

SEEKING THE “ULTIMATE HOTEL EXPERIENCE”

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ABSTRACT

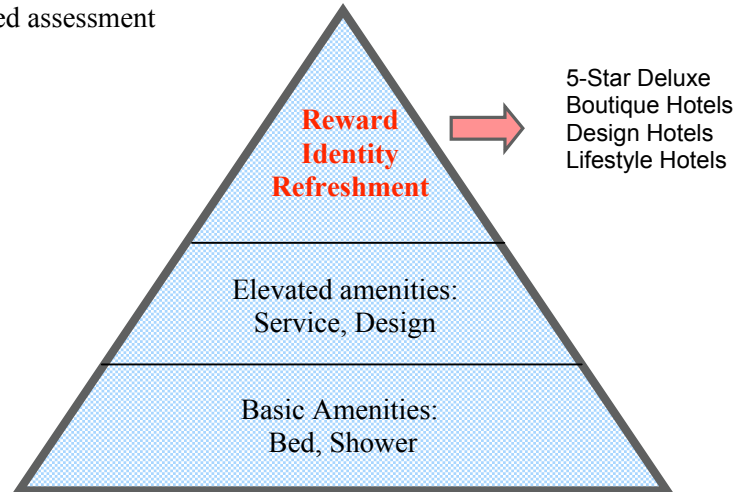
Hotels today advance how people live in cities, travel around the world, conduct business, commune with nature and even construct their fantasy lives. The modern hotel not only offers a place to sleep, but also provides its guests with an escapist experience through its design, sense of spectacle and amenities. Hotels are becoming destinations in themselves and, in times of the experience economy, properties aim to become “the ultimate hotel experience”. This paper's objectives are to understand the evolution of this specific segment, to analyse the conceptual framework that led to the current scenario, to get acquainted with the trendsetters and to feel the new wind blowing throughout the hotel business. The paper investigates the origin and evolution of the so called “boutique”, “design”, “hip” and “lifestyle” hotels, reviewing the major players, along with references to over 40 properties chosen for their peculiarity in design, innovative concept, unique marketing strategies, etc. Nowadays and more than ever, brands are mirrors for their customers. The hotel industry has taken good notice of this fact, thus the branding efforts and trends compiled through the study - such as co-branding and brands as experiences - are presented. Different hotel concepts, the philosophy behind them and the branding techniques employed by this hotel industry niche are included in the paper.

1. INTRODUCTION

Hotels today advance how people live in cities, travel around the world, conduct business, commune with nature and even construct their fantasy lives. The modern hotel not only offers a place to sleep, but also provides an escapist experience, through its design, sense of spectacle and amenities. Staying in a hotel is no longer a question of only getting a nice, clean and comfortable room. It's much more. It's an experience, an event, a happening. It's funky and its entertainment. All this does not mean that today's guests don't require service and quality. On the contrary. Guests are ready to pay for the pleasure of staying in a nice hotel but they do demand that everything is on top form. One of the difficulties in delivering that “ultimate guest experience” lies in the fact that to many guests, the hotel experience is a very personal one. They sleep and shower there, both highly personal activities which, depending on the mood of the individual, might require mere functionality or a higher level of sensory or emotional stimulation. In separating three generics in the need assessment of a hotel client (see Figure 1.), it becomes clear that in each of the three tiers, different hotels deliver a differently level in the fulfilment of the guest requirements. The difficulty being clearly that motivation factors for guests staying at a hotel can be widely varied. The hotel can be a substitute home or the ultimate escape from the everyday routine. If hotels are that much of a private choice, inevitably clients are going to look for some “connection”, which is the real strength of lifestyle hotels. Lifestyle hotels offer, above anything else, individuality. It stands in contrast to many chain hotels that are designed and furnished to similar specification. As extracted from a study published by PricewaterhouseCoopers in June 2002, essential features of lifestyle hotels include: unique identity and modern character, smaller properties, high levels of personal service, reflective of the

personality/style of their designers and/or operators and owners, and stylish design-led architecture and interiors, often offering high quality high tech in-room facilities.

