DEVELOPMENTS IN THE HOTEL INDUSTRY: DESIGN MEETS HISTORIC PROPERTIES

Daniela Freund de Klumbis
Escuela Universitaria de Turismo Sant Ignasi ESADE
Ramón Llull University
Carrasco y Formiguera 32
E-08017 Barcelona
Spain
e-mail: freundd@stignasi.es

Wil Munsters
Centre of Expertise for Cultural Tourism
Maastricht Hotel Management School
University of Professional Education Zuyd
PO Box 3900
6202 NX Maastricht
The Netherlands
e-mail: w.j.munsters@hszuyd.nl

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ABSTRACT

The fast growth cultural tourism has undergone since 1980 is a direct result of the rising interest for art, culture and history, which can be explained by demographic, social and cultural changes. These changes are, at the same time, the direct force behind the emergence of the lifestyle hotel. Taking into account the process of standardisation (box hotels) of the international hotel industry, it reviews the irruption of alternate hospitality models and their consolidation as cultural tourism products, identifying three main product-market combinations: historic establishments, design and design-historic hotels. These product-market combinations intend to provide an identity-fit to the tourists thus greatly assisting in the cultural tourism experience as a whole. An analysis of the lifestyle hotel product is undertaken in order to give insight into the future of the niche.

1. CONSUMER DEMAND AND CULTURAL TOURIST BEHAVIOUR

1.1 Demand evolution

The fast growth cultural tourism has undergone since 1980 is a direct result of the rising interest for art, culture and history, which can be explained by demographic, social and cultural changes. These changes will be discussed here as far as they influence the choice of the hospitality product as a factor of the guest's cultural experience.

With regard to the demographic factors, the strong increase of senior citizens in the Western world has significantly extended the market for historic hotels since the interest for culture and culture grows with one's age. Furthermore the "grey wave" consists of a growing number of retired, active, moneyed people in excellent health. These so-called *whoopees* (wealthy, healthy, older people) dispose of leisure time and much money which they like to spend for holidays and travel for they are experienced travellers. Thanks to the increased life expectancy due to better life circumstances, the ageing generation is still active in sports and other recreational activities, which make them feel young in spirit: the phenomenon of down ageing. All this makes this market segment an interesting target group for the luxury hospitality industry.

Simultaneously, at the bottom of the demographic pyramid, a reverse process is taking place caused by the decrease of birth-rate, numbers of households and persons per household. Less children are born per household, there is a growing number of independent working women, there are more singles. All of them being symptoms of the individualisation within the Western society, these demographic developments create markets for a relatively new hospitality product, the design hotel. The most important target groups for this supply is constituted by the *dinkies* (double income, no kids).

In social and cultural respect, both the historic and the design hotel benefit from the rising level of education: the higher people are educated, the more frequently they travel and the wider the interest is they show for history and culture. Being good-informed and critical consumers, familiar with travelling, they want value and quality for their money. For senior citizens quality and safety matter as choice criteria, price is of secondary importance. For the two earner households who have less time because of their busy lifestyle, time is money.

1. 2 Trends in tourist behaviour

The behaviour of the cultural tourists has to be viewed and understood in the light of the demand evolution. The statistics concerning holiday duration show the increase of shorter trips several times a year. Dinkies use break out holidays in hotels to escape from their busy professional life and to get charged up again by shopping and cultural activities. This holiday pattern stimulates cultural tourism in historic cities. With respect to accommodation, food and beverage, the modern guest wants good quality for a reasonable price and appreciates personal service and attention by the hotel employees. Because of the increasing individualism, there is a need for tailor-made products and services reflecting the guest's personal tastes and requirements, instead of a standardised supply. This explains the growing demand for one person rooms without surcharge. Comfort and conveniences play a huge part: the guest wants to be pampered and expects from a holiday accommodation the luxury he has at home and even more.

As consumers living in the so-called *experience economy*, tourists are increasingly searching information which enables them to "experience" the destination instead of simply obtaining facts about "how the destination is". 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). This trend for tourism suggests that travel has become a means for finding personal fulfilment, identity enhancement and self-expression (Cho and Fesenmaier, 2001). And so the modern hotel guest is searching for unique experiences, new challenges and multi-entertainment in the form of action, emotion and (aesthetic) adventure. The lifestyle hotel is a hotel product meeting the needs of this special interest market and the same goes for *eatertainment*, a combination of eating and entertainment, for example a medieval banquet livened up by troubadours, dancers and acrobats.

