

News

HOTELS Interview: Residence Inn expands, renovates

By Nathan Greenhalgh on 11/11/2011

The Residence Inn by Marriott extended-stay brand of Marriott International, Bethesda, Maryland, has been establishing footholds outside of the U.S. lately and is implementing a renovation theme.

Diane Mayer was appointed vice president and global brand manager of Residence Inn by Marriott in June. Mayer started with the company in 1994, and throughout her tenure at Marriott, Mayer has been involved in various aspects of the brand and been actively involved in Residence Inn's recent evolution and positioning. She is now responsible for creating and driving the business strategy and performance for the brand.

HOTELS recently talked to Mayer to find out more about her plans for the brand and its future direction.



Diane Mayer

HOTELS: Hyatt is integrating lifestyle hotel features into the extended stay segment with its new Hyatt House brand. Do you think that the segment needs to be modernized and what changes is Marriott planning for Residence Inn?

Diane Mayer: I think that as an industry, because we are a completely bricks and mortar business, staying fresh is a challenge. We've always been focused on providing a brand that is most in-touch with how guests travel than any other brand in the business.

Like any other brand, we have some hotels that are new and some that are older.

We've spent a lot of time in the last two years developing new renovations and new prototype rooms. We released a new renovation theme earlier this year, developed in 2010 and based on consumer research.

For example, we've really put a lot of emphasis on the seating in the guest suite, and having a really comfortable sofa. What makes extended stay and Residence Inn is that it has its own spaces. We have reconfigured our kitchen a bit, it will have more of a great room feel. Also an orientation to the outdoors has been implemented, the orientation toward outdoor light.

HOTELS: Do you have a new prototype of Residence Inn under development?

Mayer: We have developed a new prototype room. It's a completely new guest suite with new kitchen space and comfortable seating in the living area. We took cues from style research and residential construction trends. We did a lot of survey research earlier this year. There's greater emphasis on showers rather than bathtubs, which is more in line with the guests' lifestyles and delivers a nicer experience with more efficient use of space.

HOTELS: How is the brand currently performing in terms of ADR, RevPAR and occupancy?

Mayer: We're having a really good year, all of our key metrics are up. We historically done well on the index, we have a very strong RevPAR index.

We run the highest in the industry and in the Marriott portfolio, with the exception of Ritz-Carlton. With extended stay occupancy, we're seeing increased demand there. That's what drives profitability.

HOTELS: Where is Residence Inn looking to expand outside of North America? Which regions look promising for the brand?

Mayer: We opened our first Residence Inn in Europe in October, and our second opened in Edinburgh, Scotland, this week. We're going to open one in Bahrain and another next year in Saudi Arabia. We have another property that is going to open in Algiers, Algeria, in 2014. Germany is one market we're looking very closely at. It's the obvious place in Europe.

HOTELS: Anything planned for Asia Pacific?

Mayer: It's more an issue of sequencing. The barrier of entry there, particularly in China is an issue. But it's more a question of when, not if. It makes more sense for us to lean into markets after our master brands. What we think is the best strategy is to have Marriott go in with Courtyard, and then have Residence Inn follow so we're not confusing customers.

HOTELS: How are you positioning the brand in parts of the world less familiar with the extended stay segment?

Mayer: The main thing that we're doing different is not from a marketing perspective but how we fine-tune the product.

We have a little bit more food and beverage offerings in Europe than in the U.S. In the Middle East, they are used to a very luxurious product, they are used to a lot of space so in some cases guestrooms larger than in the U.S. The product is really tweaked to reflect the lifestyle of that region.

HOTELS: How are you managing costs to help facilitate development?

Mayer: We have a very strong relationship with our franchise community. We have a very strong and engaged franchise board. They had a very aggressive role both on the renovation materials and also as we've been working on the new-build model.

We've used some of their suggestions to keep our costs in line. I think some of our competitors have stumbled a bit. It's great to have a great design scheme, but if no one builds it that's a problem.