

## Livelier lobbies lead to more buzz, revenue

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Consultants don't foresee an end to the trend of having energetic lobbies to promote guest interaction and revenue generation.



Bill Barnett of C9 Hotelworks: The current trend of lively, communal lobbies brings the hotel industry full circle to 100 years ago. (Photo: Harriet Lewis Pallette)

### Highlights

- The revitalization of the lobby space in hotels has been welcomed by all age groups.
- More efficient use of the lobby space provides more opportunities for revenue-generating areas.
- Communal areas should have planned activities to help guests mingle when they are ready.

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**About this series:** This is the second part of a four-part series of articles about how consultants from around the world view current trends in the global hotel industry. The content is a result of a roundtable discussion held during last fall's International Society of Hospitality Consultants' annual meeting in Berlin. The roundtable was moderated by Hotel News Now.

BERLIN—Lobbies have undergone the most dramatic transformation during the past decade when it comes to a hotel's physical features—but that doesn't mean their redesign is complete, according to a group of global consultants who participated in a panel discussion about current industry trends.

Interactive and lively lobbies in hotels isn't a new phenomenon, but it is fun to see, the consultants said.

"If you look back 200 years ago, 100 years ago, basically a pub was a place to meet. It was a place to have meals or anything else, and they have to have rooms," said Bill Barnett, managing director of Thailand-based C9 Hotelworks. "So we're back to that point. We can say we're innovating and changing, but we're back full circle."

### The return of the living space

The emergence of distinct age generations looking for interaction and the ability of mobile technology to promote it is driving the return to lobbies serving as the living rooms of hotels.

"We're talking about different generations, different individuals—X, Y, Z generations—and they're very connected," said Mike Chun, SVP of Hawaii-based WATG.

Chun described the traditional lobby experience as formal but "now it's lively."

"You want to meet people; you want to be connected," Chun said. "The Internet and the whole digital age are very important, so all that has to be integrated into the lobby."



ISHC roundtable

- Read the first part of this series about [operational trends beyond technology](#).

Barnett noted that the 25hours Hotel Bikini boutique property in central Berlin is a concept that embodies the current trends because it provides an experience that resonates with millennials.

“Millennials don’t want to sit in the hotel rooms,” Barnett said. “We’re an industry so obsessed with hotel rooms. We spend all the time in the meetings with design, with tech service as well on that, yet we don’t (focus on) the big communal experience.”

“Lobbies have moved on from receiving guests to being a communal area,” added Thomas Tritschler, managing director for Germany-based Tritschler Associates. “25hours is a perfect example within Europe, although I believe they’re taking that concept across the pond now, where they are integrating lobby space, bars and restaurants into living areas. Fully connected, lively. Even small hotels are more adapting to that.”

### **How hoteliers can adjust**

The resounding guest approval of the new-wave lobbies has certainly caught the eyes of bean counters and owners, according to Cecilia Gordon, partner and co-chair of the hospitality practice at Boston-based Goulston & Storrs.

“In addition to wanting to increase what the guest gets out of the lobby and the public space of the hotel, a lot of hotel owners are looking to see how they can draw the community in,” Gordon said. “How they can get more (return on investment) on that square footage by making this a place—a restaurant that people in the community want to come to, a bar that is sort of a neighborhood center, a coffee shop that other people come into.”

Integrating the entire hotel experience into the surrounding neighborhood is one of the most important evolutions taking place in the industry, according to Barnett. That blending allows for guests to try local fares and for locals to try what the hotel offers—all in a seamless environment. It all starts with the lobby, Barnett said.

The change agent for the new-look lobbies is the notion that travelers want a communal area to be alone within a group or freely interact with other patrons. Bob Puccini, president and CEO of San Francisco-based Puccini Group, said the London Edition Hotel is a prime example of that, with a lobby that includes a pool table, a bar and other activities in addition to areas where people also can be alone.

“People don’t want to just be sitting around waiting to expect activities,” Puccini said. “Food and beverage is really key to that.”

### **No longer just a facade**

Mark Martinovic, CEO of South Africa-based Hotel Spec International, said cultural elements are a big consideration in all parts of the world. For example, the need to gather is predominant and hoteliers need to consider this from the beginning.

“This does need to be planned into that lobby space and the food-and-beverage offerings,” he said.

For example, Africans want to be seen by their peers, and they want to meet and talk in hotels, Martinovic added. “They don’t swim, but they want to sit around the pool and eat and drink and talk,” he said.

The practicality of today’s hotel lobbies isn’t lost on the consultants, who marveled at the evolution of the space into a more efficient, revenue-producing area.

“There’s a lot more spend in the lobby,” Barnett said.

“We’re seeing downsizing in a lot of lobbies,” Chun said. “No more big, grand lobby spaces because cost, efficiency, the dollar—no matter whatever country you’re talking about—is king. Shareholders are demanding that these facilities need to have a return.”

The lobby is showcasing many other experiences at a hotel, including F&B, which is no longer tucked away in a difficult-to-find corner or corridor, according to Christophe De Bruyn, director of tourism and leisure for Spain-based Indra Business Consulting.

“It boils down to flexibility,” Chun said. “Everybody’s looking for efficient spaces, and then all of this has to incorporate socialization of the environment.”

Hotel owners and designers should focus more on the lobby than ever—even putting the look of the exterior on the secondary shelf, according to Barnett.

“Those hotel facades—what’s the color of the last hotel you stayed in? Who knows?” Barnett said. “But you know about the lobby; you know about that experience. We are seeing a lot more specialty and attention given to that.”