Another relevant trend is the rising interest for local, regional and national history and culture as an expression of the own identity. As far as this search for authenticity is a reaction on the uniformity and the large-scale effects of globalisation, it can be called localisation. Averse to commodization, the post-modern Western is driven by nostalgia. Not only historic hotels respond to this “back to the roots”-trend, but also the regional gastronomy and the supplanting of fast food by slow food.

2. THE RELATIONSHIP BETWEEN THE CULTURAL TOURISM PRODUCT AND THE HOSPITALITY PRODUCT

2.1 General definition of the cultural tourism product

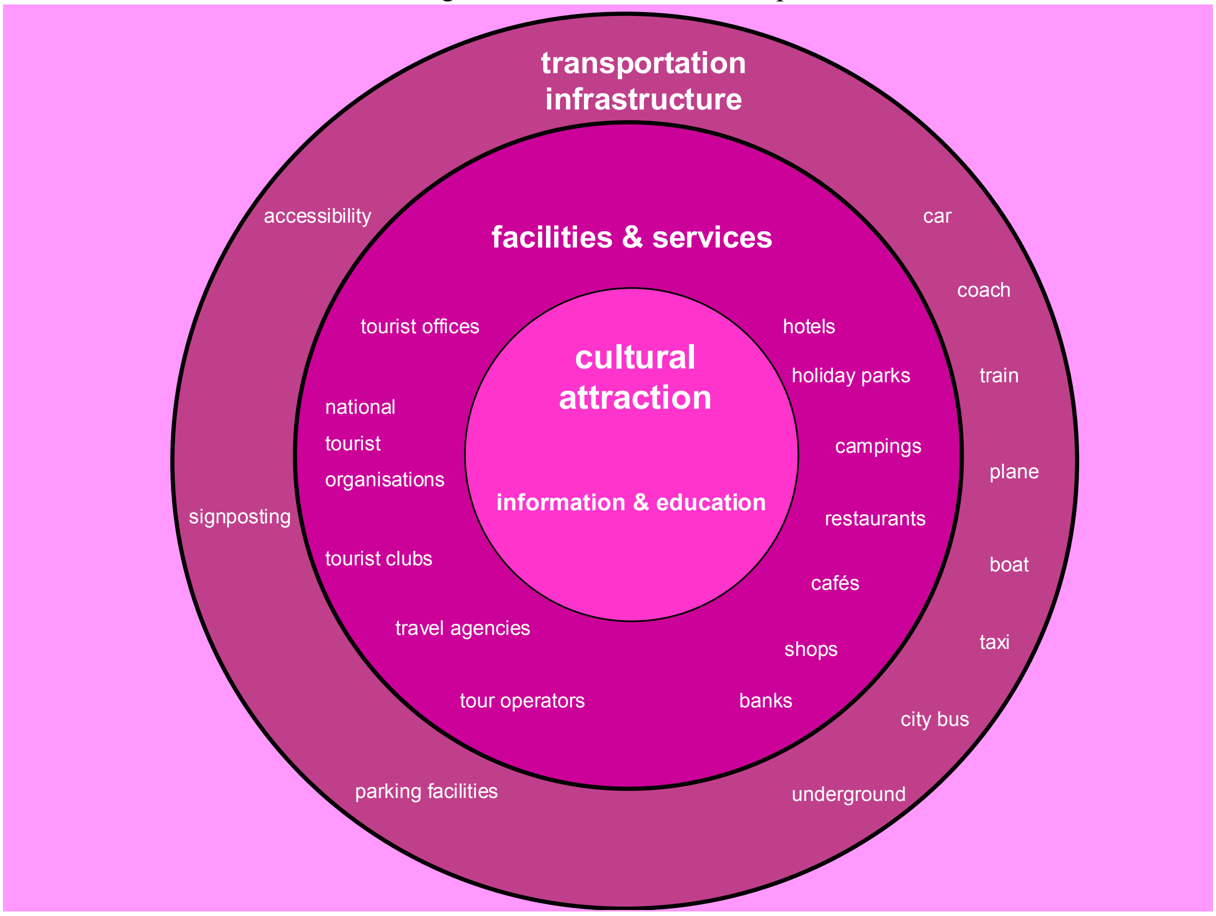
A cultural tourism attraction, such as a monument, does not make a tourism product. To become a tourism product the attraction element has to be embedded in a whole of services and facilities varying from accommodation and catering to information and transportation. On the basis of the elementary definition of the tourism product as an addition of attractions plus accommodations plus transportation, the cultural tourism product can be defined as consisting of:

