

Two-in-one hotels set to grow in Europe, says HVS

4 July 2016, London: Customers booking a stay with a particular hotel group are increasingly likely to be offered a choice of two brands on one site as the number of two-in-one or 'dual-brand' hotels looks set to rise, according to a new report from global hotel consultancy HVS.

Two-in-one hotels, where two brands run by the same operator are located either next door to each other or within the same building, retain their identity by having dedicated entrances, front desks and elevators. Often they share back-of-house operations, guest amenities and even staff.

Pioneered by AccorHotels 30 years ago, the concept is now growing steadily across both Europe and the US as operators look to gain additional market share by appealing to a broader cross section of customers.

In Europe Marriott opened a Courtyard/Residence Inn in Munich in 2011 while other combinations include Ibis/Novotel in Paris, IHG's Holiday Inn/Staybridge Suites in London, Crowne Plaza/Holiday Inn Express in Aberdeen, and a Hilton/Hampton by Hilton in Bournemouth.

'The dual-brand hotel concept is likely to grow further as investors become more familiar with it. For operators the concept offers many benefits, although also presents some challenges,' said report co-author Nicole Perreten, associate, HVS London. 'It works best when the two brands have a limited degree of overlap in their customer base, but their positioning is not too far apart either - the difference between them needs to be in the price point, length of stay, or the target audience's purpose of visit.'

According to the report a key advantage of the two-in-one hotel is that operators can appeal to a broader share of the market by offering something for everyone. Operational benefits are that both brands can share back-of-house space and staff, there is a flexibility in booking if one hotel is overbooked as well as an enhanced marketing opportunity offered by two brands.

'While a dual-brand property might be achieving slightly higher average rates than comparable single-brand alternatives, the savings are predominantly in the increased margins, where reduced operating costs might make all the difference,' said report co-author Sophie Perret, director, HVS London.

'The concept is still evolving and could even become a three-brand offer in some instances, as we have already seen with AccorHotels. We could also see the concept expand into the luxury or lifestyle hotel sector.'

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