

COULDN'T TELL YOU FIRST THING ABOUT COLLEGE SAVINGS PLANS



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Why All the Locals Are Lounging in the Hotel Lobby

By ALINA DIZIK

When Ted Copeland comes in for his coffee, the barista has his order (black, no sugar) ready. Then he sets up his laptop and lingers for a few hours over the caffeine and free Wi-Fi. Refills are free.



Freelancers have taken to hotel lobbies instead of Starbucks. Hotels are courting them with long tables and lots of outlets because they like the ambiance of buzzy lobbies. Alina Dizik has details on Lunch Break. Photo: Sally Ryan for The Wall Street Journal.

This definitely isn't Starbucks. This year, Mr. Copeland, a 33-year-old sales executive, moved his makeshift workspace to the Public, a boutique hotel in Chicago. Mr. Copeland, who is drawn to the working fireplace, the 18-foot ceilings and the electrical outlets galore in the hotel lobby. "Starbucks was always crowded," Mr. Copeland says. Plus, he likes the bathrooms.

More consultants, bloggers and other creative non-office types are latching on to the comfy chairs, free Wi-Fi and other amenities to be found in chic new urban hotels. Guests are setting up their laptops, iPhones, ear buds and water bottles and doing business

from high-visibility library tables and quiet corner armchairs.

"It's like the living room I could never have," says Leslie Richin, who lives near and often works at the Andaz Wall Street, a Hyatt Hotels property geared to younger business travelers in New York. Ms. Richin, a 33-year-old social media strategist, is one of a few freelancers who have discovered an area one floor beneath the main lobby, where it's quiet enough for phone calls. The Andaz, a two-year-old property, has a signature citrus scent, a curated selection of new music and a multimillion-dollar lobby whose modern design makes for an inspiring environment, Ms. Richin says.

Hoteliers say they like a lobby that is abuzz with locals doing business or kicking back, and out-of-town guests like the local feel, too. "The most boring thing in the



Sally Ryan for The Wall Street Journal

The library at the Public, in Chicago, aims for a coffeehouse atmosphere, with reclaimed wood and works of art, including portraits by Dutch photographer Hendrik Kerstens in 24-carat gold-leaf frames.



Sally Ryan for The Wall Street Journal

The Public, a boutique Chicago hotel, welcomes freelancers, consultants and other mobile workers to its amenity-rich lobby, because they help create buzz. Ted Copeland, a sales executive (on phone, at center), works there three days a week. The hotel says 90% of its daytime lobby food and beverage revenue comes from day workers.

world is to go to a hotel restaurant and a hotel bar that only hotel guests go to," says Ian Schrager, who started installing nightclubs in the lobbies of his boutique hotels in the 1980s. Consumers are willing to pay a premium to stay at a property with buzz, he says, likening the ideal lobby atmosphere to that of the deck on an ocean liner.

But a lobby full of freelancers poses certain risks to the hotel's image, says Laurent Vernhes, co-founder of Tablet Hotels, a booking service for boutique properties. "If you are inviting the locals to hang out in the lobby," says Mr. Vernhes, "you better make sure they represent your brand."

Beyond the buzz, mobile workers find there's more leg room in hotel lobbies than in coffee shops. In some lobbies, it's possible to order food and drink from the roaming wait staff: Some lobby guests work straight through a Michelin-starred meal. On a recent day in New York, Edward Ryan, an independent consultant, racked up a \$60 tab in the Ace's lobby, ordering a morning coffee, bottled water and a beef-and-Stilton meat pie for lunch. A few hours later, he was ready for a Dogfish Head Indian Brown Ale, available for \$9. "I just had a beer when it hit five o'clock. It's a nice transition," says Mr. Ryan who visits once a month and says the convenience is worth the cost.

Repeat day trippers tend to be respectful of their second-tier relationship to the hotel. Mr. Copeland, a hospitality industry sales executive, says he is reluctant

to spread the word for fear of sparking the kind of crowded coffee-shop conditions he is trying to escape.

Mr. Copeland spends three days a week at the Public, which evokes a 1950s coffeehouse feel with elements like reclaimed wood columns and special art. Chatting with locals about what's for lunch beats the isolation of working from home in pajamas. Mr. Copeland says he spends about \$5 per visit.

Some freelancers says they are upgrading because Starbucks is too noisy: Between the milk frother and their fellow freelancers, it can quickly get too loud for phone calls. Others complain of limited restroom availability or sometimes a glare from the barista if they linger too long over a cup of coffee.

Starbucks had no comment on whether it has noticed fewer workers in its stores. There is no

purchase necessary to access Wi-Fi in the store, the company says, and there is no policy regarding length of stay. "Starbucks is known to provide a welcoming experience with a focus on maintaining a third place—between home and work—atmosphere for all of our customers," a spokesperson said in an email.

A crowded hotel lobby, in contrast, creates an upbeat, buzz-worthy atmosphere, which over time is thought to lead to higher occupancy. "If you have an active lobby, from a customer standpoint, it does reinforce the idea that the hotel is successful and a good hotel," says Steve King, partner at Emergent Research, a Lafayette, Calif. consulting firm that has noted the trend.

Many hotels say even overnight guests, especially those under 40, are more comfortable working in a public lobby than upstairs in their rooms.

Lobby guests are a revenue stream. Until a few years ago, making money during off-peak weekday hours, when many guests are out on business or exploring, was a big challenge for hotels, Mr. Schrager says.

Last year, he launched the Public in Chicago, the first in a chain of midprice high-design hotels. A "library" area in the lobby has free Wi-Fi, electrical outlets built into communal tables and an espresso bar with a food menu and alcohol after four o'clock. Lambswool-upholstered armchairs and a custom fireplace create a cozy workspace. About 90% of the hotel's daytime food and beverage revenue in the lobby is from non-guests.

Naturally, overnighters still take priority, hotels say. Check-in counters are placed away from the busy bar area, and there are private areas set aside for paying guests. "It's a balancing act," says Mr. Schrager. Overnight guests "can't feel disenfranchised."

Alex Calderwood, co-founder of four Ace Hotels, says after he noticed the lobby of the Ace hotel in Portland, Ore., had become a meeting point for locals, he set out to create the same feel in others.

New York's Ace, which opened in 2009, has dim lighting, tufted couches and a reputation as the place for freelancers to be seen and make connections. For overnight guests, "it's a more under-the-skin and personal connection to the city," says Mr. Calderwood.

Maintaining an office in a crowded lobby requires following certain unwritten rules. To take sensitive phone calls, Craig Turpin, a 34-year-old video editor who works at the Ace, sometimes walks outside or to a quiet area. It's risky leaving a laptop unattended, though. A bathroom trip means others are free to take your spot.

"It's pretty tough to call dibs," Mr. Turpin says. "You have to have a partner in crime, otherwise you may lose your seat."

The Ace monitors crowd size, Mr. Calderwood says. "It's a nice problem to have."

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