(a) the core product: the cultural attraction (monuments, museums, cultural events) plus the related specific cultural tourist services, like information an education rendered by e.g. museum guides

(b) the additional product: the general tourism product elements – either apart from or incorporated into the cultural attraction itself - consisting of :

- general tourist facilities and services rendered by:
    - tourist organisations and travel intermediaries : tourist offices, national tourist organisations, tourist clubs, travel agencies, tour operators
    - primary tourism enterprises (companies which have their core business in the tourism sector and serve first of all tourists as customers): hotels, holiday parks, campings
    - secondary tourism enterprises (companies which provide their products and services in the first place for the local population but which are also frequented by tourists): catering industry (restaurants, cafés), retail (shops, banks)
- transportation infrastructure:
    - accessibility (by own or public means of transport), signposting, parking facilities,
    - private and public transportation facilities: car, coach, train, plane, boat, taxi , city bus, underground (figure 1).

Figure 1. The cultural tourism product



2.2 General definition of the hospitality product

Belonging to the primary tourism enterprises, the hospitality industry is an essential component of the cultural tourism product. Hospitality products need to fulfil customer's needs on several levels (Kotler, 2003):

(a) The core product answers the basic question: what is the buyer really buying? It refers basically to the benefits provided by the hotel to the consumer and not the features, e.g. room comfort and convenient location.

(b) Facilitating products are those services or goods that must be present for the guests to use the core product, e.g. bellboy in a luxury hotel.

(c) Supporting products are extra products offered to add value to the core product and help to position it through differentiation from the competitors, e.g. full-service health spa.

(d) The augmented product includes atmosphere and customers' interaction with the service organization and each other, e.g. lobby socializing. The augmented product is an important concept because it is in this level were the main differences arise between the various hospitality concepts, e.g. atmohsphere created by focus on lightning, marriage of textures and colours to please the senses.

3. THE HOSPITALITY PRODUCT AS A CULTURAL TOURISM PRODUCT

3. 1 Box hotels versus lifestyle hotels

The expansion of the international hotel chains, in their vast majority, was accompanied and made possible by a process of standardisation and commoditization. This process generated the birth of the *box hotel* concept, characterized by the uniformity of the core and facilitating products. The lack of differentiation between the hospitality products and services resulted finally in a "McDonaldisation" of the global hotel industry. This systematic standardisation of the hospitality product provoked a counter-movement inspired by consumers searching for hotels with unique or sophisticated and innovative characteristics, called *boutique, design* or *lifestyle hotels*. In the beginning of the 80s of the last century the term *boutique hotel* swept through the market and was used to describe unique 50-100 rooms properties, non chain-operated, with attention to fine detail and individual decoration in European or Asian influenced furnishings (literally a boutique as opposed to a department store). Sophistication and innovation explain the growth of the *design* and *lifestyle hotel* niches. In order to employ a generic term for these new niches, we will refer hereafter to the boutique, design and lifestyle concepts with the term *lifestyle hotels*.

Being independent enterprises, lifestyle hotels join voluntary groups (membership affiliations, consortia) in order to benefit from the advantages of chains - especially global marketing and promotion services, common packages and international reservation systems - without having the disadvantages of chain box hotels like absence of management autonomy, architectural uniformity and standardized operational procedures (Yu, 1996; Andrew, 2001). Examples of these voluntary groups are marketing and sales reservation networks (e.g. SRS World Hotels) and free alliances (e.g. Relais et Châteaux).

