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## **INDIVIDUALIZATION OF THE HOTEL SERVICE**

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**Abstract:** In the times of “Economics of the experience” the tourist entrepreneurs search for new possibilities to satisfy the needs of the consumers in order to attract their attention, to hold it for a long time and to make them loyal partners to the tourist companies. As a result of this, they try to individualize the tourist service in such a way so to guarantee for one memorable experience. The main aim of this article is to present the main organizational forms for individualizing the tourist service or the so called “boutique”, “design”, “hip” and “lifestyle” hotels, that offer this kind of service due to their typical design, innovatory conception, unique marketing strategies, etc.

**Key words:** boutique, design, hip, lifestyle hotels

### **INRODUCTION**

Nowadays, the hotels reflect the way in which people live, travel, make business, treat nature and even the way people build up their lives. The modern hotel offers his guests not only a place to sleep in, but also an escape from the reality through its design, the pleasant atmosphere and all its conveniences. In this way the hotel could be a substitute to home or just a place to escape in and that's why it presents a personal choice. This, on one hand, is an advantage for the lifestyle hotels. Mostly they offer individuality and differ from many other hotel types - all projected and equipped in the same way. According to a research, published from PriceWaterhouseCoopers in June 2002, the most distinctive features of the lifestyle hotels are: personality and style, smaller facilities, high level of service, reflecting the style of the designers and owners and proposing unique architectural and interior decisions, as well as high-quality and modern equipment in every room.<sup>1</sup>

The aim of this article is a research of the evolution in this specific market segment; analysis of the conceptual frame,

which is the reason for the current situation; acquainting with some of the inventors of the current tendencies and researches of the new ones in the hotel business. There have been discussed the grounds and the evolution of the so called “boutique”, “design” and “lifestyle” hotels.

### **CHANGES IN THE CONSUMERS' BEHAVIOR**

The individualization of the service and the arising, as a result of this, organizational structures have turned into a part of the tourist industry in response to the social changes among the consumers. People travel more and more frequently, but they start on shorter tours and prefer to make the most of their time. Most of the business tourists are men, but women's share becomes more and more tangible, which on one hand involves extra conveniences for the women. With the high technologies entering in people's life and the growth in the consumers' needs for new forms of relax and entertainment, the tourist demand becomes more and more tangible. Nowadays, people think in a new way. They are looking for something unique and want it immediately, which is a result of the accumulated tourist experience.

More and more tourists search for information that could give them the opportunity to taste a certain destination,

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<sup>1</sup> PriceWaterhouseCoopers, Mapping and Innovative Niche Sector in Europe. Goodbye Boutique and Hello Lifestyle Hotels?, Hospitality Directions – Europe Division, 2002.

instead of just realizing what it is like. These tendencies in tourist industry show that traveling ensues from the desire of the individual for a personal satisfaction, for improving his personality and expressing himself.<sup>1</sup> For the tourist it's important not only to be at a certain place, but to participate, learn and experience through it.<sup>2</sup> The analysis and the conforming with the factors - age and way of life - are absolutely important in prognosticating the behavior among the different groups of consumers. The contemporary Internet generation, for example, is the prime source of all fashion tendencies. Creative, influential, not traditional, these are consumers with high requirements. The tourist already puts the stress on his personal satisfaction, not on the material goods, and he wants to become broad-minded through traveling. He has preserved the youth approach to the life and tries to balance his professional and family duties.

Image, entertainment, uniqueness are what people look for in hotels rather than all court elements from the time of Louis XV. The well-equipped fitness hall is more attractive than the vast rooms, the reception office and the ballrooms. The modern cafe, lobby-bar and sushi-bar are more valuable than a three-star restaurant. The hotel that reflects the culture and the soul of the people from the city and the country which a tourist visits is far more exciting than being at the lobby-bar or the restaurant, both projected everywhere in the same way. The aesthetic and high-quality atmosphere give far more satisfaction to the contemporary tourists than every other modern hotel interior.

