



Trading Up to Affordable Luxury

Boutique hotel takes its **design cues** from retailing

BY JANET GROEBER

Three years ago, InterContinental Hotels Group decided to pursue what it saw as an underserved market — travelers who were part of the “trading up” trend to affordable luxury.

“Our internal-strategy and decision-science teams identified and reviewed numer-

ous consumer trends [that] were being pursued and leveraged by the packaged goods and retail industries, but overlooked by the hotel industry,” says Jim Anhut, senior vice president of brand development for the Americas for IHG, the Atlanta-based parent company of the Crowne Plaza, Holiday Inn and InterContinental chains.

“Survey data validated our initial assumption that guests would trade up, across and down in order to experience the style and personal service of a branded boutique hotel,” he says.

As the world’s largest hotel group, IHG probably knows more about innocuous decor packages with motifs selected for their ability to camouflage stains than it does inspiring, brand-building design qualities. So rather than turn to a traditional hospitality designer, IHG chose Back Lot Productions, an Atlanta-based retail design and brand development firm, to re-think the hotel stay from a retail perspective.

The new concept, Hotel Indigo, seeks style-conscious travelers desiring experience and quality over mere functionality. Or, as

Checking In

Hotel Indigo targets travelers tired of the bland, unremarkable rooms offered by many mid-market hoteliers by implementing retail concepts such as seasonally changing graphics, bold colors and open spaces. Customers share a taste that reflects a desire for comfort and freshness and are likely to shop at Restoration Hardware and/or Pottery Barn.

IHG senior vice president Kirk Kinsell puts it, “We’re targeting the upper mid-scale customer who is tired of staying in an office with a bed in it.”

The first Hotel Indigo opened in Atlanta two years ago; there are now franchised units operating in Chicago and Palatine, Ill., and a fourth is scheduled to open at Houston’s Galleria in June.

The business traveler accustomed to paying more than \$250 a night will find Hotel Indigo has the same plump pillows, comfortable bed and invigorating shower head of its premium-priced counterparts. Depending upon the locale and season, however, Hotel Indigo guests can expect to pay anywhere from \$89 to \$239 per night without giving up full-service amenities such as business and fitness centers, valet, room service, salon and concierge.



Banishing act

Kinsell, who oversees franchising and business development in the Americas, says most mid-market hotel brands suffer from industry sameness and “lack of a brand story.” He wanted to banish bland and beige from Hotel Indigo and replace it with a more aspirational lifestyle look.

Enter graphic designer Tracey Barker and architect Bart Mills, the “marketects” who make up Back Lot Productions. They’ve worked with hardline retailers like The Wiz, Staples, Hollywood Video and NordicTrack, but Hotel Indigo represented their first hospitality project.



“We were actually selected by IHG for our lack of hotel experience and specifically because we are retail people,” Barker says. Back Lot had previously worked with Kinsell on branding Hangers Cleaners, an environmentally friendly dry cleaning concept, and Mills characterizes Kinsell as “the one guy in hospitality that truly gets brands from the retail perspective.”

What could be more important than a first impression? From the exterior pergola designed to bring the outside in, to original musical compositions playing inside, Hotel Indigo is meant to appeal to all five senses. And that first one-on-one customer touch point is the reception/check-in counter. “Talk about a retail concept,” Mills says. “We lowered the counter from 48 inches, which would be standard for a hotel, down to 44 inches, which is a more typical cash/wrap height.”

By removing even a small portion of that barrier, Hotel Indigo immediately feels welcoming and personal. The curvaceous counter also echoes the nautilus design found in Hotel Indigo’s logo. Back Lot used not only the nautilus shell image, but pineapples, pine cones, sunflowers and palm fronds, all examples of the Golden Mean found in nature. In fact, much of Mills’ approach to Hotel Indigo’s design was influenced by the



STORE DESIGN

Golden Mean, a ratio artists, composers and architects have been using for centuries to create a feeling of order and balance in their work.

Order and balance are critical to creating successful environments, but people also crave change. Retailers have long understood that change is good, but it's not a strategy that many hoteliers have embraced. The typical lifecycle of a hotel decor package is seven years: If your favorite retailer took that long to change its windows, collat-



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(these are printed on easily-removable vinyl wallcovering) and public spaces that might be replaced several months later by pumpkins and autumn-inspired imagery.

eral and fixtures, it “probably wouldn’t be your favorite retailer,” Barker says.

Hotel Indigo is visually rich with realistic, “story-telling” graphics. Its collateral consists of seasonally inspired graphics (think fresh fruits, flowers and fabrics) that are changed quarterly. This includes oversized graphics in the reception area as well as way-finding signage throughout the hotel: The idea is that guests who may have visited only months earlier will be treated to fresh images that foster a sense of newness.

When the Chicago property opened in spring 2004, arriving guests were treated to oversized photos of indigo-blue irises and blueberries. Such images are part of a rotating collection of large-format graphics found in guestrooms

Something else Barker and Mills borrowed from retail design was the sense of open space. The lobby/reception area features an approachable check-in counter. By removing walls and other visual impediments, the area welcomes guests to sit in oversized upholstered chairs that feature different-sized arms (one large enough to handle a laptop or a cup of cappuccino) and, in true retail spirit, are available for sale.

As the name suggests, Hotel Indigo features plenty of blue on the walls and in textiles and upholstery. Bursts of complimentary colors, like oranges and greens, abound and contribute to Hotel Indigo’s freshness. The color blue is known to lower blood pressure and heart rate while offering a sense of be-

longing, Barker says.

There are other customer comfort-driven elements, as well. “We sat down for a number of one-on-ones with this target segment,” Mills says, “and the findings didn’t surprise us, because they confirmed what we were thinking.” For instance, he explains, “This group hates hotel carpet and will not walk on the floor barefoot.” Hotel Indigo, therefore, has real wood floors, which “is perceived as much cleaner than carpet,” Barker explains, “and it’s more residential.”

Curtains and drapes can play a large role in hotel rooms because they often cover entire walls. Barker and Mills opted for colorful sheers over white draperies. Not only do sheers halve the cost of window treatments, but they also lend an airy feeling to the room.

Trading up and down

While Hotel Indigo was conceived as a trading-up concept, “they’re getting a ton of trading down because the experience is so great,” Barker says.

Guests love the concept “and have rewarded us with some of the highest guest-satisfaction scores in the industry, regardless of price point or level of service,” Anhut says. IHG has been so pleased with Hotel Indigo’s performance that it plans to add another four to eight properties by the end of the year and hopes to have as many as 20 operating by the end of 2007.

Hotel Indigo’s locations are retrofits of older structures and hotels. In Chicago, for example, “we were able to leave some great architectural elements in place that offer a lot of character,” Mills says. Part of Back Lot’s design challenge was to develop elements and ideas that could be applied to a variety of architecture styles. The non-cookie-cutter ap-

peal of Hotel Indigo resonates with customers precisely because the properties, while reassuringly familiar, are not identical.

Customer reaction, Mills says, is “really all over the map. People walk in and say, ‘This is so Nantucket’ or ‘It feels very Caribbean’ or ‘It’s very Scandinavian.’

“People walk in all the time and say, ‘I wish I could decorate my house this way,’” he says.

STORES

Janet Groeber is a Cincinnati-based business writer.