The confrontation of box and lifestyle hotels by means of Kotler´s product levels shows clear differences between both concepts. On the core and facilitating product levels, box hotel companies present savings in building and staff costs - due to the standards of performance - as a major advantage to the hotel operator. In the marketing policy, the uniformity of the concept and the strong recognition of the brand are used to influence the consumer's choice. Commoditization generates, within traditional segments, a feeling of security and familiarity. For the widely-travelled tourist, however, the stay in a box hotel turns into alienation and anonymity. Many of them share the experience of awaking in a hotel room while asking oneself: "Where am I now?" This negative guest experience, caused by impersonality, predictability and boredom, has led to an important loss of clients and turnover with box hotel companies. Table 1. shows us, by means of a confrontation matrix, the hotel guest's main differences in choice criteria (Naber, 2002).

Table 1. Main differences in choice criteria of the hotel guest

BOX HOTELS	LIFESTYLE HOTELS
Demands quality guarantee	Expects quality given the high quality level of lifestyle hotels
Minimum standards	Exceeding standards
No annoying surprises	Surprise-adventure-history
Experiences are sought outside the hotel	The hotel stay is an experience in itself
Recognition of the product	Recognition as a guest
To feel at home by means of the "hardware"	To feel at home by means of the "software"
Reliable unique selling propositions	Really unique selling propositions
Familiar with the brand image	Search for a specific identity

(Naber, 2002)

Since the supporting and augmented product level make it possible to add a memorable experience to functional lodging, it is especially on these levels that lifestyle hotels can differentiate themselves from box hotels. It is difficult to transmit a memorable experience for a box hotel, where the operations are controlled by standardised manuals and staff procedures are defined to the finest details. Lifestyle hotels, on the other hand, seek to offer a full-balanced stay by means of *experiential branding* which refers to positioning strategies that promise a certain type of pleasurable experience, encompassing all or part of consumers' interaction with the brand (Dubé *et al*., 2003). It is possible to manage hotel attributes so as to create pleasurable experiences by applying a matrix including "hardware" components (the "what") and "software" components (the "how"). Through this matrix, the "hard" components, on the core and facilitating product levels, are made subservient to the "soft" elements, the pleasurable experiences belonging to the supporting and augmented level. In order to meet or exceed the customers' expectations, the pleasure experiences of the guest need to be orchestrated properly. Optical stimulation is achieved for instance by the lightning, decoration and presentation. Olfactory stimuli include aromas, freshness and cleanliness. Music, conversation or silence are part of the auditory stimuli (Gretzel and Fesenmaier, 2003). The hotel stay can thus get the value of an authentic, surprising and memorable experience for the guest.

Finally, in contrast with box hotels, lifestyle hotels share a strong cultural component and often are cultural attractions in themselves rendering specific cultural tourist services like brochures on the hotel architecture and guided tours through the building. Since they also offer general tourist services (e.g. the supply of local and regional information) and dispose of their own transportation infrastructure or facilities (e.g. signposting, shuttle buses), lifestyle hotels can even be considered as autonomous cultural tourism products.

3. 2 Product-market combinations

3.2.1 Historic establishments

The growing interest in art, culture and history is at the origin of the demand for hotels and restaurants offering a historical ambience. The number of historic buildings (castles, farmsteads, houses, churches and even industrial monuments) fulfilling a hospitality function after restoration or renovation is ceaselessly increasing. The guests belong for the greater part to the cultural tourist target groups having a high or average interest in culture and wanting to discover, experience and broaden their knowledge of art and history during their leisure time. That is why they prefer small-scale historic accommodations with a high experience value, personal hosting and regional gastronomy.

An illustrative example of this is Saint-Gerlach, a historic country estate near Maastricht in the extreme south of the Netherlands consisting of a monumental castle, a convent and a farmstead. It owes its name to a pious hermit deceased in 1165 and still worshipped by pilgrims in the local church adjacent to the estate. Being situated in a river valley rich in natural beauty, the complex constitutes a unique site. In the course of the 20th century, the buildings have deteriorated, but in 1997 the estate has got a tourism function preventing its complete ruin. Camille Oostwegel Holding, a chain of historic hotels and restaurants and a member of the voluntary group Small Luxury Hotels, is the new proprietor of the entirely restored complex which now offers:

- commercial facilities for the guests
    - a restaurant in the castle and a hotel in the farmstead
    - an apartment complex in the convent and the adjoining buildings. The external architecture has been based on the original style and the number of apartments has been limited in order to prevent physical pressure on the nearby conservation area.
- social-cultural facilities for the parishioners and pilgrims
    - a new presbytery, sacristy and chapel dedicated to Saint-Gerlach as well as a room for religious education

- a museum with a treasure-house (Figure 2).

