



## Marriott Hip? Well, It's Trying

The chain has long been known for service. Now it wants to be stylish, too

**M**ARRIOTT CEO J.W. "Bill" Marriott Jr. hated an ad shown to him a few months ago for an upcoming hotel campaign. "Put some wing tips on that guy," the 73-year-old barked at the picture of a sandal-clad hotel guest. "You wouldn't wear sandals to see IBM." Marriott's son John, 44, executive vice-president for lodging, shot back: "You might if you were seeing Microsoft." After a few lively rounds about the new direction of the Marriott brand as it woos young travelers, the elder Marriott relented and greenlighted the concept.

Marriott International Inc. has always

ranked high among the wing-tip generations embodied by Bill Marriott and his eldest children. But now, after half a century, the Bethesda (Md.) 2,700-hotel chain is in the midst of a major brand makeover to attract the business-casual, iPod-playing travelers who view Marriott as the sensible shoe of hotels. "We're not appealing to Generation X, even though we have a strong bond of loyalty with the baby boomers," says Marriott.

Adapting to a new Zeitgeist doesn't come naturally. Rival Starwood Hotels' trendy W Hotel chain may be drawing customers with Philippe Starck-like post-modern design, but Marriott has stubbornly focused on a basic culture of service begun in 1927, when the CEO's father

opened a root beer stand in Washington, D.C. "In an era of buzz, Marriott is almost an anti-buzz company," says Joe Brancatelli, publisher of travel Web site JoeSentMe.com.

**CEOMARRIOTT**  
Will a new decor reach beyond the wing-tip crowd?

Step by step, though, the hotel giant is marching into the future. On Sept. 21, Marriott introduces a newly remodeled hotel room for its flagship hotels with a glass-enclosed replica in Times Square as a backdrop for music and comedy acts and even a wedding that will be captured by entertainment news cameras over four days and broadcast on Westwood One radio. This follows the recent launch of a new outdoor and airport ad campaign aimed at road warriors obsessed with productivity, featuring arresting images of athletes leaping out of bed; the slogan is "Revive." It's all part of the new Marriott being hatched by young brand execs recruited from Nike, Procter & Gamble, and Coca-Cola. "We want to go from being a logical choice to a brand that's loved," says a hopeful Michael E. Jannini, Marriott's top executive for brand management.

Marriott is trying not to be a hostage to its own traditions. When Starwood Hotels' Westin introduced its "Heavenly Bed" redesign six years ago, CEO Marriott scoffed that it looked like "a hospital room." But two years ago, after checking

into the independent James Hotel in Scottsdale, *Ariz.*, Marriott, who tours 300 hotels a year, saw that white duvets, piles of pillows, and flat-screen TVs commanded premium rates at what was merely a converted motel. He ditched his dowdy floral bedspreads and persuaded franchisees to spend more than \$1 billion to update all 628,000 beds worldwide by yearend 2005. At flagship hotels first and then Renaissance Hotels, it's offering high-tech panels featuring high-definition TV to use along with laptops, iPods, and other plug-ins.

## PLAYING CATCH-UP

MARRIOTT HIMSELF is no early adopter of new trends. He has an iPod, but the younger Marriotts upload his Tommy Dorsey tunes for him. Still, the patriarch doesn't let his personal tastes get the better of the brand—witness the approval of the sandal-clad traveler in his ad. "He won't touch sushi, but he's a big proponent of sushi bars," says Robin Uler, Marriott senior vice-president for global food and beverage. And now, after watching the rise of Starwood's W hotels, Marriott is deciding whether to launch his own "designer" chain. But, concedes the CEO, "it can't have a Marriott name on it" if it's to appeal to the in-crowd. Although Marriott is clearly playing catch-up, rivals are watching closely. "I think it's good for Marriott. I'm just glad we got a five-year head start," says former Starwood Chairman Barry Sternlicht.

New managers are bringing new methods. Senior Vice-President Sid Yu, 42, a former Nike strategist, hooked up Marriott with hot design

**IT'S MORNING AT MARRIOTT** The "Revive" ads are a big leap

## A Post-Modern Marriott

**ROOMS** Gone are floral bedspreads—now replaced by minimalist white duvets or triple-sheeting. Premium linens at top-end hotels, more powerful shower heads, music, mood lighting, and redesigned furniture.

**PUBLIC SPACES** Relaxed and expansive rooms with food and beverages and a business library replace the little-used traditional lobby at Courtyard By Marriott, encouraging wine and coffee sipping while working on laptops a la Starbucks.

**TECHNOLOGY** Beyond high-speed modems and Wi-Fi, business travelers are getting 32-inch flat-screen, high-definition TVs that allow users to split screen between the TV and their laptops, plus plug-ins for cameras and iPods.

firm IDEO, which sent a team of anthropologists and architects to tail Marriott guests. They observed that while hotels obsess about a smooth check-in, the big moment for travelers occurs upon entering their rooms. Marriott is exploring how to enhance that "exhale moment," says IDEO designer Fred Dust. "Maybe a little light shining on a small welcoming gift?"

Studying marketing and service philosophies outside of hotels is also yielding changes. Marketing managers went to Manhattan almost every weekend for a year to scout boutique hotels, restaurants, and retailers. Team member

Yvonne Bean, 42, noted that after ringing up a purchase at Nordstrom, clerks walk around the counter to hand the bag to the customer. From that idea, Marriott has redesigned Courtyard's desks to open up so clerks are closer to guests. "We need to compare ourselves to the experiences people have in every other aspect of their lives," says Bean. In a nod to Starbucks, Marriott is also transforming humdrum Courtyard lobbies into "great rooms" for those who prefer inviting public spaces for working to holing up in their rooms. Those changes have already begun rolling into Courtyards and are being looked at for Residence Inns and others.

The effort may smack of General Motors Corp.'s "Not Your Father's Oldsmobile" approach, but Marriott, although late to the makeover party, is hardly weak. In the second quarter, its North American hotels posted an 11.2% increase in revenues per average room, compared with 9.4% at Hilton Hotels, according to Citigroup. It has minimal exposure to Hurricane Katrina, and earnings are expected to grow 17% to 22% a year through 2008. Marriott is spending about \$20 million a year on the transformation strategy, while franchisees pay for the upgrades.

One complication with its plans: Marriott owns just seven of its hotels while managing or franchising the rest, compared with Starwood, which owns 137, or 19%, of its hotels. So Marriott has had to persuade franchisees to shell out for all the changes, which has sparked complaints. "Marriott is like other brands with initiatives that create no value for franchisees," gripes John M. Dunn, CEO of Dunn Hospitality Group Ltd. in Evansville, Ind., which owns and manages Marriott and Hilton hotels, among others. But even Dunn concedes, "From a service standpoint, Marriott's standards are unparalleled."

But Marriott had little choice but to act. Its research showed that only 31% of travelers viewed Marriott as their top choice in 2004, down from 36% in 1999. By 2010, Gen Xers—those born in the late 1960s and in the '70s—Marriott's big challenge, will make up 66% of potential guests for all hoteliers, up from 33% today. True, there's a risk in chasing stylishness: Marriott could lose focus and slacken its fabled attention to service and reliability. But that seems unlikely. Even as Marriott switches to white duvets, it still makes sure each housekeeper studies its decades-old handbook outlining the 100 steps to clean a room the Marriott way. ■

—By Catherine Yang in Bethesda, Md., with Diane Brady in New York

