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November 2017

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TRENDS IN HOSPITALITY FLOORING

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TOP 100 RETAIL

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DESIGNERS: WHAT'S HOT





## Trends in **HOSPITALITY** Flooring

The evolution of hotel brands is transforming hospitality flooring.

■ By Beth Miller and Darius Helm

*For the lobby area of Wyndham Grand Clearwater Beach resort in Clearwater, Florida, CallisonRTKL mixed Atlas Concorde porcelain in both tile and wood looks. Photo by Eric Laignel.*

The hotel industry has been in the midst of transformation for a couple of decades, shifting from a market dominated by big hotel chain brands to increased competition from boutique hotels, then the development of lifestyle brands by the big chains, and most recently the introduction of soft brands—bringing boutique hotels under the umbrella of the big brands. These trends, driven by the tastes of the younger generations, have spurred major changes in the flooring specified for the hospitality sector.

Hotel chains in their various forms still dominate the market. According to STR Global, which specializes in hospitality data and research, independent hotels account for less than a third of total U.S. room supply. Boutique hotels, which before all the chain brands used to just be called hotels, have gained a lot of traction in recent years, driven by increasing demand for smaller establishments, unique hospitality experiences, local flavor and a more personal touch. And a portion of that demand comes from a generational rejection of the massive cookie-cutter hotel brands that dominate the hospitality landscape.

### **BRAND DEVELOPMENTS**

Changes to the hotel chain business model laid the groundwork for much of the current hospitality landscape. Starting about 25 years ago, major brands started shifting from owning properties to franchising and management, led by the splitting of the Marriott Corporation into Host Marriott for owned

properties and Marriott International for franchises and hotels operations. The other major brands followed suit. And today, the big brands are dominated by hotels they manage or franchise, and they have very few owned properties.

This model turns out to be ideal for the changing hospitality landscape. The major brands responded to the demand for boutique hotels by launching lifestyle brands. Among the first was Hotel Indigo, part of the InterContinental Hotels Group (IHG), whose brands also include Crowne Plaza and Holiday Inn. Other prominent lifestyle brands include Andaz Hotels by Hyatt, Marriott's Edition hotels and Starwood's Aloft—Starwood was actually acquired by Marriott International about a year ago. Some of these lifestyle brands are themselves massive chains. For instance, there are 243 Aloft hotels across the globe, including 169 in North America.

"Lifestyle" is the umbrella term for these types of properties, and the different brands tend to have their own specific



Ulster's Axminster carpet and Marazzi's Silk and Treverkchic porcelain tile were used in MCS Architects' Embassy Suites project in College Station, Texas. Photo by Brandy Ruysenaars.

ambiance. According to Debbie Demrest, director of interiors with MCS Architects in Houston, Texas, "If you're looking for a more social experience and entertainment, and not really looking for a lot of extras, you may gravitate toward an Aloft. If you're looking for a lifestyle brand of ecology and health and wellness, it may be more of an Element."

In recent years, Demrest reports, brands have become much more specific in their lifestyle focus. For instance, IHG's Even Hotels, launched in 2012, focuses on the health and wellness traveler. Its slogan reads, "Where wellness is built in." Its website prominently notes that its hotels are "equipped with a wellness-savvy staff, a best-in-class fitness experience, healthier food choices and natural, relaxing spaces." Even Hotels also offer healthier nutrition options, touted as freshly prepared, as well as a focus on better sleep to round out the wellness requirements. And because a good number of health and wellness travelers also fall into the business traveler category, it offers work areas that are comfortable and relaxing—as opposed to the more rigid office-looking work environments. Even Hotels also cater to a more tech-dependent demographic with social media promoted on each page of the website. Guests are encouraged to post personal images to social media of their experiences at the hotels in an effort to not only promote Even's offerings, but also to create a sense of community among its guests, further solidifying its brand goals.

The other major development in the hotel industry has been the advent of the soft brand. It started in 2008 with the Ascend Hotel Collection by Choice Hotels International, and now all the leading hotel brands have embraced the concept. Soft brands are distinct from lifestyle brands. The collections are not a brand chain like Aloft or Andaz, with multiple branded products; rather, they are made up of unrelated, well-established independent hotels that affiliate, for a fee, with major hotel brands—the Tapestry Collection and Curio by Hilton, Carlson Rezidor's Quorvus Collection, Best Western's BW Premier Collection, Marriott International's Autograph Collection, Luxury Collec-

tion and Tribute Portfolio—in order to reduce online travel agency commission rates, tap into the hotel chain's reservation system and build business with its loyalty programs.

