

CENTRAL PENN BUSINESS JOURNAL

Tru test: How Central Pa. helped launch the fastest-growing hotel brand in history

By **Jason Scott**, October 25, 2017 at 3:00 AM



Every Tru by Hilton has a wall mural in its lobby, known as The Hive, that is unique to the hotel's location. - (Photo / Jason Scott)

By the end of the year, hospitality giant Hilton Worldwide expects to be operating more than 10 of its new Tru by Hilton hotels.

Another 50 could start serving travelers next year, and more than 400 are in Hilton's pipeline. The **low-cost hotel**, whose rooms fetch \$90 to \$100 per night, is being called the fastest-growing new hotel brand in the history of hospitality by Hilton officials.

But until those new Tru hotels start opening, Central Pennsylvania and York County-based **Springwood Hospitality** can brag that **two of the brand's first six hotels** in the world are located in the mid-state. Springwood is the only Hilton franchisee to own two Tru hotels and it has **more in its own pipeline.**

Springwood's existing Tru hotels are in East Lampeter Township, Lancaster County, and Manchester Township, York County.

Springwood CEO David Hogg, who spoke last week with the Business Journal at a private event held at the Lancaster County Tru, chalks up the local brand development to his company's history with Hilton.

That relationship includes development of other Hilton hotel brands, including Hampton Inn & Suites, Homewood Suites and, more recently, Home2 Suites. Springwood was the first to bring Home2 to Central Pennsylvania last year.

Hogg also cited Central Pennsylvania's proximity to Hilton's home base near Washington, D.C. and a little bit of luck.

Central Pennsylvania doesn't have a history of being a testing ground for new hotel concepts, but this experiment is paying off so far for Hilton.

The Lancaster County Tru near Dutch Wonderland, which opened over the summer, was 96 percent occupied last Wednesday. The York County property, which opened two weeks ago, was 100 percent occupied.

"We gave up (Harley-Davidson) business in York because we didn't have lower rates," Hogg said. Springwood's Tru hotel is near the Harley factory off U.S. Route 30 and Interstate 83.

Quick to act



Springwood Hospitality has a Home2 Suites by Hilton under construction at the Shoppes at Belmont in Manheim Township. The hotel site is pictured at the bottom right of this aerial photo provided by R.J. Waters & Associates Inc., a partner in the Belmont development. Charter Homes & Neighborhoods also is building homes, pictured at the top of the site, at Belmont - (Submitted)

Tripp McLaughlin, senior director of brand management for Tru, credits Hogg and his team for quickly buying into the concept. Plus, Springwood had good local sites already in mind for the Tru hotels it has opened, he said. That helped the mid-state become a Tru pioneer.

"It's a growing market in general," McLaughlin said of Central Pennsylvania.

The mid-state has seen tremendous development growth over the last few years in the moderately priced segment of the hotel market. The middle part of the market, along with lower-price hotels, accounts for 40 percent of hotel nights, McLaughlin said.

Before Hilton developed the Tru brand, Hampton Inn was the entry-level hotel in Hilton's 14-brand portfolio. But at \$120 per night, the average Hampton was not affordable for every traveler, McLaughlin said. Tru now fills the entry-level role at around \$100 per night.

McLaughlin said he expects there will be a continued shift in the industry and more traditional brands may be reinvented based on the early success of Tru. New brands also could emerge.

The Tru hotels stand out for their bright color scheme and design. Each one has a central lobby, called "The Hive," that is divided into sections for eating, working, playing and lounging. Technology plays a big role in the hotel with digital keys and mobile check-in options, electronic charging stations and remote wireless printing stations.

The guest rooms are smaller with bright lighting but they don't have the typical TV cabinets. And there are no tubs in the bathroom, only showers.

Tru is designed to appeal more to the younger millennial traveler, but with a price point and amenities that cross generations, McLaughlin said. The overall hotel also takes up less square footage, allowing it to fit on smaller properties, but it's also scalable for bigger lots.

McLaughlin said 80 percent of the Tru hotels in its pipeline are being developed by existing Hilton franchisees. But Springwood was one of the first to act.

And Springwood is not slowing down. It is broadening its Hilton portfolio with new Home2 projects, including a new hotel at the **Shoppes at Belmont in Manheim Township.**



Jason Scott

Jason Scott covers state government, real estate and construction, media and marketing, and Dauphin County. Have a tip or question for him? Email him at jscott@cpbj.com. Follow him on Twitter, [@JScottJournal](#). Circle Jason Scott on [Google+](#).