The tourist of XXI century is mainly interested in the arts, design, fashion, media and the new technologies., that offer

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<sup>1</sup> Cho, Y.-H., D. Fesenmaier, A New Paradigm for Tourism and Electronic Commerce: Experience Marketing Using the Virtual Tour. *Tourism Distribution Channels: Practices, issues and transformations*, Continuum, London, New York, 2001, pp. 45-63.

<sup>2</sup> Gilmore, J., J. Pine II, *The Experience Economy*, Harvard Business School Press, Boston, Mass., 1999, pp. 38-52.

the high quality and the luxurious experience they yearn for. Whether the life quality is a constant or a transitory award depends on the financial state of the individual. Nowadays, tourists are searching for innovatory and aesthetic interior which to offer as much excitement as possible. The experts determine these tourists as lifestyle ones from which the term "lifestyle hotels" ensues - hotels that answer the requirements of such kind of consumers. As a result of the socio-economical and global structure there are different types of lifestyle in the contemporary society. In a response to this, many hotel conceptions appear to attend to these social groups. It's not necessary and compulsory for a certain hotel to be equipped with the latest fashion in order to satisfy this community. Instead of this, it could contribute to the full experience of the tourists by combining interior, paintings, music and entertainment all together in one package, designed in order to answer the consumers' requirements. The contemporary tourist wants all this to be understood and evaluated. His practical needs should be satisfied so that the emotional ones not to be forgotten.

As a result of the changes in the consumers' behavior, the meaning of the aesthetic influence on the material status in the tourist sphere has grown. In the last years there have been some qualitative changes in the tendencies in spare time and in the tourist behavior were ascertained. The second part of the XX century has been characterized with the transformation of the western society from working one to hedonistic one that works only to ensure financial resources, some spare time and to realize the stipulated goals.<sup>3</sup> The changes in the spare time and the social class as well as the increased wealth have changed the consumer's habits and models in the consumption. The individual consumer behavior is varied and

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<sup>3</sup> Veryzer, R., *The Place of Product Design and Aesthetics in Consumer Research*, *Advances in Consumer Research*, 22, 1995, pp. 641-645.

the old consumer has turned into new one – the hybrid, critical and individualistic one.<sup>1</sup>

The level of experiencing the tourist product has become a prevalent factor that influences the tourist motivation. In this train of thought, the tourist is looking for an emotional experience such as entertainment, exciting events and strong feelings. This “generation of the experience” is apt to intensifying its feelings and senses, to act on the spur of the moment and to make express purchases.<sup>2</sup> And it's just because the tourist product is a combination of all these factors that the tourist needs, that the quest for it rises. In this situation, the hotel service plays the role of a stage, the main actors on which are the tourist goods, which cater for the tourist needs and aim at a memorable experience.<sup>3</sup>

The analysis of the changing consumers' needs show that the tourist industry faces “the man of experience”, who searches for strong feelings and a high quality of the tourist product and who expects one unique and individual experience, as well as aesthetic and authentic atmosphere. At the same time the contemporary tourist hasn't given up the comfort, the convenience and the rich choice he got used to.

### **ORGANISATIONAL FORMS IN THE INDIVIDUALIZED SERVICE**

In the 80s of XX century Ian Schrager came on the market of the hotel product and launched an absolutely innovatory and untraditional conception. The new design and service were like a play at the theater. The idea of his conceptions was the same from the very beginning with the start of his first hotel *Morgan* in 1984 in NY. It is

*Royalton* hotel that has furthered the development and the popularization of the whole “Schrager's empire”. His first hotel out of New York opened in Miami in 1995 and was called *Delano*. It offered something really new and different on the market of the hotel service. Through his constant aspiration for modernizing his hotels and service, Ian Schrager created a great number of unique hotel conceptions. He aimed at creating hotels that to fit into the pattern of the local culture and traditions. He emphasized also on the extremely good restaurants in his hotels.

The experts noted the fact that Ian Schrager was the first who used the term “boutique hotel” in the 80s.<sup>4</sup> *Kimpton's* range of hotels and restaurants was considered to be one of the first on the hotel market which opened the first boutique hotel called *The Clarion Bedford* in San Francisco in 1981. Nowadays, their number has increased rapidly. *Joie de Vivre Hospitality* hotel range opened its first boutique hotel *The Phoenix* also in San Francisco but in 1986.

