

How Spontaneous Travelers Are Helping Hospitality

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Spontaneous customers, rather than vacationing travelers, can be a big part of a hotel's success.

People are often doing staycations and spending nights out on the town or attending special events, or simply do not want to drive home late, according to HotelTonight CEO Sam Shank.



Courtesy of R.D. Olson Construction

Bar at the Kimpton Hotel Palomar Los Angeles Beverly Hills

Shank said almost half of the company's bookings come from people who live within 100 miles of the hotel. To use HotelTonight, guests download the free app to find a last-minute deal at a hotel in their desired city.

The company has benefited from partnerships with sports teams and venues, including a partnership with [Madison Square Garden](#) and a recently announced partnership with AEG.

The AEG partnership includes signage and branding at LA Live and Carson's StubHub Center and digital and social media campaigns.

"We're the official hotel booking company and service for the LA Galaxy and [LA Live](#)," Shank said.



Karen Jordan/Bisnow

HotelTonight CEO Sam Shank

Shank said HotelTonight's service is beneficial for hotels.

Around 76% of the people who stay in a hotel by booking through HotelTonight have never been to that hotel before, according to Shank.

"Some have said we're the difference between them being profitable or unprofitable, and that makes me happy to be incremental and complementary to the hotel's own marketing programs and marketing needs," Shank said at *Bisnow's* recent Big West Coast Hospitality event in LA.



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AEG vice president Benjamin Young, HVS managing director Adam Lair, Pacifica Hotels CEO Matt Marquis and R.D.Olson Development CEO Robert Olson

Hotels are meeting customer needs in various ways. Some companies are benefiting from having [dual brands](#).

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AEG vice president Benjamin Young spoke of [The Ritz-Carlton](#) and [JW Marriott Los Angeles LA Live](#) in [DTLA](#).

"We had 224 residences that sit above the hotel, and we needed that brand, so to speak, to provide that cachet, and Ritz-Carlton was the one," Young said.

The dual brand has allowed the hotel to segment the rate between JW and the Ritz-Carlton.

"Now it's doing close to double the rate the JW gets," Young said. "There was a huge lift in room revenue that we got by doing a dual brand."

No matter the brand, R.D. Olson Development CEO Robert Olson said everyone in hospitality should keep in mind the desires of all of their guests and not a select few.

"I think there's an overemphasis on focusing on what [Millennials](#) want," Olson said. "It's interesting information to have about what Millennials want, but I think the bigger picture is what do travelers want in general, and what are the changing needs and desires of travelers."



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McWhinney chief investment officer Dave Johnstone, LW Hospitality Advisors CEO Dan Lesser, Arent Fox partner Rich Brand, Hard Rock Hotels head of development Todd Hricko and Aecom Capital partner Timothy Haskin

The landscape is looking pretty good where hotel investments are concerned.

"There is no shortage of capital out there chasing yield opportunities," [LW Hospitality Advisors CEO Dan Lesser](#) said.

Hotels have a proven track record of providing superior risk-adjusted returns over time, according to Lesser.



Karen Jordan/Bisnow

Arent Fox partner Rich Brand, McWhinney chief investment officer Dave Johnstone and Aecom Capital partner Timothy Haskin

When weighing whether now is the right time to be in the hospitality industry given the current cycle, there were some differing opinions.

"I think it's a tentative time," [Hard Rock](#) Hotels head of development Todd Hricko said. "I think everyone is just waiting for the end of the cycle."

[McWhinney](#) chief investment officer Dave Johnstone was more optimistic.

"It's always a good time to be in the hotel business," he said.