The exploitation philosophy is founded on a balance between the commercial, cultural and religious functions of the complex. A stay on the estate provides the guests with an enriching holiday experience in an authentic historical and natural setting. The management is constantly striving for cooperation with the parish when organizing cultural events for the hotel guests, such as organ recitals in the church. In order to assure that worshippers are not disturbed, the hotel-restaurant has been separated from the religious buildings by means of an intermediate buffer space. In this way cultural tourism can peacefully go hand in hand with religious tourism.

The carefully studied set up of the Saint-Gerlach project constitutes a sound basis for the public support of the local community. From the point of view of the local authority, the project matches perfectly with the upgrading of the tourism product involving a shift from mass tourism to quality tourism which will benefit the well-being of the population. Thanks to the co-operation between the different parties aware of their common interests, the preservation of both the material as the immaterial cultural heritage has been guaranteed and so Saint-Gerlach can serve as an example of best practice in sustainable development of cultural tourism (cf. Munsters, 1997).

Figure 2. Château Saint-Gerlach and the local church

3.3.2 Design hotels

Taking a look at the history of the design hotel trend, one might say that Las Vegas, The Walt Disney Company and the theme parks in the United States, like Universal Studios, were the first to introduce the hotel as an experience in itself and, basically, as an entertainment experience. Various hotels in Las Vegas base their design philosophy on ‘replicature’, i.e. the idea of replicating places and cities (e.g. The Venetian Hotel and Casino, The Paris Hotel and Casino). Loews hotels, a company with 55 years of history, is a paradigmatic example of a company integrating lodging into theme parks and the entertainment sector.

After having started in the late 70s Studio 54, the New York disco club that set the standard for hedonistic excess, Ian Schrager burst on to the hotel scene in 1984 when he opened hotel Morgans in New York. 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 always been part of Ian Schrager's philosophy. Morgans Hotel was the first property to emphasize the experience of hotel design from the inside, giving rise to the term *design* or *designer hotel.* It was the Royalton - the next hotel he opened and the first full collaboration with Philippe Starck, a renowned French designer - 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 and in making it a priority to create hotels that appeal to the local community.

Perhaps the most important and subtle turning point in the development of interior design trends for the contemporary hotel was the introduction of the narrative into design brought by Ian Schrager and followed by Jean Nouvel (e.g. The Hotel, Luzern), requiring that the designer view the project more as a film director, theatre set director or author of fiction (e.g. The Park, Chennai, India). It is the experience of this overall theme or concept, expressed through the interiors, which the guest will identify and will carry away as his memory of the hotel (Curtis, 2003).

Around the same period, more and more hotel operators would embrace a contemporary approach in styling and equipping their hotels, extending the use of the term *design hotel*, trademarked by Lebensart Global Networks, the holding company of Design Hotel Inc. Suscribing 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, like Matheo Thun from The Side Hotel, Hamburg. For Europe, it is interesting to mention the evolution of the Sorat Group of Hotels, the Berlin group that started with a spectacular design hotel in 1990. This medium-sized company now has 24 town hotels all around Germany, becoming the European leader in terms of size in 2003.

Design has become one of the key elements in the evolution of the hotel product and not only for unique entrepreneurs opening unique hotels. Starwood launching in 1998 its hotel concept *W,* is the first example of a traditional box hotel company turning into the lifestyle hotel sector. *W* tries to combine what is popular in contemporary home furnishings and in latest technology. Lifestyle guests are often early adopters in technology because products such as the laptop and the mobile phone allow to merge working time and leisure time in the form of teleworking and teleconferencing.

The cultural tourist target group catered by the design and lifestyle hotels is the so-called *lifestyle guest*. These consumers want to be associated with other like-minded groups, and their choice of products and services is becoming a statement in itself.The demands from the lifestyle community are very different from the traditional cultural segment. 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 quality living is a permanent way of life or a temporary reward, depends on the financial background of the individual. The latest technology and furniture extravaganza do not, in their own right, provide the key elements in order to appeal to the lifestyle target group. Instead, these guests feel attracted by the delivery of a total experience combining interesting interiors, art, music and entertainment in an uplifting package to enjoy. The lifestyle hotel product therefore offers not only quality in its interior design but also a feel-good element for its customers. This emotional value is achieved by the combination of traditional quality of service and the offering of additional services appreciated by the lifestyle community such as locality, surprise and originality.