In the early 90's the term “boutique hotels” became wide-spread on the market and has been used to describe hotels with 50 to 100 rooms, all with a specific internal design and equipped in European or Asian style. Taken alone these hotels were not a part of hotel ranges. The term became wide-spread and very soon the hotel-keepers began to use it in order to stress on the difference between their “boutique hotels” and the traditional ones.

In the 90's more and more hotel operators preferred the typical and contemporary style and equipment in their hotels. That's the way the term “design hotel” was created. It was the company *Lebensart Global Networks*, whose owner is *Design Hotel Inc.*, that has used the term for a first time. Design Hotels Inc. is an amalgamation of 10 “design and lifestyle

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<sup>1</sup> Pikkemaat, B., Vom alten zum neuen Kunden: Dienstleistungsqualität - gestern und heute, In Weiermair, K. & Peters, M. & Reiger, E.(eds.), Vom alten zum neuen Tourismus, Studia: Innsbruck, 2001, S. 17-25.

<sup>2</sup> Probst, P., Freizeit- und Erlebniswelten: Entwicklung, Trends und Perspektiven. In Steinecke, A. (ed.), Erlebnis- und Konsumwelten, Oldenbourg, München/Wien, 2000, S. 104-118.

<sup>3</sup> Gilmore, J., J. Pine II, Opt. Cit., p. 11.

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<sup>4</sup> PriceWaterhouseCoopers, Mapping and Innovative Niche Sector in Europe. Goodbye Boutique and Hello Lifestyle Hotels?, Hospitality Directions – Europe Division, 2002.

hotels” that was established in 1993. Its main goal was to attend and answer the requests of a specific group of tourists that has special needs and requests. Today, the number of the hotels in this union amounts to 168. They are situated at cities and areas for rest and their mission is to offer marketing and global services to hotels with a design purpose all over the world. United of the idea of the design as a lifestyle not just as a temporary fashion, *Design Hotels Inc.* started to work with hotel-keepers who had the same way of thinking and view of life. The “design hotels” gave signs of their individuality and they knew that they’d attract the kind of tourists who care more of what their choice of a hotel shows for their very essence rather than what a hotel could offer them. Design Hotels Inc. is one of the leading companies which has presented the term “lifestyle” as a contemporary definition for the “design hotel”.

The design and the way of living have become key elements in the evolution of the hotel product. But not only outstanding entrepreneurs could open unique hotels. In 1998 two boutique hotels were opened – the first one type “W” by *Starwood* and the second one type “M” by *Millennium Hotels & Resorts* in Singapore. They were examples for traditional hotel companies that became “hip”. With no doubt the design has become a key element on the hotel market. This fact demonstrated that the “design” is not an “incredible element” intended only for “incredible people”. Today “W” hotels amount to 29. They are widespread across the world and their main market strategy is the right organization and the modern equipment.<sup>1</sup>

*Sol Melia* is a group of Spanish hotels that came into a new market segment in the early 1999 and today it has agents in 6 countries. The boutique hotels’ line is focused on small hotels that are situated in outstanding buildings like old or modernized castles etc, because of their strategic location in the very centre of the most

popular historical and cultural destinations in Europe. A distinctive feature is the use of high-technological facilities and equipment in all their hotels.

The philosophy of the “funky” hotels was to concentrate their attention on the design and lifestyle not only on the functionality. They were interested mostly in attracting young people. Examples for this type of hotel product are *The Whitelaw* and *The Pelican* in Miami and *The Pelirocco* in Briton. For example, the guests of The Pelican hotel pass through the overcrowded bar and restaurant on their way to the reception office. This type of check-in make an impression on the guests and it’s absolutely different from the standard one.

