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Case studies: Brands mix it up to market to millennials

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NATIONAL REPORT—Millennial travelers are changing the way hotel brands market themselves. When millennials embrace something new, society follows.

Typically, the term is synonymous with Gen Y and refers to those born after 1980. There are approximately 70 million millennials in U.S., according to the U.S. Census Bureau. With a consumer buying power estimated at approximately \$1 trillion, millennials have the freedom to travel with few constraints or obligations.

"Being boomers' kids, they're spoiled," said Steve Pinetti, senior VP of sales and marketing for Kimpton Hotels & Restaurants. Many of the travelers he meets who work in technology are approximately 22 to 25 years old.

First Hospitality Group

Bob Habeeb, president of First Hospitality Group, said he first became cognizant of millennials' effect on the hotel industry when he watched a "60 Minutes" television broadcast in 2007 on the new American workplace. Habeeb said he saw the need to research millennials as employees and travelers. Since then, his brands have boosted research and marketing toward the generation.



Millennial travelers can "plug and play" with their iPod and the guest room alarm clock-radio at the Holiday Inn Select O'Hare/Rosemont

described as "psychographically geared to the millennial traveler in every way." Kimpton Hotels & Restaurants

When Bill Kimpton founded Kimpton in 1981, he established a social wine hour at his hotels. Pinetti said that tradition has become increasingly popular with millennial travelers. The social hour also provides Pinetti with the chance to conduct some one-on-one research. He and other marketing executives attend the events to get feedback from millennial travelers. Pinetti said word-of-mouth drives about 60 percent of first-time guests to Kimpton properties, many of whom learned about the hotels through social media, such as YouTube and Facebook, which offer Kimpton further market research.

Kimpton uses Web podcasts to appeal to millennials, as well as free wireless, games and on-demand game systems.



Millennial travelers at Kimpton Hotels & Restaurants play Guitar Hero during the popular wine hour.

analyzed census data and conducted consumer focus groups, where marketing executives went into consumers' homes to interview them about their travel habits and get their opinions on photos of the new brands.

Korman said aloft's market research team targeted millennials by creating a 3-D aloft hotel in the online virtual community Second Life. That opportunity provided the company with feedback from more tech-aware users.



Millennial travelers network during wine hour at the Hotel Palomar, of Kimpton Hotels & Restaurants, in Washington, D.C.

Lucy Subhasirawatana, marketing manager for First Hospitality Group and a member of the American Hotel & Lodging Assn.'s Under 30 Gateway Council, said FHG is optimizing its website in order to enhance the Web experience, making it informative and fun for millennials.

Since adding an online video tour for the company's Hampton Inn & Suites Chicago-Downtown, FHG has seen increased web traffic.

On the property side, FHG hotels have converted entirely to flat-screen, high-definition TVs and use online brochures and recycled paper. This emphasis on being eco-friendly appeals to millennials' values.

First Hospitality Group is currently developing a new hotel in downtown Chicago, theWit, a Doubletree hotel, which Habeeb

Pinetti said travelers often tell him they can't tell who the hotel manager is—if every worker in the hotel has the authority to fulfill his or her needs, they appreciate it. Pinetti said 5 to 6 percent of Kimpton's travelers are millennials, and that number is increasing.

aloft and Element

Robin Korman, VP of marketing for the aloft and Element brands from Starwood Hotels & Resorts Worldwide, said millennials easily detect insincerity in marketing. When Starwood prepared to launch these two brands, Korman and other executives looked at trends among millennials and talked with managers on the corporate travel advisory board as well as consumers. They

Because aloft and Element were emerging brands, they wanted to capture millennials' loyalty early and maintain it for life.

Element tries to appeal to millennials' global awareness with its green certification, and aloft targets millennials by offering a 24-hour gourmet pantry and 42-inch LCD high-definition TVs. A plug-and-play device allows millennial travelers to use their iPods or laptops with the room's TV.

A blog, started by the driver of aloft's mobile marketing vehicle, provides relevant information for millennials. Korman said aloft has seen a rapid response from millennials, even though it just opened this summer. An interactive banner ad on its website shows a click-through rate of 2.5 times that of banners from the same advertiser on other sites. Korman predicted that the high Web traffic will carry over to both new brands.