative process, so when we received feedback about guests desiring a desk, we saw it as an opportunity to make thoughtful changes to meet that need.

Do you view it as a positive or a negative that there's a more crowded field these days? How so? We see competition as positive. It motivates us to continue looking for ways to innovate our current offerings to ensure we're meeting our guests' and owners' needs. We believe there is no other hotel brand that offers the consistency and innovative approach at this price point. Tru by Hilton is "tru-ly" leading the way as a game-changer in the midscale segment. We are excited to bring a product to both our guests and owners that marries value and quality. Furthermore, Tru by Hilton is not a concept—it's a reality. We already have 12 hotels open, as part of a pipeline that could see another 50 hotels open by the end of 2018... As the new player leading the way in this category, we're so excited to have the fastest brand launch in the history of the hospitality industry. Tru has completely changed this hotel segment, acting as a catalyst for other hotel companies to follow suit. HB