

Luxury hotels evolve in a changing world

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FOR nearly two centuries, five-star hotels have been providing exceptional services, anticipating needs and customizing attention to pamper guests and distinguish themselves from the competition.

Today, more and more companies seek to adopt this model and create memorable brand experiences for their customers.

The history of hospitality is characterized by the evolution of services: originally just a bed, hotels progressively offered more modern room amenities such as hot water, electricity, telephones, then TV and Internet access.

The epitome is luxury hotels: From their very inception, palace hotels were among the first to install elevators, escalators and swimming pools.

Throughout the 19th century, hotels experienced continued expansion and in the 1950s, a new business model emerged in the US: the industry of chain hotels. Hilton was the first hotel company to introduce a multi-hotel reservations system and Sheraton the first to be listed on

the New York Stock Exchange. The new chains offered quality assurance while still placing product above service.

Since then, international tourist numbers have increased from 25 million to 1.2 billion in 2015, and are projected to reach 1.8 billion by 2030. While relaxation and convenience defined mass leisure tourism, today's travelers seek unique experiences and memorable moments that will endure long after they have returned to their daily lives. They want to interact with their environment, engage with locals and truly learn about a destination, making emotional connections with the people and places they visit.

Customized experiences

The next hospitality revolution happened in the digital age, with the Internet empowering travelers to compare offers and prices, fostering clarity and transparency. Online travel agents became the preferred booking tool, threatening hotels' bottom lines while review platforms and social media supporting direct feedback and ratings

had to be closely monitored. New sharing economy models provided a new accommodation experience, sometimes of unpredictable quality.

In response, hotels strengthened loyalty programs to retain guests and began recording data, including personal details and preferences to personalize their guest offer and create customized experiences. However, gaining relevant insights from data can be challenging and hotels should not lose sight of fulfilling basic needs in the process: Sometimes a well-timed attention or a genuine interaction can do more for personalization as all the customized digital communication combined.

In order to build skills spanning human interaction and digital distribution, Les Roches Global Hospitality Education is adapting in their academic offerings and approach to teaching: Programs in entrepreneurship and innovation prepare students to excel and leave their mark among new travel and leisure realities.

The term "experience industry" was coined by authors Joseph Pine and James Gilmore in an article published in

Harvard Business Review in 1998 defining experiences as next-level services, engaging the customer emotionally to create a memorable event while adding value to the interaction.

Other industries are looking toward the hospitality industry to create more customer-centric experiences: The global luxury industry, accounting for yearly spendings in excess of US\$1 trillion has seen a shift of focus away from the luxury product towards experiencing luxury as a whole as identified by Boston Consulting Group. This has led to some of the world's most popular luxury brands foraging into hospitality, opening properties and launching concept stores with F&B operations and event spaces to create experiences for a new generation.

Due to this increasing demand, the Glion Institute of Higher Education established an undergraduate track combining hospitality and luxury brand management, preparing students to join this aspiring sector.

The World Travel & Tourism Council expects the industry to support an additional 90 million jobs in the next 10 years.



Benoît-Etienne Domenget is CEO of Sommet Education, encompassing the Swiss hospitality management schools Glion Institute of Higher Education and Les Roches Global Hospitality Education.

Apart from their products, which must consistently deliver on brand promise, continuously improving execution, and utilizing technology, hospitality and luxury brands need to focus on hiring the right skills. To ensure the relevance of curricula and the success of graduates in the marketplace, there should be a constant exchange with hospitality schools.


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