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Tru by Hilton opened at the Las Vegas Airport in 2017.

Picking Up The Pace

Tru By Hilton Continues Rapid Development Push With Sizable Pipeline

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So-called “critical mass” can be a very subjective number in the lodging industry, but there’s no denying that Tru by Hilton is well on its way to achieving just that as the brand expects to open roughly 50 properties in 2018 and nearly twice that figure in 2019.

This comes on the heels of the midscale brand—which was only launched in 2016— having officially opened 9 properties in 2017. With the opening of properties in Garland, TX and Farmville, VA earlier this year, the brand currently has 11 properties open with nearly 300 in its active development pipeline and some 470 deals signed in total.

Alexandra Jaritz, global head of Tru by Hilton, addressed the brand’s explosive growth. “It’s obviously starting to speed up, but so far everything is going according to plan. These are exactly the numbers we had hoped to hit in terms of openings and executed deals, if not better,” said.

The brand debuted its first property, and Hilton’s 5,000th overall, last May with the Tru by Hilton Oklahoma City Airport and subsequently opened hotels in McDonough, GA; Lancaster, PA; Cheyenne, WY; York, PA; Murfreesboro, TN; Stuttgart, AR; Las Vegas, NV; and Portland, ME.

While many of the properties are in secondary or tertiary locations, Jaritz added that getting the brand into larger, higher visibility markets is also a top priority.

"It is definitely as we're starting to see these first few hotels performing incredibly well it is giving the confidence for owners to build in higher barrier-to-entry markets. So that is going according to plan as well. I'm not surprised that initially it would be smaller markets," she said.

Jaritz pointed specifically to the brand's Las Vegas airport hotel as being significant. "That's obviously a big one as well in terms of billboard effect. We're definitely starting to get that billboard effect through these metropolitan, larger barrier-to-entry markets," she said.

Jaritz further noted the brand has inked deals for properties in downtown Seattle, Denver and Orlando. She also pointed out the primarily new-build brand has agreed to a pair of adaptive reuse projects in Minneapolis and San Antonio, which she described as "another way to be smart about going into billboard markets."

Meanwhile, the nascent brand continues to evolve and will be unveiling a version 2.0 in the second quarter of this year. Jaritz noted the changes, which she described as "tweaks," are based on feedback from franchise partners.

"We're listening to our owners. We're adapting and prototyping real time to get those learnings into the system so they can be adapted as quickly as possible given the pipeline that we have. It's not at all a huge departure, but it is some meaningful changes that we believe will further improve overall guest satisfaction," he said.

Jaritz pointed to a couple of keys for the brand going forward. "Consistency is really where we're putting a stake in the ground for this brand," she said, particularly in reference to factors like cleanliness, design, look and feel.

Jaritz noted the second stake was the brand's signature open marketplace, which includes a large social 2,880-square-ft. lobby space with areas for guests to work, play games, eat and lounge. The space also includes its 24/7 "Eat. & Sip." market, which has gourmet snacks and drinks.

"There's a lot of delight around having single serve beer and wine and a lot of delight by offering a selection of truly local items that bring to light the locale of where the hotel is. There are a lot of fun and unexpected meal options as well. It has actually been a real guest delighter and something that really differentiates the brand so that will continue to be a real focus for us," said Jaritz.

Because of the large open space and the fact that the brand utilizes a smaller footprint than typical hotels, guestrooms are not quite as large. But Jaritz maintains that guests have responded well, particularly to some of the other characteristics such as a 55-inch TV; a "super comfortable" bed; large shower; and seven-foot wide windows.

She further stressed the importance of managing expectations. "One of the things we did very early on and we're working really hard on is to educate the customer ahead of time so it's not a surprise. These are smaller, more purposely built guestrooms. That room is so purposefully designed that if you look at some other hotels that are larger we have been so smart about the utilization of space that in some cases guests don't really think it's all that much smaller. It's just more efficient," said Jaritz.

In addition, the company has introduced a global work center, which can be retrofitted into guestrooms with the existing FF&E. In an effort to demonstrate its partnership with owners, Hilton has offered to share in the cost of the desk.

Jaritz acknowledged the brand has been making progress in terms of brand recognition while pointing out that some 70 percent of the company's customers thus far have come from Hilton's loyalty program, which is a greater percentage than all of the company's other focused-service brands.

But Jaritz that's only part of the story. "The other avenue of parallel that we're driving is awareness with new customers who have not been part of the Hilton family because either they couldn't afford it or it wasn't the brand that they were looking for. We're using a lot of different influencer strategies and tapping into the hotels in their local markets, as well as feeder markets for those hotels. We're really using the beauty of the product to drive engagement online with these influencers," she said.

Jaritz added that brand will be partnering with a number of leading consumer recognized brands in the near future as well. "So we're looking at very creative ways to go after new customers, in addition to continuing to educate our existing ones," she concluded.

