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Fresh ideas for creative design, securing loyalty among deal-chasing millennials, and tapping into the Airbnb opportunity were just some of the topics on the agenda at London's Boutique Hotel & Lifestyle Summit.

SUMMARY

STRIPPED-BACK SERVICES Hoteliers are appealing to price-conscious consumers by removing inessential services and facilities.

A LA CARTE HOTELS The emergence of a new breed of 'a la carte hotels' are offering guests a completely customisable stay, allowing them to pick and choose each facility in their room.

SHAPE-SHIFTING SPACES Recognising that popular public spaces can be used as an effective marketing tool, smart hoteliers are creating buzz by developing dynamic areas that offer flexible dining options, as well as places to work and socialise.

NEW LOYALTY Points-based rewards programmes are being replaced with experience-led systems that reward frequency and advocacy with localised guest experiences.

THE AIRBNB OPPORTUNITY As Airbnb evolves to offer more traditional hospitality services, such as providing local guest experiences and last-minute bookings, hoteliers are developing new strategies to compete with this \$10bn company.



Simplified Service

Building on a trend we first noted at last year's [Sleep](#) conference, luxury hoteliers are appealing to price-conscious consumers by replacing ostentatious design, services and facilities with pared-back alternatives.

"Pre-recession, everything got bigger and bolder," Muriel Muirden, vice-president of strategy at US-based architectural firm WATG told the conference. "[Now] we need to make luxury more financially viable."

Reflecting the changing way in which consumers – particularly millennials – use hotels, hoteliers are rethinking room design.



We live in a click and collect and grab-and-go society. Some of our younger travellers choose not to unpack; they want to go straight down to the public areas to work on their laptops or iPads.

MURIEL MURIDEN, VP STRATEGY AT WATG

The boutique properties of Marriott Hotels' new millennial-focused brand [Moxy](#) reflect this mindset. Markus Lenhart, Moxy Hotels' vice-president of international hotel development, told the audience that the brand has removed wardrobes and desks from rooms as they are no longer necessary. The first property will open in Milan in September this year, with a further 13 opening across Europe by 2015.

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ARTICLE REFERENCES

Moxy
The Capital
The Levin
Nacker Hotels
Tune Hotels
SLS Beverly Hills
London Edition
Viceroy Hotel Group
GHA Discovery
Airbnb
Commune Hotels
White Line Hotels
Drift San Jose



Moxy Hotels



Moxy Guestroom

Technology is also being simplified. "I've spent the last two years taking as much technology out of my hotel bedrooms as possible," said Kate Levin, general manager at London hotels [The Capital](#) and [The Levin](#). Chris Penn, general manager at [Ace Hotel Shoreditch](#) in London, agreed. "It's all about facilitating people's own choices," he said. "Most people carry their technology with them, so you're allowing people to choose how they want to interact with technology."

Retaining luxury design and high-end room facilities, UK-based [Nadler Hotels](#) offers affordable luxury by removing aspects such as a gym and restaurant, and instead championing local facilities in the hotel's vicinity. "We've created a brand that is very much about reducing elements that we don't think guests need in a city-centre hotel," said founder and chief executive Robert Nadler.



We don't have room service, we don't have mini bars. We could have 24/7 room service; we could have people showing guests to their room. Do guests really want that today? Probably not. Do they want to pay for it? Absolutely not.

ROBERT NADLER, FOUNDER AND CHIEF EXECUTIVE NADLER HOTELS



Nadler Hotels

We've already seen big brands adopting this approach with their food and beverage facilities. As explored in [Hotels & Millennials](#), services such as Hilton's Herb N' Kitchen and Hyatt's Grab n Go Market have already proved successful, offering convenient, locally sourced food options for on-the-go consumers.

'A la carte hotels', which allow users to customise rooms with additional pay-as-you-go facilities, are taking this concept a stage further. Budget brand [Tune Hotels](#) has adopted such a system. All rooms have high-spec beds and bathrooms, but facilities such as air-conditioning and wi-fi are available for a small fee, allowing guests to only pay for the services they use.



Tune Hotels Malaysia



Tune Hotels Taiping

Flexible Public Spaces

As explored in [New Travel Tribes](#), hotels are adapting to reflect the changing working and domestic lives of consumers, creating flexible spaces that change function throughout the day.