Figure 1. Generics of need assessment



Of course many “non lifestyle hotel groups” are characterised by similar service and all customers have a “lifestyle”. In the end whether or not the label “lifestyle hotel” should be applied to a hotel or not, comes down to individuality and scale. The lifestyle hotel sector in Europe is small (PriceWaterhouseCoopers, 2002), comprising less than 1 per cent of the total market by room count (see Table 2). Nevertheless, despite its relatively small size, the sector remains highly significant in its ability to shape and influence the future structure and face of the entire hotel sector. The sector has demonstrated strong growth over the past five years and during this period, according to PwC research, the number of lifestyle hotels run by the operators in the survey more than doubled, a growth of 142 per cent. Operator’s growth according to the survey will represent in 2007, an increase of 87 per cent in terms of room stock compared to 2002 levels.

Table 2. Lifestyle/Boutique Hotels in Europe 2002

	Lifestyle/Boutique	Total European Groups
Hotels	92	9,763
Rooms	7,897	1,122,522
Average size (rooms)	86	115

Source: PwC Lifestyle Hotels Survey June 2002 and European Hotel Group Database 2002

This paper's objectives are to understand the evolution of the lifestyle operations, to analyse the conceptual framework that led to the current scenario, to get acquainted with the trendsetters and to feel the new wind blowing throughout the hotel business. Experience economy and experiential marketing concepts are presented together with relevant consumer evolution findings. The paper investigates the origin and evolution of the so-called “boutique”, “design”, “hip” and “lifestyle” hotels reviewing the major players.

2. THE EXPERIENCE ECONOMY

Pine II and Gilmore (1998) suggested that experience is the fourth economic offering and it is distinguished from services (see Table 3.)

Table 3. Economic Distinction

Economic Offering	Services	Experience
Economy	Service	Experience
Economic Function	Deliver	Stage
Nature of Offering	Intangible	Memorable
Key Attribute	Customized	Personal
Method of Supply	Delivered on Demand	Revealed over a duration
Seller	Provider	Stager
Buyer	Client	Guests
Factors of demand	Benefits	Sensations

Source: The Experience Economy (Pine II and Gilmore, 1998)

An experience becomes a commercial product when the experience is “memorable” to the customers. Thus, marketers can increase the value of their product by “adding a memorable experience” to the functional products. Experiences occur as a result of encountering, undergoing, or living through situations. Consumption and decision making processes related to tourism are to a large extent driven by hedonic and emotional aspects (Gretzel and Fesenmaier, 2003). They are triggered stimulations to the senses, the heart, and the mind. Experiences also connect the company and the brand to the customer’s lifestyle and place individual customer actions and the purchase occasion in a broader social context. In sum, experiences provide sensory, emotional, cognitive, behavioural, and relational values that replace functional values. While customers may frequently engage in rational choice, they are just as frequently driven by emotions because consumption experiences are often directed toward the pursuit of fantasies, feeling and fun. Hotels seeking to offer a full balanced hotel experience, often apply a matrix that includes hardware components (physical elements) and software components (ambiance). Whilst many elements in the so-called “hard” product offering contribute to the clients positive impression of their stay or meal, a variety of components are geared toward a balanced sensual experience, often quoted as the X-factor. The five main senses can be used as a reference point (one might even add the individual’s Fantasy as sixth sense) and in a hotel several factors influence the sensorial stimulation. Optical stimulation is achieved for instance by the lighting, art, decoration and presentation. Olfactory includes scents, food, freshness, cleanliness, and aromas. Sound, music, silence, atmospheric background or conversation is part of the auditory stimuli. The gustatory might include the ingredients and flavours. Tourism marketing has widely neglected the significant role of olfactory, haptic, gustatory, and auditory sensations during consumption experiences (Gretzel and Fesenmaier, 2003). Every hotel or restaurant emits a type of aura in every single one of these fields, activating the senses of the customers. If the stimulation factor is higher or corresponding to the customer’s expectations, he leaves the place satisfied. Each field requires fine-tuning and balancing. This can be achieved through every area complementing the other, or by a deliberate

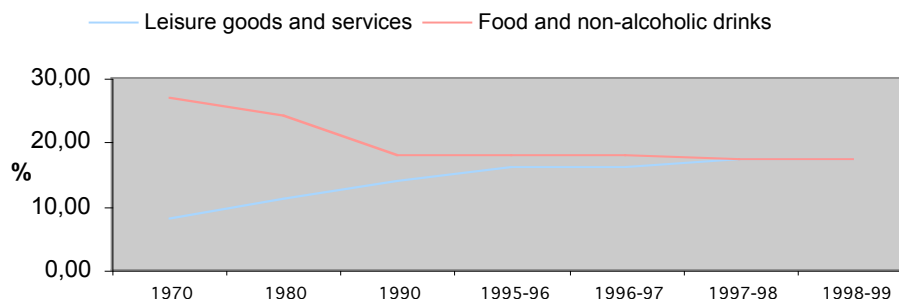
contrast in each area. In order to achieve guest satisfaction, all these areas need to be orchestrated properly and this is seen as the greatest challenge in delivering a fully sensual client experience, as there is rarely one person directly responsible in any operation to fine tune these elements. An exception being The Lydmar Hotel in Stockholm. This property has created the position of a Soul Manager, whose responsibility is to supervise the balance of the five elements (in this case orchestrating staff, arts, music, food and interiors).

