

New style Holiday Inns take off from Heathrow.

by

Bruce Grant-Braham, FIH, Bournemouth University

InterContinental Hotels Group (IHG) recently announced the first European Holiday Inn hotels to open as part of their US\$1 billion global relaunch of the Holiday Inn brand.

No less than eleven Holiday Inn and Holiday Inn Express hotels across Europe, Middle East and Africa (EMEA) - plus nineteen in the United States and six across Asia Pacific - have been chosen to road-test the changes to the world's largest hotel brand, which includes new bedding, shower experience and, for the first time, a signature scent and sound package.

The first two to open in Europe, both in the UK, are the Holiday Inn London Heathrow and the Holiday Inn Farnborough. These will be followed by hotels in Germany, Italy, France, the United Arab Emirates (Dubai), China, Thailand and Australia.

Following customer feedback and extensive staff training over the next few months, the hotels will be fully relaunched by July. Of the nineteen hotels road-testing the changes in the US, sixteen are already open.

The first hotels will showcase the new brand hallmarks and signage in order to gather owner and guest feedback, prior to the full global roll-out to four thousand properties, scheduled to be completed by the end of 2010.

All Holiday Inn hotels will be required to implement the relaunch programme to create a more contemporary brand image, increase quality and drive consistency. The relaunch will incorporate new service standards, redesigned entrance and reception areas as well as refreshed guestrooms. The new brand signage will be installed at hotels only once they have implemented the relaunch programme.

By better delivering on guest needs and expectations, IHG expects the relaunch programme to allow Holiday Inn hotels to generate significantly higher revenue per available room (RevPAR), and secure an enhanced return on investment for their owners. Together with IHG, owners and franchisees will invest up to US\$1 billion over a three year period to carry out the brand relaunch to meet the necessary service and quality levels. IHG will invest US\$60 million as part of this to support the launch.

Speaking at IHG's EMEA conference in Farnborough - attended by more than 1,500 hotel owners, managers and investors - Kirk Kinsell, President IHG EMEA, said: "After all the meticulous planning and detailed dialogue with owners, it was a fantastic moment when the old Holiday Inn signage came down at both the London Heathrow and Farnborough Holiday Inns - and the new signage went up.

"This is a pivotal point in a mammoth journey for the world's largest hotel brand; throughout Europe, Middle East and Africa alone we have more than 500 hotels, with more than 120 in development. The size of this task cannot be underestimated; nor the skills and expertise of everyone involved.

"Stepping into one of the new reception areas, seeing, hearing and smelling the new brand is a powerful experience; one which heralds the beginning of a new era for the world's most iconic hotel brand."

Holiday Inn relaunch elements include:

- New logo & signage: The iconic Holiday Inn logo is changing, with a new typeface, more vibrant green colour and a more contemporary design. The redesigned logo will also be incorporated into design elements throughout hotel lobbies and guest rooms.
- New arrival experience: This will include: new landscaping features including simple, stylish plant pots and outdoor seating; de-cluttered reception areas with contemporary desk-top lamps and clean, stylish signature back walls. Two of the key features of the welcome experience will be signature scents and music play list in reception areas.
- Refreshed guest room: A greater sense of comfort and ease will be created by an updated and de-cluttered bedroom and bathroom. Features will include signature bed throws and pillow wraps detailing choices from a pillow menu to allow guests to select pillows to best suit their preferences. Bathrooms will feature enhanced amenities including a signature shower curtain with curved rod giving more light and space in the shower, plus an elegant toiletry caddy.
- New service promise: As part of the relaunch, the brand will initiate a new service culture to enhance staff behaviour and skills to best serve guests, with an emphasis on treating them as real people and consistently delivering the genuine service for which Holiday Inn is known.

Established in 1952, Holiday Inn is one of the world's most recognised hotel brands with more than 410,000 rooms (3,189 hotels) open and a development pipeline of more than 127,000 rooms (1,077 hotels). In EMEA IHG has an operating portfolio of 335 Holiday Inn (52,842 rooms) and 182 Express by

Holiday Inn (19,380 rooms) properties, with 127 hotels in the combined development pipeline. Holiday Inn is the largest full-service hotel brand in the UK, with 117 hotels (17,432 rooms). Express by Holiday Inn currently numbers 113 properties (11,866 rooms) in the UK.

The Holiday Inn brand first entered Europe in Leiden, The Netherlands, in 1968, with the first UK property opening in Leicester in 1971.

The Holiday Inn London Heathrow is operated by BDL Management Ltd, which has developed a number of IHG properties across the UK including Crowne Plaza, Holiday Inn and Express by Holiday Inn brands. BDL's Chief Executive Officer, Louis Woodcock, said: "The relaunch of the Holiday Inn family of brands is great news for BDL and our investors; we fully endorse IHG's strategy and programme - and are very pleased Holiday Inn London Heathrow is one of the two first test hotels not only in the UK, but across the whole Europe, Middle East and Africa region. Seeing the new hallmarks installed at our hotel shows the great impact customers can expect from the relaunch; we look forward to deploying the programme across all our hotels."

The Holiday Inn Farnborough is operated by LRG Acquisition Ltd. In 2005, LRG Acquisition - the consortium co-led by Realstar Group which also includes Lehman Brothers Real Estate Partners and GIC Real Estate (a subsidiary of the government of Singapore) - acquired 73 Holiday Inn and Crowne Plaza UK properties.

According to Realstar Group's Chairman, Jonas Prince, "Realstar is very supportive of this important IHG initiative to update the Holiday Inn brand so that it is more competitive, contemporary and impactful in the marketplace."