With respect to the evolution of the lifestyle market segment, 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.

Figure 3. W Los Angeles-Westwood, a view of the pool

3.3.3 Historic-design hotels

An interesting product-market combination highly developed in the last ten years consists in offering design and lifestyle benefits of a hotel within historic establishments. The Sheraton Diana Majestic Hotel in Milan exemplifies this trend. Whilst the hotel was refurbished, it retained the architectural imprint of the past. The restoration works in 1998 preserved and highlighted the architectural peculiarities amongst which are the façade, the early 20th century building structure and an inner garden, one of the few left in Milanese style buildings. In restoring the public areas of the hotel, particular attention was paid to the stuccos and decoration in the hotel lobby and guestrooms, as well as to the precious wooden floors with carved designs. The influence of the 1925 French Art Deco style can be seen in the carpets and upholstery, the leather armchairs and the furniture reproduced from authentic designs complementing the atmosphere of the entire building.

The Sheraton Diana Majestic today offers 107 guestrooms and suites, equipped with five-star facilities, decorated in the classical imperial style with soft colours and comfort. It combines a meticulously restored early 2Oth century Art Nouveau building, and contemporary comfort. Bathrooms are decorated with marble. Intimate and sophisticated, it is the only hotel in Milan immersed in a garden, which until May 2000 was unused. General Manager Antonioli invested in the infrastructure of the garden of the hotel, turning the habit of the Milanese daily Aperitif into a daily event. Up to 1.000 people attend the aperitivo every evening: the Diana Garden has become the hottest spot in town.

Quickly the Diana Garden developed into a concept. Every year designer talents display a theme-furniture at the garden varying from Marocco and South-Africa to the Sixties. The music, an important factor of the augmented product level, accompanies all this as, figuratively speaking, acoustic furniture. The music of the Diana is so popular that the hotel decided to produce its own CD collection. The new ‘Il Milanese Curioso’ restaurant has golden cupolas lightly decorated in Art Deco style, and enjoys a position overlooking the private garden. The dishes consist mainly of a creative and innovative re-interpretation of the Italian cuisine. Traditional banquetting rooms have been turned into trendy meeting places (e.g Figure 4 - Black Label Room).

Often, creating the best of both worlds, historic-lifestyle hotels combine traditional architecture and hospitality with state-of the art facilities, innovative products (e.g. differentiated function rooms) in a formal setting with a very carefully planned ambiance.

Figure 4. Black Label Room at Sheraton Diana Majestic

4. CONCLUSIONS

An analysis of the strengths, weaknesses, opportunities and threats (SWOT) faced by the lifestyle sector is shown hereafter (see Table 2.) The table assists in summarizing the most relevant points to be taken into account so as to consolidate the lifestyle hospitality offer.

Table 2. SWOT-analysis of the lifestyle hotel product

STRENGTHS	WEAKNESSES
Well-defined concepts with an unique identity and a modern character, taking into account the four levels of the hospitality product	Need to re-adapt constantly to the fast changing market demands.
Diversity in guest experience. In some cases, hotel becomes the cultural attraction in itself	Larger hotels groups cause lifestyle-fatigue through over-branding
Low costs of soft branded distribution by the sharing of costs of distribution, technology and purchasing	Low profitability as compared to box hotels
Autonomous control over operations by the hotel itself, allowing the personal expression of passion for hospitality	High maintenance and staffing costs

