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Select service drives Hilton, IHG expansion in Europe

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Europe is still a hotel development hotbed, according to executives of InterContinental Hotels Group and Hilton. IHG is bullish about its development agreements in Germany, and Hilton is pushing brands that were less well-known in Europe only a few years ago.



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Editor's note: This is the first of a two-part series on major hotel brand development in Europe. Four of the world's largest hotel companies—Hilton, InterContinental Hotels Group, AccorHotels and Hyatt Hotels Corporation—have big plans for the continent. This article covers Hilton and IHG. The next article will focus on AccorHotels and Hyatt.

REPORT FROM EUROPE—Hilton and InterContinental Hotels Group, two powerhouse brands of the hospitality industry, see opportunities in Europe and have focused their expansion plans on the continent around their select-service brands.

[Hilton](#), on one hand, has grown its Hampton and DoubleTree brands into major players in the region and hopes to do the same with Tru by Hilton. [IHG](#) has its sights set on Germany, and its goal is to pin its expansion efforts on its Holiday Inn brand.

Europe-based executives from both companies gave Hotel News Now an update on their development strategies.

Hilton's brand recognition in Europe

While Marriott International vaulted to the top spot in the race to reach 1 million global guestrooms with its [2016 acquisition of Starwood Hotels & Resorts Worldwide](#), Hilton has reached the 100,000-room mark in Europe, according to Patrick Fitzgibbon, the company's SVP of development for Europe, the Middle East and Africa.

“That number is a trigger point,” Fitzgibbon said. “It is significant, but Europe remains fragmented. For us, there is huge opportunity.”

Hilton will continue its growth in Europe because of its sustained success, which appeals to investors, he added.

“We’ve grown broadly with other people’s capital, and 50% of our hotels come from developers with track records,” he said. “There is no better argument for those who are looking at us for the first time, and overriding it all is our track record of hospitality.”

The first Hampton Inn & Suites hotel in Europe opened seven and a half years ago, Fitzgibbon said, and today there are 57 Hamptons across the continent. The Hampton and Hilton Garden Inn brands are part of what Hilton calls its focused-service portfolio, which European owners seem to love.

“They just get it,” Fitzgibbon said.

The DoubleTree by Hilton brand now has 103 assets across Europe, he said.

“All these brands have grown in Europe because a specific market space has been identified by us, owners and guests,” he said. “Added to that is Canopy,* which (we’re) targeting exciting destinations. Our first is in Reykjavik, and Hilton has definitely helped Reykjavik grow as a destination.”

Tru by Hilton, the company’s newest brand in the midscale segment, not entered Europe—yet. Still, executives claim Tru will one day [have the largest footprint](#) of all Hilton brands.

“We also are not afraid to say no,” Fitzgibbon said. “It’s all about the right hotel for the right location for the right owner.”

He said he is confident Hilton will continue to have strong growth in Europe, even in Russia and Turkey, where the company hopes to have more than 50 properties each. The 169-room Hilton Saint Petersburg ExpoForum recently opened on 27 March.

“Mostly, investors are local,” Fitzgibbon said.

Hilton also aims to expand in France, he said, adding that modular-construction development could be an option.