3. GUEST'S EVOLUTION

3.1. General

The modern travellers are basically information rich; time deprived and are looking to reward themselves. Information is the most precious commodity in the modern marketplace and the modern traveller is very well informed about different products. Access to information makes the traveller more discerning. Consumers are more professional, and yet there is more confusion and indecision than ever. Both of these are a natural by-product of a surge of information. At the same time, although consumers have more and more choice, they have less time to choose. Almost all of the modern devices designed to make our lives easier do just the opposite. Mobile telephones and portable computers mean that those traditional areas of relaxation for the businessman i.e. the aeroplane and the hotel, do not exist anymore. Modern travellers seek a balance in their lives and if they were to choose, businessmen chose more holidays over more salary, for the first time in a Gallup poll (2000). Poon (1993) found that "new" (i.e. Internet-enabled) tourists are more experienced, more educated, more destination-oriented, more independent, more flexible and more environmentally conscious. The main differences between the "old" and "new" consumer is threefold, firstly the sharp increases in disposable income for a large section of society. Secondly, the allocation of that income on leisure goods and services (see Figure 4.), and thirdly access to information. Obviously the Internet has played a large part in the distribution of this niche product, but the so called "referral economy" features more and more in how people actually choose. The traditional "top down" world economy where religion, monarchy, government and big business controlled the status quo has been replaced by a "bottom up" one, where joint behaviour of consumer groups effectively control the market. We have undergone a complete reversal from the days when the producer dictated how, what and for how much we could purchase. From the classic example of Henry Fords' "you can have any colour you like; as long as it is black" to the situation where you can name your own price on priceline.com.

Figure 4. Leisure spending Pattern



Source: The Henley Centre

3. 2 Lifestyle Community

Tourists are increasingly searching information which enables them to “experience” the destination instead of simply obtaining facts about “how the destination is”. These trends for tourism suggests that travel has become a means for finding personal fulfilment, identity enhancement and self-expression (Cho and Fesenmaier, 2001.) And, perhaps even more important, travellers have become especially concerned not with just “being there” but with participating, learning and “experiencing the there” they visit (Pine II and Gilmore, 1998). When it comes to describing people, we tend to refer to the “generation x” or the “baby boomers”, the “new old” or the “corporate citizen”, as if allocating individuals to categories like these could adequately explain their interests and aspirations. Does it work, though? Partly. Does age matter, for example? Less than one might think, although demographers never tire of pointing out how society will be forced to adapt as the birth rate goes down and life expectancy goes up. However, using a combination of age and lifestyle factors to define certain character types and thus to predict their behaviour can prove a convenient shorthand. The “net generation”, for example, is found at the forefront of new trends. Creative, influential, unconventional and confident, they make demanding consumers. As the name implies, the “flex generation” is – like the so- called “non-conformists”, mostly freelance professionals – always open for new ideas. They place more emphasis on fulfilment than material wealth and love to broaden their horizons by travelling. The post-war “baby boomers” may be getting older, but they retain their youthful approach to life despite juggling with their responsibilities at work and in the family. Their high purchasing power gives them economic clout. Some of them may be corporate citizens, suit-clad carrier types whose jobs take them around the globe and who spend their leisure hours networking among like-minded individuals in private clubs or on the golf course. Whether they call a rural farm or a converted city loft their home, the “new greens”, other than the first generation of environmentalists, now regard style and living in the fast lane as absolutely compatible with spirituality, ecological awareness and the healthy life. These global nomads - generation x, baby boomers, the new old or the corporate citizen, the net and flex generation, new greens – make up the Lifestyle Community, which counts about 150 million people worldwide. The demands from the lifestyle community are very different from the “traditional” business and leisure travellers. Image, entertainment, uniqueness and the hip factor are much more important than any palace styled, Louis XV interior design and white gloved staff opening the doors. A smart, well designed homepage where the guest can book his room is more challenging than calling a travel agency that don’t know the hotel the guest is looking for. A well-equipped gym is more attractive than huge rooms, enormous reception areas and ballrooms. A swinging lobby area, a coffee shop, a sushi bar is much more appreciated than a 3 Michelin star-rated restaurant. A hotel that reflects the culture, the soul and the people of the city and country the guest is visiting is more exciting than finding the same lobby, restaurants and rooms as in any hotel, in any country. A designed, aesthetic, high quality environment gives far more satisfaction and input to this type of guest than any streamlined hotel interior. Based on a variety of market research findings amongst other by the Henley Centre (London, UK), the Campbell Group (New York, Baltimore, USA) and Lebensart Global Networks (Augsburg, Germany) in year 2001 the typical clientele of “lifestyle” hotels, can be described as art and design interested, early adopters of fashion, media and technology who share a passion for quality or even luxurious living. Whether the “quality living” is a permanent way of life or a temporary reward, depends on the financial background of the individual. These individuals share a basic interest in arts and interiors so as a state of mind towards creative expressions of any type. It is from this target group that the term of lifestyle hotels is derived, and as many different lifestyles coexist in today’s socio-economic and global structure, a variety of hotel (or more general: product) concepts in terms of their styling cater to this community. A hotel needn’t necessarily be equipped with the latest furniture extravaganza in order to