Soft brands are run independently, and they don't use branding and signage from the major brands they are affiliated with, so it's a compelling proposition for a lot of independent hotels looking to attract more guests and increase profitability.

Some of these soft brands can be substantial collections. Ascend has about 170 hotels worldwide, for instance, and Autograph has 120, according to Danny King, senior editor for Travel Weekly, though soft brands still account for less than 500 hotels.

## GENERATIONAL DRIFT

As is always the case, it's the younger generations that are driving trends. While Baby Boomers grew up in the midst of the traditional hotel brands and have shown a lot of loyalty to these older models, Gen Xers have sought out more one-of-a-kind hotel experiences, and Millennials have gone even further, redefining brands according to their focus on a sense of community and more personal brand relationships. According to John Bondeson, associate vice president in CallisonRTKL's



Casa Dolce Casa's porcelain wood-look plank tile was selected by Callison RTKL for use in the Wyndham Grand Clearwater Beach restaurant. Photo by Eric Laignel.

Miami office, “[Millennials] are influencers as to what Boomers think is cool and trendy.”

Bondeson adds, “As a Boomer, I don’t necessarily trust my own instincts as to what’s trending. I will look to Gen X and Millennials” for upcoming trends. He notes that they are “big influencers, even if they don’t have the money to stay in that property.”

So, while it’s the Baby Boomers who have all the disposable income and account for the bulk of the revenues from hotel brands, they are not the demographic being catered to. A recent article published in Forbes magazine, “Travel Brands Shift Their Attention to the Millennial Market,” points out that, although demographic groups like the Boomers “are still an important focus for brands that thrive on consumers’ desire to see the world, Millennials are quickly stealing a major portion of the marketer’s attention within the travel sphere.”

Also, Millennials are growing up and starting to make real money. A home survey conducted in 2016 by Houzz, the online design community website, indicated that Millennial spending is increasing, with 75 million Millennials stepping up to the spending plate, investing 7% more in the housing market in 2016 compared to 2015.

According to a study by Goldman Sachs, the Millennial generation is 92 million strong, compared to Gen Xers at 61 million and Boomers at 77 million, noting that “as they reach their prime working and spending years, their impact on the economy is going to be huge.”

Bondeson points out that while everyone is looking for a certain level of comfort, Millennials are also looking for a unique experience. Hotel brands are responding to the challenge, for instance by infusing their hotels with local elements to help guests feel exposed to a unique, regional experience.

“Whether providing a luxury, exclusive retreat or an affordable, convenient stay, each brand is studying its key clientele



*OW Hospitality’s Axminster carpet, inspired by the water reflection in Lake Michigan, was chosen by The Gettys Group to decorate the Crystal Ballroom in the Blackstone Hotel in Chicago, Illinois. Photo by Villano Photo.*

with an eye toward the aspirational marketplace for new customers,” explains Meg Prendergast, principal at The Gettys Group, a hotel design and development firm based in Chicago.

According to Robert Stuckey, director of hospitality and retail for Shaw Contract, the hotel brands are using “extreme research” to determine their specific demographic. He adds, “There is a deep, deep knowledge that these brands are tapping into to understand what segment of the market of the traveling public they are going after and what they want. They are building brands that appeal to that specific traveler that is rooted, rooted, rooted in data.”

MCS’ Demrest explains that hotels are “streamlining their look by taking out a lot of the fluff and opening spaces. They’re creating more social zones within their spaces. The lobby is not just a place to sit and wait to check-in or wait for somebody to come down from their room.”

Jan Freitag, senior vice president of STR Global, notes, “There seems to be a design shift in room development when it comes to the room size. The rooms seem to be getting a lot smaller and a couple of the newer brands—Yotel and Moxy—seem to say that the traveler doesn’t want a big room anymore.” Millennials are pushing for more social areas where they can gather and connect, and they’re also seeking guestrooms that make better use of the space.

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## FLOORING AND DESIGN

The most prominent difference between the Baby Boomers and younger generations is analog versus digital, and this has a big impact on aesthetics. Traditionally, hotels have used Axminster carpet for the hotel's public space, because of its large-scale patterns along with the durability of its construction—generally a wool/nylon blend. Printed carpet, which can also produce large, custom designs, is also common in public space and corridors, as is carpet made using CYP (computer yarn placement) tufting technology. Guestrooms, however, have tended to use less costly patterned carpet, with ceramic tile for the foyer and bathroom.

