

# HOTELS ADOPTING 'NO FRILLS' APPROACH



Hotel guests may be in for a shock next time they check in as many hotels adopt a similar 'no frills' approach to service as airlines. Being greeted by a clerk at the front desk may be a thing of the past.

Worse still, you may have to haul your own bags up to your room, and forget about calling for room service, as hotels cut costs by doing without bellhops and room service wait staff.

In August **New York City's largest hotel, the Hilton Midtown will stop providing service to its almost 2000 rooms, at the cost of 55 staff.** Attempts will be made to find alternative employment within the hotel for those affected by the staffing cuts, but this will depend upon qualifications and availability, according to a spokesperson for the hotel.

Travelzoo's editorial director Andrew Young admitted that it is both time consuming and costly to cater to over 2000 guests. The Hilton Hawaiian Village stopped providing room service in October. Young added that similar to recent policies adopted by airlines, hotels are implementing measures to reduce costs.

In a similar move to save resources, many hotel companies are providing more rooms without room service, and the Holiday Inn Express line will have 454 new hotels (approximately 52,000 rooms) added to their limited-service brand. Intercontinental Hotels Group president (Americas) reported that guests were not ordering in as often or spending as much on room service, and so providing room service was becoming less financially viable.

Smith Travel Research senior vice president Jan Freitag stated that even hotel restaurants are struggling to make money. Over the past decade the number of hotel rooms with limited service increased by 16% but there was only an increase of 6% in rooms with full service. Spas, mini-bars and business centers are becoming increasingly unpopular, and there is an increasing desire to have free parking, breakfast and Wi-Fi, as revealed by a TripAdvisor survey conducted recently.

**While guests see parking, breakfast and Wi-Fi as being a free bonus, many hotels are including the cost into the room price, and the average daily rate for a room e.g. in Seattle rose 34% to \$229 in comparison to last year's rate,** according to Orbitz.com, one of many travel websites. Similarly San Francisco room rates increased 26% to \$265 over the same period.

Some up-scale luxury hotels aiming to provide their guests with a premium experience will be adding concierge services to make room prices justifiable, and to qualify for AAA's much-coveted fifth diamond. Others are substituting valets, bellhops and room service with breakfast, parking and Internet in their room rates.

Getaroom.com's president of booking Bob Diener believes that there is a definite move away from the traditional front desk reception in favor of check-in kiosks and clerks with tablets in the lobby. He went on to say that in addition to staff reductions dynamic pricing is becoming far more commonplace, with prices changing several times throughout the day, giving guests the opportunity to enjoy considerable savings on room rates depending on when they book and for how many nights.

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