appeal to this target group; instead it delivers an experience combining interesting interiors, art, music and entertainment in an uplifting package for the consumer to enjoy. The lifestyle hotel product therefore delivers not only quality in its interior design but also a feel-good element for their customer which is achieved by the combination of traditional quality of service and the offering of additional services appreciated by the lifestyle community. The traveller nowadays knows his worth and wishes to have this recognised and acknowledged. His practical needs have to be fulfilled but also the emotional needs – the need for recognition, for prestige, for comfort, for fulfilment.

4. HOTELS AS ULTIMATE HOTEL EXPERIENCES

As early as the 1830s the public rooms of hotels had become modern agorae where men conducted business. "Here you meet everybody and everybody meets you". While the hotel has long been a place to do business, hotels are also big business in themselves. Hotels seen as key components of today's global economy, functioning not only as work and home environments for business travellers but also as depots on a vast network of digitally connected sites. Urban hotels were the products of epochal changes throughout the Western world in the 19th century. The opening of a new hotel signified a city's economic and cultural coming-of-age. Hotels also met the new middle class's growing mobility and provided public arenas where the grand - and not so grand – could see and be seen. City hotels have re-emerged in the 90s as design palace, social Mecca and urban jewel. Furthermore, hotels are communities of strangers who gather outside their normal environments for brief periods of time. As homes away from home, hotels also encourage people to fantasize and, in the hands of designers, they achieve an otherworldly quality, via artful imagery, illusion and perception. Below we present some of the major players seeking to offer "the ultimate hotel experience".

4.1 Entertainment and Gambling Industry

Las Vegas, The Walt Disney Company and the many theme parks all over the world were the first to introduce the hotel as an experience in itself. Loews hotels, a company with 55 years of history offering 16 hotels in the USA and Canada, is a paradigm of integrating lodging into theme parks and the entertainment sector. The House of Blues, a 367-room property opened in 1998, located in an entertainment centre in Chicago hosting a recording studio, bars and theatre facilities, is a good example of Loew's strategy. Many could argue that the Walt Disney Company, has indeed, created an experience that itself has a distinct brand image with the individual pieces of, for instance, Disney World contributing to that experience brand. The question is whether other brands can package a set of expectations that combine products, services and experiences as Disney has done. Certainly the Disney brand has shaped consumer's expectations and has been successful at delivering on its promises (Olsen and Connolly, 2000).

4.2 Ian Schrager Hotels

When Ian Schrager burst onto the hotel scene in 1984, he brought with him an unconventional approach and outsider mentality that was deeply rooted in the spirit and ethos of the entertainment industry. The design element, with the hotel experience as theatre, has all been part of Ian Schrager's philosophy ever since he opened Morgans in New York in 1984. It was the Royalton, the next hotel he opened and the first full collaboration with Philippe Starck that would provide the blueprint for his empire of hotels. His success lies on his being among the first to tap into a vein of consumer consciousness. His first property

outside New York, the Delano, opened in Miami in 1995 and it certainly offered something new in the urban resort market. By constantly refining his basic ideas, and always striving to reinvent the hotel experience, Schragger went on to create a number of breakthrough concepts such as the St Martins Lane and Sanderson hotels in 1999 and 2000. Offering 10 hotels in 2003, Schragger has also made it a priority to create hotels that appeal to the local community and to promoting signature restaurants within his properties (i.e.: Asia de Cuba restaurants).