Muirden asserted that public spaces are a "tremendous marketing tool" for hotels. She highlighted the need for them to be adaptive and "chameleon-like" in nature, to fit the diverse needs of guests and visitors. She cited the foyer of the [SLS Beverly Hills](#) in the US, which uses technology and lighting to change the space from a breakfast room in the morning, to a nightclub at night.

Moxy also tries to offer such multi-functionality. "The public areas in Moxy will have four invisible divides [ranging from quiet to more lively]," said Lenhart. "One is a quiet side, one is a bit more active. So those people that want to work can be on one side, and the people who want to meet, we have an area that is conducive to that."

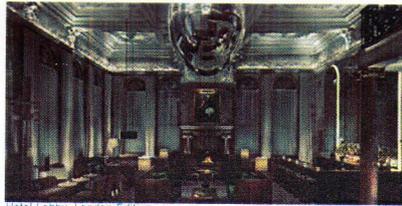


Rendering of a public area, Moxy Hotels

Food options are also being reframed to appeal to both guests and the public, as brands attempt to create hotel restaurants that are destinations in themselves.

During a discussion on food and beverage, panel members suggested that hotels such as the Marriott-owned [London Edition](#) have proven successful because locals view their restaurants as destinations just as much as their guests.

"Restaurants in hotels can succeed; you just have to run it like a restaurant, not like a hotel restaurant," said Bob Puccini, president of California-based restaurant consultancy Puccini Group.



Hotel Lobby, London Edition



Berners Tavern restaurant, London Edition

Creating & Rewarding Loyalty

In a discussion on creating and rewarding guest loyalty, a panel debated whether traditional points-based schemes are still relevant to consumers.

Bill Walshe, chief executive of US-based [Viceroy Hotel Group](#), branded these programmes as lazy. "The crisis in loyalty is self-created in our industry," he said. "We've been incapable of differentiating between a reward programme and a loyalty programme. Points do not drive loyalty."

Instead, he urged hoteliers to create programmes that reward frequency. Viceroy Hotels offers a service called Random Acts of Kindness that allows staff members to reward regular customers with treats such as free meals during their stay.

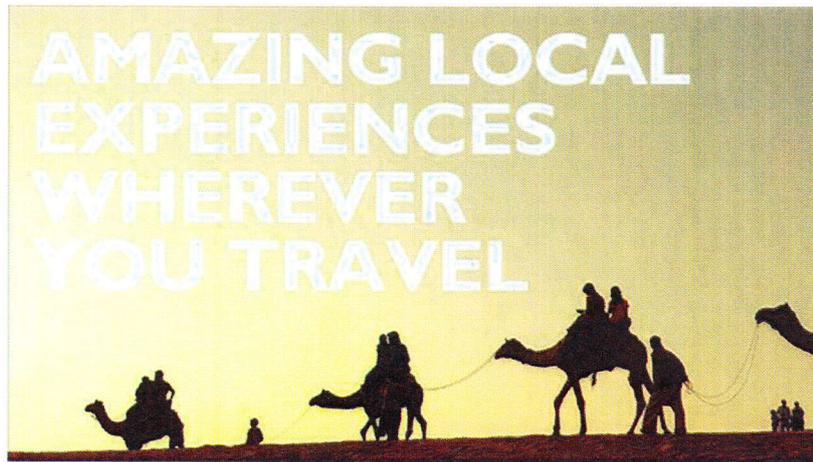


Viceroy Maldives



Viceroy Mexico

Walshe also highlighted the Global Hotel Alliance's multi-brand loyalty programme, [GHA Discovery](#). The scheme offers guests the chance to redeem local experiences rather than points, such as a tour of the local Guinness factory for guests at its hotel in Dublin, which he said let visitors "create memories".



GHA Discovery

Other panellists were keen to urge the importance of word-of-mouth promotion. Millennials have proven a difficult demographic for brands to gain loyalty with. Youri Sawerschel, consultant at UK-based hospitality consultancy firm Bridge.Over, quoted a recent survey by his firm which found that 70% of millennials believe they are less loyal than the previous generation, while value for money was cited as the number one criteria when choosing hotels.

