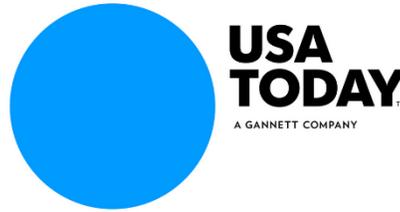


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Starwood unveils a new 10th brand; Loews adds a third



(Photo: Starwood Hotels and Resorts)

Starwood Hotels and Resorts Worldwide today introduced Tribute Portfolio, its 10th brand and second collection of independent hotels.

The hotel giant has already signed deals for five hotels under the new portfolio. The Royal Palm South Beach Miami debuted as the first Tribute Portfolio hotel today. Hotels will follow in Asheville, N.C.; Nashville; Savannah, Ga., and Charleston, S.C.

Each hotel will fall into the four-star, upper upscale category. But that's about all they will have in common. Each one will have a distinctive look and feel, largely determined by the owner.

"Half of the world's hotels are independent hotels," Starwood CEO Adam Aron said during an interview at the W Union Square hotel. in New York City "Those hotel owners love their independence. With the Tribute Portfolio, we're giving them a way to maintain their independence."

This is Starwood's first new brand in nine years.

Each Tribute Portfolio will be "fun, exciting, different and unique," says Dave Marr, global brand leader of the Tribute Portfolio. "We are going to celebrate the vision of the owner."

Starwood's move comes as many major hotel companies have created new edgier brands or collections of independent hotels to appeal to travelers who don't want to feel like they are staying at a uniform property.

Also this week, Loews Hotels and Resorts announced the launch of its third brand, the Loews Regency, with the acquisition of the 155-room Mandarin Oriental San Francisco. The hotel will now be called the Loews Regency San Francisco. It will join the Loews Regency New York, which recently completed a \$100 million renovation.

"We're excited we now have a variety of different ways that we can tell the Loews story," Jonathan Tisch, chairman of Loews Hotels and Resorts, said during an interview.

Loews this year also started the OE collection of independent lifestyle hotels with the debut of the Bisha Hotel in Toronto. Hilton last year introduced the Curio Collection as well as Canopy, a lifestyle brand. Best Western came up with BW Premier collection and Vib, a technology-centric brand.



The Loews Regency San Francisco in the skyline. (Photo: GEORGE APOSTOLIDIS)

Chekitan Dev, a professor of marketing and brand management at the Cornell University School of Hotel Administration, says that the proliferation of new brands and collections can be both good and bad for consumers.

"The good news: One, customers can now more precisely select a brand that suits their needs, and two, brands have to fight harder to attract and retain customers, making more deals available," he says. "The bad news: trying to figure out what each brand stands for and how it's different from others is going to become harder to determine."

Collections, also known as soft brands, are popular with both hotel owners and companies. Owners get to benefit from a large hotel company's marketing and reservations systems. They also get to tap into their loyalty programs. For the companies, managing the independent hotels helps them serve a segment or geographical location that has been under-served by existing brands.

"The quest for travelers to have more authentic and localized experiences has certainly given rise to the popularity of boutique hotels and independent properties that often make up soft brands," says Gray Shealy, executive director of Georgetown University's master's in hospitality management program.

Guests benefit when independent hotels join soft brands because they get to keep the perks of their loyalty programs. In Starwood's case, members of its SPG loyalty program will be able to earn and redeem points for their stays at the independent hotels.

"This initiative in introducing Tribute Portfolio is one in which everyone benefits," Aron says.

Targeting Millennials and more

Hotels are also increasingly going after Millennials, those in their 20s and 30s whose purchasing power is expected to grow significantly in the next few years. Millennials tend to like lobbies where they can both work and play, creatively-designed rooms, and interesting food and beverage options.



A room at the Royal Palm South Beach Miami, the first property in Starwood's new Tribute Portfolio. (Photo: Starwood Hotels and Resorts)

Marr, of Starwood, says the new brand is reaching out to Millennials "because that's the biggest segment."

But he says the collection is also targeting Baby Boomers and other generations.

"We will resonate with everyone," he says.

And that includes consumers who cannot stay in the nearly 100 five-star hotels in Starwood's first collection, the Luxury Collection, which has been around since 1994.

Marr says Tribute will have broader appeal. The two collections will complement each other, he says. Starwood expects to open 100 Tribute hotels by 2020.

"The opportunity in the four-star space is phenomenal," he says.



A deluxe King room at the new Loews Regency San Francisco. (Photo: Loews Hotels and Resorts)

For Tisch, launching the Loews Regency brand on the heels of the OE Collection gives consumers more choices, which he sees as a good thing.

"There are certainly a lot of options for today's traveler," he says. "Today's traveler is much more sophisticated."

The Loews Regency will appeal to the most sophisticated of travelers, he says. The Loews Regency San Francisco will even have its own version of the New York property's "power breakfast."

"It's about style with service which will be commensurate to a five-star hotel with a less pretentious manner," he says.

Tisch says he hopes to expand the Loews Regency brand to as many as 10 hotels in the next few years.