4.3 Boutique Hotels

According to Chip Conley founder of the US Joie de Vivre boutique chain, Ian Schragger was the first to use the description “boutique hotel” in the early 80’s (PriceWaterhouseCoopers). Kimpton Hotels and Restaurants was one of the first companies to open a “boutique hotel” in year 1981 – The Clarion Bedford Hotel in San Francisco. Nowadays, it has grown to include 34 hotels and 28 restaurants in the USA and Canada. Joie de Vivre Hospitality founded in 1987 in San Francisco by Chip Conley, opened its first “boutique hotel” in 1986, The Phoenix in San Francisco. Today it offers 21 boutique hotels, two day spas and a camping lodge. In the beginning of the 90s the term “Boutique hotels” swept through the market and was used to describe the typically 50 – 100 rooms property, individually decorated (literally a boutique as opposed to a department store) in European or Asian influenced furnishings, and non chain-operated. This term was quickly adopted by chain operators and marketing representation companies in order to help differentiation from the more traditional hotel products within their portfolio and soon one could find references to 400 room boutique hotels in the directories rendering the definition nearly superfluous as far too many chain operated hotels started toying with the term boutique. The corporate entity Boutique Hotels & Resorts International, an alliance of around 200 independent, genuine boutique hotels and resorts from around the globe, started operating in the late 90s.

4.4 Design Hotels

Beginning of the 90s, more and more hotel operators would embrace a more contemporary approach in styling and equipping their hotels, giving rise to the term “Design” or “Designer” hotel, a term trademarked by Lebensart Global Networks, the holding company of Design Hotel Inc. Design hotels is a consortium of individually operated designer and lifestyle operations, established in 1993 with 10 hotels, who cater to a very selected group of more sophisticated travellers. Representing 168 hotels in urban and leisure destinations worldwide, their goal is to provide marketing and global services for design-led hotels worldwide. Subscribing to the view of design as a measure of living, not as a temporary trend, the company began to cooperate with forward-looking hoteliers and designers who shared a similar vision. Design Hotels send a clear message of individuality that they know will attract a certain type of traveller, who is more interested in what his hotel says about him, that what it does for him: lifestyle conscious and avid travellers, individuals working in the media, advertising, fashion and entertainment industries represent the company’s core audience. Design Hotels Inc. is one of the first companies to give rise to the term “lifestyle hotel” as a complementary definition to design only property. In 1999, The Small Hotel Company now representing 42 hotels, becomes part of Lebensart Global Networks AG. The Small Hotel Company caters to travellers who value an environment that is intimate and luxurious.

4.5 W Hotels & M Hotels

Design and lifestyle are becoming one of the key elements in the evolution of the hotel product. Not only unique entrepreneurs open unique hotels. Starwood launching, in 1998, its boutique hotel concept “W”,

and Millenium Hotels & Resorts its "M" Hotel in Singapore, are examples of "traditional hotel companies" turning hip. There is no doubt that design is becoming a key feature when competing on the hotel market. This also implies that design is not only an exclusive product for exclusive people. W Hotels has grown to 19 hotels worldwide with an important projected expansion over the next years and a priority of integrating high-tech into their premises.

4.6 Sorat Hotels

Sorat Hotels, the biggest design hotel chain in Europe, has made quite a name for itself since 1990. This medium-sized company now has 24 town hotels and more than 2.203 rooms, all over Germany. From the very beginning, the unique design of Sorat Hotels has been their trademark.

4.7 Meliá Boutique Hotels

Sol Meliá, the Spanish based hotel group, launched a new segmentation within their group in 1999 with representation today in 6 countries. The Boutique line focuses on small hotels, located within exceptional buildings such as old palaces, reformed castles and convents, etc. and strategically located in the centre of Europe's most popular historical and cultural cities. One of the most outstanding features is the use of the very latest state-of-the-art technology throughout their facilities.

