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How Tru by Hilton plans to disrupt the midscale segment

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OKLAHOMA CITY, Okla.—Just 16 months after the brand was [first presented](#) at the Americas Lodging Investment Summit, [Hilton](#) has opened its first Tru by Hilton hotel. And while the brand has more than 425 hotels in development, the premiere property did not open in Manhattan or Los Angeles, but in Oklahoma City as the 5,000th Hilton hotel worldwide.

Owned by Champ Patel at Champion Hotels—a company that is behind another 15 Tru hotels—the debut property has 86 rooms.

Tru Origins

The brand was created to fulfill a need, said Phil Cordell, Hilton's global head of mid-priced brands. “We started to identify what some of the dissatisfiers and satisfiers were in the segment, and we quickly diagnosed that there was no one out there today that we would really want to look at to tweak.” Hilton tapped Cincinnati-based [FRCH Design Worldwide](#) to create a new midscale hotel in early 2015, and the concept [began to take shape](#).

Rather than adapting an existing model, the Tru team opted to recreate, and reached out to existing Hilton owners to determine what the new brand needed. “They’re the ones who build them so they know what works, what doesn’t work, what’s the cost of efficiency,” Cordell said, noting that the owners became “pioneers” for the brand.

As the team developed the new brand, they encountered little bureaucratic interference to slow

development down. “Sometimes within a major corporation there's lots of bureaucracy, there's lots of process, there [are] lots of steps,” Cordell said. “In this case, we pulled together a very small core team that enabled us to think like entrepreneurs—but in a corporate environment.” The combination provided valuable resources and allowed for rapid development. “There was a lot of trust placed in this team so we could make the decisions quickly and execute quickly and have the right partners on board that we needed to have on board to be successful,” said Alexandra Jaritz, global head of Tru by Hilton.

Keep it Simple, Keep it Clean

Targeting transient guests who would only stay for a night or two, the team focused on utility and having as few moving parts as necessary in the 231-square-foot guestrooms (compared to Hampton's average of 340 square feet). They also sought ways to drive down costs—both by avoiding unnecessary elements and by minimizing the amount of maintenance each room would require.

With cleanliness a top concern, the team selected bedding that could be easily removed and washed, so that even the top sheets and sham pillowcases are cleaned for each guest. Instead of a carpet that would need to be vacuumed daily, luxury vinyl tile in the form of hardwood floors are easy to sweep and maintain. Three of the walls are white while an accent wall provides a contrasting color, and the windowshade serves as abstract art in its own right. The rooms also eschew closets or chests of drawers that would need to be cleaned and maintained, but use hooks and rods on the walls for storage, and in-room coffeemakers have been scrapped in favor of a 24-hour complimentary coffee station in the lobby.

While the guestrooms are small and streamlined, the hotel's large lobby (2,880 square feet) is packed. There's a breakfast area (lots of tables), a socializing area (plenty of chairs), a game area (“stadium”-style seating on stacked cubes and a pool table) and a work area (sound-resistant cubes with tables). In the middle of it all is a circular main desk that doubles as a market, selling snacks and sundries, including local specialties to convey a sense of place.

In the bathrooms, the walk-in showers (easier to clean than tubs) have soap, shampoo and conditioner dispensers, which lets owners buy amenities in bulk and save money.

As the first hotel neared opening, the differences between a blueprint and an actual hotel became apparent. Lighting had to be reconfigured so as not to be glaring, and accent walls kept the “clean” white aesthetic from becoming “sterile.” Other small changes will become part of the prototype for upcoming Tru hotels, Jaritz said, and owners will be able to adjust each hotel to suit its location and target demographic.

“I think it's the marriage of form and functionality with what a guest needs,” Cordell said of the design, and estimated that each new-build hotel will cost \$88,000 to \$90,000 per room. The company is “value engineering” to lower costs, he said, but noted that construction costs are rising, and could make initial development more costly.

Disruption

The Tru by Hilton Oklahoma City Airport is also a sign of the increasing growth of the upper-midscale segment, Cordell said, noting that more than 60 percent of Hilton's new growth falls into that category. “This is not a brand that is for everyone,” he said. “If you look at some other companies who have lots of product all grouped around midscale, it can get a bit confusing.”



The lobby of the debut Tru by Hilton in Oklahoma City

But while Cordell and Jaritz and the entire team have worked to keep Tru distinctive from Hampton and Hilton Garden Inn, they have also seen strong demand for upper-midscale product. According to Hilton's numbers, the brand has the fastest-growing pipeline in the history of the hospitality industry, and has captured approximately two-thirds of all net pipeline growth associated with the midscale segment since it launched in 2016

"This brand is disrupting the midscale segment," Jaritz said. "With that also comes the responsibility for us, which we take very seriously—we have to educate our customers. And really we have to help them, in some cases, think about things differently. And so we're spending a lot of time through our team members, through our marketing, to set the expectations of the customer ahead of time so they (a) understand why it is the way it is; (b) understand how to best utilize the space, and (c) to help them understand all of the benefits they're getting. And so there's an educational piece about being a pioneer and doing something very different. And that's an important part of the equation, too."