OPPORTUNITIES	THREATS
Emergence of new soft brand distribution models: organization of independent hotels (e.g. Design Hotels & Resorts)	Global chains dominate supply through acquisition and development. They practise brand management across multiple brands (economies of scale)
Design is becoming an element adopted by the various hospitality products (e.g. Accor's backpackers concept "Base")	Emergence of low service stylised concepts or imitators
Create programs that allow customers to spend all their money	Aggressive down-pricing by box hotel chains to retain market share
Needs and wants of the post-modern consumer: quality tourism, traditional hospitality, personal approach, sustainable hotels, the brand as a self image, diversity of experiences	Familiar with travelling, nowadays' consumers expect value and quality for their money.
Effective use of Customer-Relationship-Management databases and customer-choice-modelling experiments can allow hospitality establishments to personalize products and services thus increasing satisfaction, retention and loyalty.	Good informed and critical consumers
Use of co-branding synergies with other lifestyle brands as the allocation to an existing lifestyle brand name enables a quick transfer of the hospitality product values and contents to the client (e.g. Bulgari, Versace, Absolut Vodka and Sony)	Because of the unpredictable buying behaviour of the post-modern consumer, brand loyalty is difficult to achieve. Many consumers can no longer be easily segmented on the basis of education, income, social class and geographic origin.
Utilisation of opinion leaders in the segment addressed and of the power of famous influencers (e.g. Ophra Winfrey in the United States)	The consumer is wary to media, makes his choices and can hardly be influenced.
ICT solutions for one-to-one marketing	High cost level of ICT-investments
Development of websites that convey the types of pleasurable experiences promised by the hotel and ensure pleasant browsing experiences	High complexity of the global distribution model

(Andrew, 2001; Dubé *et al* ., 2003; Freund de Klumbis, 2002; Naber, 2002)

Competition is fierce on the international hotel market and imitation of successful concepts is a proven method to attract new target groups. So it is no wonder that many of the ingredients which contribute to the lifestyle hotel experience, have been adopted by box hotels. Glocalisation, the combination of globalisation and localisation, has been introduced as a leading principle in marketing policies of chain hotels. In promotional campaigns of box hotels, the role of local culture as component of the hospitality product is highlighted by means of slogans like "Think locally, act globally" (Holiday Inn) and "International standards, local flavours" (Golden Tulip). While ten years ago design and style were unique selling propositions, nowadays they are minimum requirements to attract the sybaritic post-modern guest. Large hotel groups are even causing lifestyle-fatigue through over-branding and, at the same time, the number of low service stylish concepts is increasing with design becoming an element adopted by various hospitality products, e.g. Base, the backpacker concept of the Accor group.

In this competitive struggle, the cornerstone of success for the lifestyle hotel product will be to pursue to satisfy the fast changing needs and wants of the post-modern consumer by offering an inimitable individuality and a full-balanced hospitality experience. The effective use of customer-relationship-management databases and one-to-one marketing actions has to be strengthened in order to be able to personalize products and services, thus increasing satisfaction, retention and loyalty. The quality of the staff will continue to be a key success issue because the lifestyle traveller seeks more than advice or recommendations. Hotel employees should not only be trained to manage the information exchange, but also be required to match guests to experiences. To perform such a "consultancy" task, they are expected to be informed about the hospitality product itself as well as its cultural environment (Freund, 2002). Furthermore, hospitality employees will be required to possess commercial skills based primarily on making the most out of each customer transaction by creating experiential programs that push the guest to spend the greater part of their money at the hotel.

It should be noticed in this respect that consumers see food, accommodation and culture merely as elements of a greater whole relating to a total experience. Because of this, a relevant opportunity for lifestyle hotels, from a marketing perspective, consists in co-branding the property with a leading brand outside the tourism industry, e.g. fashion designers, retail companies, lifestyle brands. As the allocation to an existing brand name enables a quick transfer of the product values and contents to the client, co-branded hotels (e.g. Cerrutti, Armani and Bulgari Hotels) have a competitive edge in penetrating the market. However, co-branding in the hospitality industry requires a profound evaluation of both brand partners' strengths and weaknesses, a strategy for the long term co-operation and, above all, a prudent implementation.

At the same time, it remains important to address the role played by the Internet as the most relevant promotional and distribution channel for the lifestyle hospitality products. Internet still has a great potential to link local suppliers to a vast global market of consumers. However, the same Internet and the growth in competition has made travellers increasingly experienced and demanding. Equipped with better knowledge and understanding, tourists will search out trips that conform to their new social awareness. That is why websites have to be designed to convey the types of pleasurable experiences promised by the hotel without neglecting to ensure pleasant browsing experiences (Dubé *et al*., 2003). Despite the high cost level of ICT-investments and the complexity of the global distribution model, further investments and a well thought-out planning of the electronic distribution strategy will be of vital importance.

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