4.8 Funky Hotels

The philosophy behind funky hotels is to ostensibly concentrate on design and lifestyle rather than functionality. Mostly they cater leisure travellers, particularly the young and cool crowd. The Whitelaw and The Pelican in Miami or The Pelirocco in Brighton, are examples of this product niche. For instance, The Pelican has an extensive and popular food and beverage operation, located adjacent to the busy Ocean Drive. Arriving guests have to pass through a crowded restaurant and bar in order to reach the reception desk. This experience alone would definitely break down any misleading expectations a guest may have that the Pelican is in any way a traditional hotel.

4.9 Hip Hotels

Hip hotels is a term created by Herbert Ypma, founder of the Interior Architecture and creator of the World Design Series. The term stands for Highly Individual Places and it is shown in a guide first published in 2000 (Escape) listing 40 properties. As for his definition, HIP Hotels share independence and individuality. Nowadays, Herbert Ypma has published several guides including HIP Hotels: Budget, HIP Hotels: City and country specific HIP Hotels' guides (i.e.: France).

Jeff Klein, the man behind the City Club Hotel in New York, announced his entry to the market in year 2000 by publicly challenging the image of the over-trendy hotel with their VIP parties and night-cub atmosphere in the lobby. His statement that a "hip hotel is the greatest place to check-in, and the worst place to stay" shows that, especially after September 11, 2001, hip is associated with frivolous and is getting out of date. The customers that packed the trendy hotels in the late 1990's are a little older and a lot wiser. Nightlife is not the name of the game anymore; well being and a low profile are now in. Twenty years ago design was a differentiation feature, nowadays design is contemplated as a minimum requirement. For instance, myhotel Bloomsbury in London takes the definition of a contemporary

designed hotel one step further. Whereas other hotels provide areas for relaxation and stress relief, at myhotel the entire hotel has been designed expressly for these reasons. Conran and Partners worked together with Feng Shui expert William Spears, anthropologists, doctors and hotel designers to ensure a global well-being atmosphere.

5. BRANDING

From a hospitality purveyor's point of view, today's consumers barely show any brand loyalty. From the consumer's point of view, however, each transaction is a brand-new decision. The traditional approach to branding treats a brand as a static identifier of a company's products through the use of names, logos, and ad slogans (Schmitt, 1999). This service as an identifier - Brand=ID - is indeed a core function of a brand. But brands are not just identifiers. Brands are first and foremost providers of experiences. Through brands we relate to one another and create barriers to others. The brand community model adds a link between customers: they communicate with one another. Moreover, since it is a social system, there may be social roles such as opinion leaders in the community that set up web sites, user groups and brand events. People no longer associate themselves with their neighbours or where they live, but instead feel more comfortable with people who share the same hobbies and lifestyle aspirations. There has been a blurring of needs and wants which has given rise to the power of the lifestyle brand. Consumers want to be associated with other like-minded groups, and their choice of hotels has been as important as their choice of clothes as a statement of which they are. Lifestyle hotels make a strong statement to the market place designed to attract to a particular segment or "tribe" whereas traditional hotels cast their net much wider, competing on their ability to provide everything to their guests. Discerning consumers today expect also the delivery of any type of lifestyle association in the content of the actual good or service purchased. Not longer does it suffice to associate the hotel with a lifestyle target group through branding and positioning, clients now also expect the hotel to match the intricate market model. In the case of hotels, the customer's expectations on upscale lifestyle hotel products can be summarised in four relevant areas: lifestyle, locality, surprise and originality. By associating clients' types to other like-minded groups, who share the same interests as them, the product attracts a tribe-like group of clients (lifestyle). The relationship a hotel has to the local "hip" community has become a relevant factor. Guests now expect staff not only to be informed about the best bars, events, and places, but also to offer the additional service in getting access to these locales (locality). In flattering the self-conscious consumer, hotels can acknowledge the understanding their target group has. By entertaining the client with smart, unexpected details in the operation or decor, hotels create an association with the clients value system (surprise). Due to the uncertainty in travel-decision making and the intangibility and inseparability of tourism products, travellers tend to consider personal information sources more reliable and useful (Cho and Fesenmaier, 2001). This, in addition to the growth of expenditure in the "experience economy", gives unique and individual hotels the opportunity to use their originality as a positioning tool to establish a loyal client base. One alternative for a hospitality enterprise is to expand its domain to integrate horizontally with other businesses. Consumers see food, accommodation, and travel merely as elements of a greater whole relating to a total experience. Hospitality providers face the difficult process of becoming part of a portfolio of providers that combine to meet the guest's experience requirements. Although hospitality companies are already trying strategic alliances and mergers, a longer lasting strategy is for companies to become gatekeepers for the guest experience. The experience-gatekeeper concept is intended to offset the tendency for hotel rooms, restaurant tables, etc. To become commodity-like in consumer's eyes. The key is to create a custom experience that suits their individual needs. One way to think of this is that customers are seeking to experience the best from the buffet of life. In so doing, they will try to maximize their fulfilment of material and experience-related desires. The lifestyle traveller seeks more than advice or recommendations, requires being part of it. In recent years, the emergence of lifestyle influenced hotel