The term “hip” hotels has been introduced by Herbert Upma, the founder of the *Interior Architecture and World Design Series*. The term means a “place with strongly pronounced individual character”. In 2000 the term was published for first time in “Escape” catalogue with 40 other hotels. Till now Herbert Upma has published a couple of catalogues with “hip” hotels: Budget, HIP Hotels, City and country Specific HIP Hotel’ guides.<sup>2</sup>

The consumers who choose modern hotels in the end of 90’s are older in age. 20 years ago the design had its special meaning to the hotel guests. Today it’s different. Nowadays the design is the slightest requirement – the admirable limit. For example, *Myhotel Bloomsbury* in London has given an entirely different sense to the typical boutique hotels. The most classic hotels offer special rooms for rest, where people to relieve from the daily stress, whereas *Myhotel* is projected especially for that purpose.<sup>3</sup>

According to the hotel keeper today’s consumers rarely express their preferences about a certain brand. From a consumer’s point of view the choice of a different hotel

<sup>1</sup> Ypma, H., Hip Hotels: City, revised Edition, Thames & Hudson, 2006, p. 18.

<sup>2</sup> Ypma, H., Hip Hotels: Budget, Thames & Hudson, 2001.

<sup>3</sup> Hotel Myhotel, London, <http://www.myhotels.co.uk/default.asp?section=3>, (10.09.2008).

is equal to passing from one hotel brand to another one. Nevertheless, brands are not just a kind of identifiers. First and foremost brands sell experience. A certain trade-mark creates a consumers' society that communicate between each other. Because it creates a kind of social system there could be existing different social roles in it.

It's not so obvious what needs and desires have led to that progress of the lifestyle brands. The consumers prefer to be associated with certain social groups and there choice of the right hotel is as important for their belonging to this group as, for example, their choice of clothes. The lifestyle hotels aim at a particular marketing segment and their purpose is to attract a certain type of clients, whereas the traditional hotels aim at answering all the needs of the different groups of clients. At this moment it's not enough just to associate a hotel to a particular lifestyle group through its branding and positioning on the market. The clients look forward to the hotel to match the complex marketing model. Concerning the hotels, the expectations of the consumers for high-quality lifestyle products could be separated in the following four groups: lifestyle, location, surprise and originality. Because of the fact that these hotels attract people with similar points of view and interests, this product attracts a particular group of lifestyle clients.

Because the tourist product is unstable in time and consists of numbers of different elements, the tourists consider the private information sources safer and more useful.<sup>1</sup> This fact in addition to the increased expenditure in the "economics of the experience" gives the unique and individual hotels the opportunity to use their originality as an economic and marketing tool by means of which a loyal clients' group to be created. An alternative to the hotel companies is the collaboration with other economic sectors.

The consumers determine their food, travel and stay at a hotel as elements, that contribute to their complete experience. The hotel-keepers face the difficulty of being a part of the conception of different suppliers, who to answer all consumers' requirements. The key moment is such a hotel staying to be created which to answer the needs of every type of clients. One possible way of realizing this goal is realizing the fact that the consumers search for the best experience. In this way their material and emotional satisfaction become of a great importance to the hotel-keepers.

### **CONCLUSION**

In the 90's the design was an advantage, nowadays it is the admissible limit. Today, the competitive priorities are based more on the intellect than the possessed assets and the capital. The last two are necessary but not enough to attract the well-informed client. The hotel companies will have to continue improving themselves, perfecting in this way their products. Many of the components that contribute to the unique experience of the lifestyle tourists are borrowed from the traditional hotel industry. This shows that the knowledge of the traditional hotel industry is of a great importance for the lifestyle industry.

The discussed types of hotels which offer a highly individualized service to their clients will continue their successful growth because of the following couple of reasons: the individuality, the satisfaction of the clients' needs and the marketing ones, the irreproachable service and the special attitude toward their guests, the satisfaction of the clients' need of safety and solitude, the improvement of the offered service, the balance between price and quality, the modernization of the entire design and conception. The aesthetics is definitely a significant element of the entire experience, but not the only one. In a matter of fact, without a well-done organization and a successful marketing strategy, the design and individuality don't matter.

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<sup>1</sup> Cho, Y.-H., D. Fesenmaier, Opt. Cit., p. 33.

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