Over the last five years, this has started to change. For years, carpet tile producers have insisted that their products were well suited to the hospitality sector and that they were gaining traction, but it didn't seem like it would happen—until it did. Firms like Interface and Shaw started reporting sales in the sector. Carpet tile started appearing at hospitality shows like HD Expo and BDNY. Interface, a carpet tile specialist, reports that its hospitality business is growing by double digits and already accounts for 6% of its sales, or nearly \$30 million just in the U.S.

The modular aesthetics and non-traditional designs of carpet tile appeal to the digital generations, and carpet tile has made inroads in all but the luxury and upper upscale hotel chain scales (chain scales run from luxury and upper upscale to upscale, upper midscale, midscale and economy). And while carpet tile costs more than guestroom broadloom, it offers a few advantages. For instance, damaged tiles can be swapped



For the Inspire Summit luxury hospitality conference, Il By IV Design chose Facet Woods' wide-plank white oak flooring in a model hotel suite for World Wide Iozza. Photo by David Whittaker.

out, rather than having to replace the whole floor, which is the case with broadloom.

The up-and-coming generations also like the look of natural materials. While hardwood is occasionally specified, it doesn't have the performance attributes required for most hospitality applications. But demand for that look has made it easier for LVT to penetrate the market, as has LVT's performance characteristics. It's durable and waterproof, and, though it's a louder floorcovering than carpet, sound abatement underlayments can help compensate.

The texturing and precision digital printing of LVT products make them suitable for even high-end installations, but so far the category has made inroads mostly in the upscale and upper midscale hotels, often called limited service, which happens to be the fastest growing sector in the hospitality market. LVT is increasingly specified in guest rooms, replacing the ceramic tile

in the foyer and often in the lounge area as well. Many lifestyle brands and modern boutique hotels are specifying LVT.

Shaw Contract's Stuckey explains that the transition to hard surface in guestrooms is driven by a number of reasons among them the need by the guest for a visibly clean room. And Prendergast of The Gettys Group adds, "People are reacting quite positively to the cleaner look."

Also, LVT is more and more common in the public space areas, where there's a general trend toward mixed material installations, shifting between hard and soft surface materials for wayfinding and to create distinct areas, like high traffic thoroughfares, seating areas and more secluded zones.

Ceramic tile, which has historically had a strong position in hotel public space with stone and marble looks, has also elevated its profile with hardwood visuals. Like LVT, ceramic digital printing technology has helped create natural looks virtually indistinguishable from



The Playa Largo Resort and Spa in Key Largo, Florida used a combination of Marble Systems, Keys Granite and Coverings Etc stone flooring specified by The Gettys Group. Photo by Antonio Cuellar Photography.

the real thing, with textures to match. And its high performance and low maintenance profile cement its position.

### STATE OF THE INDUSTRY

According to STR Global's Freitag, "The U.S. hotel industry, through August of this year, has had more rooms available than ever, sold more rooms than ever, generated more room revenue than ever, and had the highest occupancy (average daily rate—ADR) and revenue per available room (RevPAR) ever."

Year to date, the number of new hotel rooms in the U.S. has increased by 1.9%. Freitag says, "That is on an upward trajectory, so we are expecting more rooms to be added to that over time." Room rates are up to \$226.95—an increase of 2.1% from last year. The RevPAR growth is 2.7%.

As for new construction, the number of rooms under construction this year in August stands at 188,479. That is up 13% from 2016. According to STR data, limited service, which covers the upper midscale and upscale hotels, accounts for 65.3% of the 188,479 rooms under construction in the U.S.

Freitag attributes some of the room demand to the artificial influx caused by the hurricanes that primarily impacted Florida and Texas but expects 2018 to continue on the same upward trajectory. Projecting figures for 2018, Freitag explains, "Demand is going to continue to increase, but it may be increasing at a slightly slower pace just because this year got an artificial



Specified by CallisonRTKL, Tai Ping custom-designed Axminster carpet adorns the pre-function area just outside Wyndham Grand Clearwater Beach's ballroom area. Photo by Eric Laignel.

bump, but nonetheless a growth of demand around 1.9% to 2.0% is certainly what most people expect."

It's worth noting that while the limited service sector accounts for nearly two thirds of all the guestrooms under construction, it only makes up 39% of the available rooms in the market. So that sector is really growing rapidly. And that's where the bulk of the flooring trends are taking place. That's good news for carpet tile and LVT, which will make substantial gains in the current environment—and take even more marketshare away from hospitality broadloom. ■

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