products has led to vast variety of brand level co-operations or branded hotel experiences. Bulgari Hotels, Hard Rock Hotels, the Versace Hotel in Australia, Mirohotel or Domine Hotel in Spain, are among the many examples of partnerships between hotel operations and lifestyle brands. In other examples, hotels associate themselves with brand experiences to enhance the product value of the hotels' own brand (i.e. Nh Hotels and Ferran Adrià). Catering to the growing market for "experiences", client aesthetics and at the same time quality service content is the formula applied in brand co-operations. When looking at market positioning, co-branded hotels seem to have a competitive edge in penetrating the market, as the allocation to an existing brand name enables a quick transfer of the product values and content to the client. In these cases, building a consistent brand experience is enhanced through the existing "celebrity appeal" of the co-operative lifestyle brand and does not require as much time and effort as building a new brand from scratch. However, co-branding in the hospitality industry requires a careful evaluation of both brand partners strengths and weaknesses, an alignment of the long term business and most importantly careful implementation. A clear example of lifestyle branding going beyond hotels is the Lebensart Global Networks AG. Holding hotels, a travel agency, consulting services, lifestyle products, Cosmopolitan Clubs and a technology company, this holding caters specifically to the lifestyle community. In 1987, Cosmopolitan Clubs Inc. was founded in Florida. Part of the Lebensart Global Networks AG, Cosmopolitan Clubs Inc. through its two brands - Club of Clubs and Junior International Club - organises high-level events and incentives. Currently its members enjoy a number of privileges in travel and take advantage of the co-operation with private clubs, nightclubs and hotels worldwide, setting an example for the new lifestyle community.

5.1 Employees and co-branding

In hotels seeking to offer "the ultimate hotel experience", employees truly have to be "content experts", who not only can manage the information exchange but who also can match guests to experiences. Hospitality companies that recite the mantra of value creation must consider their hospitality professionals at all levels of the organization to be the ones responsible for creating value (Olsen and Connolly, 2000). Creating value implies that a person will assist the firm in maximizing free cash flow to the business, sometimes through their support and co-branding. To do this, hospitality employees will be required to possess demanding skills based primarily on making the most out of each guest transaction. While the idea of maximizing transactions is nothing new, what is different is that this style of guest interaction will demand substantial conceptual skills from every employee. The first major change is that employees at all levels will be expected to be consultants of customers. Such a consultancy requires the employee to have knowledge about the hospitality enterprise and to have a strong awareness of the world outside the hospitality operation to achieve the best possible matches between the guest and the desired experiences. So, not only will the consultant-employee's understanding of the business be substantial, but that employee will also be expected to determine and understand the guest's problem or needs. Once those needs are known, the consultant-employee will also be expected to search for the solution for those –and that search will almost undoubtedly extend beyond what that particular hospitality company provides. An example is Lebensart's Concierge Programme – a web platform for hotels to locally track all types of information pertaining to the restaurants, bars, and shops they recommend in their front office database. This platform is integrated in the Lebensart content management structure, where hotel's concierges enter their recommendations. Every time a guest looks up information on a city on the web site of Design Hotels, he views all member hotels' concierge recommendations for that city, together with a reference name and picture of the concierge. This information is compiled in city guides which Lebensart sells as co-branded publications to other lifestyle brands, such as Hugo Boss or Bombay Sapphire. The program creates identification around the job of the concierge, giving more value and recognition for people who are working in this field, and secondly, being able to use the information to add value to the brand of

Design Hotels, creating a value which is relevant to their target group. The idea behind the concierge program is to elevate the recognition of concierge, bringing the job status to a level of what, internationally, the disc jockeys represent today and offer a further service to the lifestyle community.