"I think this deal-chasing mentality [for millennials] is here to stay," he said. "However, there is a way to incentivise people to book with you." He suggested rewarding those who introduce new guests to the hotel. "Use your customer base and grow from it," he said.

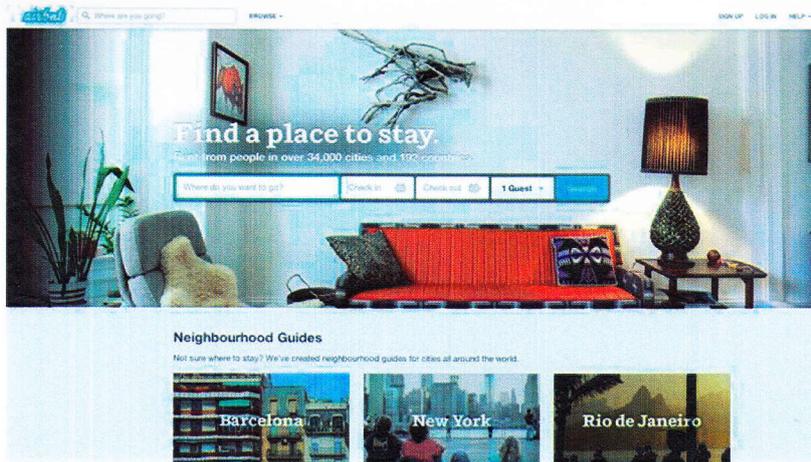


I think in today's age, arguably advocacy is more important than repeat business

FRANK REEVES, CEO ONLINE BOOKING ENGINE AVVIO

The Airbnb Opportunity

In a discussion on the future of boutique and lifestyle hotels, the panel discussed the threat of apartment-sharing website, [Airbnb](#). Valued at around \$10bn, Airbnb has recently begun to experiment with new services that place it as more of a threat to traditional hospitality companies.



Airbnb

One new feature allows travellers in Los Angeles and San Francisco to find last-minute accommodation, allowing them to see options near their current location, as well as search for properties that have guaranteed availability that night.

It is also testing a new 'Experiences' feature in Paris and San Francisco that lets customers book local activities such as guided tours, classes and food and drink tastings, rivalling the traditional hotel concierge.

A recent study by Boston University on Airbnb's impact in Texas found that while it hasn't had a significant effect on business and luxury hotels, budget hotels lost 5% of their revenues to it, from December 2011-2013.



Airbnb last-minute booking



Airbnb Experiences

Despite this, panellists played down its impact. "[Airbnb] is not going to threaten the good hotels," said Ilse Crawford, owner of London-based design firm Studioilse.



"We are not worried as long as we do projects or hotels with strong profiles. It's something very different to stay in an Airbnb [apartment] than if you want to have an experience in a hotel."

CHRISTOPH HOFFMAN, CEO OF GERMAN-BASED HOTEL GROUP 25HOURS HOTELS

Instead, they suggested that hoteliers should take inspiration from the platform. "I think Airbnb will become as integral to our business model as [online travel agent] channels are today," said Niki Leondikas, chief executive of US-based [Commune Hotels](#), citing its effectiveness as a booking channel.

Iain Ainsworth, founder of London hotel group [White Line Hotels](#), argued that hotels could use platforms like Airbnb for specific purposes, such as to market suites. Mexican boutique hotel [Drift San Jose](#) is one of the first properties to only take bookings via the apartment-sharing website, and has seen success with younger customers in particular. Owner Stu Waddell told travel trends website Skift: "Airbnb started out just being practical, but the more I'm using it, the more I realise that it's bringing me my exact target audience."



Drift San Jose



Drift San Jose advertised on Airbnb

FUTURE INSIGHTS

SIMPLIFY SERVICES Consumers are no longer wowed by ostentatious luxury and flashy technology. Instead, simplify your offering to provide cost-conscious consumers with maximum value and more personalised facilities.

EMBRACE AIRBNB Consider how you can learn from Airbnb. Could it allow you to tap into a new audience or market a specific aspect of your business?

REVAMP YOUR LOYALTY SYSTEM Rather than awarding points, hotel brands should drive loyalty by offering guests personal and localised experiences that enhance their stay.