6. CONCLUSIONS

Two specific developments can be noted: the entertainment hungry crowd of what where the early adopters in the 90s are moving into a different demographic and socio-economic bracket and design and style have become a basic requirement to attract clients and are not longer enough in their own right. In the 90s, design has been an advantage; nowadays it's a minimum requirement. Competitive advantage will be based on intellect rather than assets and capital. While the latter two resources are necessary, they are no longer sufficient for competing successfully to attract the knowledge-based customer. Hotel companies will constantly have to reinvent themselves to create value and provide the ultimate in individualized service (Olsen and Connolly, 2000). Many of the individual ingredients, which contribute to the "experience" of a lifestyle hotel, have been adopted by the traditional hospitality. There appears to be recognition in the lifestyle segment that knowledge of the more traditional hotel skills is required. One could say that design and lifestyle hotels are turning more and more towards corporate and corporate hotels are turning more and more towards design and lifestyle. In essence this means that the element that originally put lifestyle hotels on the map, namely generating demand with the hype created using the help of key media outlets, is getting more difficult to obtain as customers are getting more sophisticated and more cynical. This has led to some of the players in lifestyle hospitality to embrace existing marketing and distribution channels more than before. In the years to come lifestyle hotels will pursue to close up the gap between over-stimulation versus substance. PricewaterhouseCoopers (2002) published some factors that potentially discourage further growth of the boutique/lifestyle segment: downturn in global economy, larger hotel groups products causing 'lifestyle fatigue' through over-branding, cost of entry to market place, lack of project finance, lack of suitable sites, lack of suitable properties for conversion, concerns of over expansion, causing pressure on management and a reduction in standards, staffing difficulties. Conversely the main opportunities for continued success are: resisting over-branding, retaining individuality, staying close to consumer /market needs, CRM issues – exemplary service and guest recognition, reacting to guest's need for greater safety and privacy, improved service and attention to detail, addressing value for money issues, co-branding possibilities, continued innovation in design and concept. Aesthetics are undeniably part of the experience, but there is much more involved. In fact, without successful development management and marketing, design is only so important, and ultimately matters less than a gratifying travel experience. Product standardisation, as seen in many examples of hotel chains, has lead to a shift in market demand towards niche products. Is responding to this demand and seeking for the "ultimate hotel experience" a passing trend or a long-term addition to broaden the product variety?

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LINKS

Exhibition

New Hotels for Global Nomads

<http://www.si.edu/ndm>

<ftp://chm-press@160.111.252.13/NEWHOTELS/>

Media

<http://www.ehotelier.com>

<http://www.elite-traveler.com>

<http://www.globalhotelnetwork.com>

<http://www.lodgingnews.com>

<http://www.hotelexecutive.com/archives/research.htm#boutique>

<http://www.hospitalitynet.org>

<http://www.hospitality-1st.com>

Marketing and Consulting Services

<http://www.henleycentre.com>

http://www.lebensart-ag.com/e/index_0/index_0.html

<http://www.overlook.net>

<http://www.waybey.com>

Listing

<http://www.hotelschool.cornell.edu/links/hslinks.html?scid=236&name=Lodging+Industry&scname=Boutique+Hotels&id=6>

Hotel Chains and Representation companies

http://www.ac-hoteles.com/english/default_flash.htm
<http://www.boutiquehotelsandresorts.com>
<http://www.designhotels.com>
<http://www.hardrockhotels.com/locations/hotels>
<http://www.ianschragerhotels.com>
<http://www.islandoutpost.com>
<http://www.jdvhospitality.com>
<http://www.jumeirahinternational.com>
<http://www.kimptongroup.com>
<http://www.loewshotels.com>
<http://www.myhotels.co.uk>
<http://www.nh-hoteles.es>
<http://www.orient-expresshotels.com>
<http://www.renaissancehotels.com/toc/index.asp>
<http://www.rfhotels.com>
<http://www.sftrips.com/hotels>
http://www.smallhotel.com/html/0/set_0_1.htm
<http://www.solmelia.com/sol/home/jsp/CAboutMeliaBoutique.jsp>
<http://www.southbeachgroup.com>
<http://www.srs-worldhotels.com>
<http://www.starwood.com/whotels>

Individual Hotels

<http://www.great-eastern-hotel.co.uk/index1.asp>
http://www.halkin.co.uk/index_frames.html
<http://www.hardrockhotelbali.com/bali/index.htm>
<http://www.hoteles-silken.com/domine.php>
<http://www.hotelpelirocco.co.uk/htmlindex.htm>
<http://www.icehotel.com>
<http://www.lydmar.se>
<http://www.onealdwych.com>
<http://www.palazzoversace.com.au>
<http://www.pelicanhotel.com>
<http://www.whitelawhotel.com>