

THE FUTURE LUXURY HOTEL ROOM: EXPERTS' VIEWS ON MEMORABLE GUEST EXPERIENCE GENERATORS

Recognized as the primary market forces behind the 'experience economy' phenomenon - globalization, advances in technology and rising consumer affluence, have motivated producers in the luxury hotel sector to adapt products and services to include unique experiences. Profound changes have also been observed in how tourists engage with destinations, attractions and hotels, while increasingly seeking memorable experiences. The purpose of this research was to identify how producers responsible for the design and development of luxury hotel guest rooms respond to or intend to respond to consumer demands for memorable experiences, now and in the future (to the year 2020). The study engaged expert producers in a Delphi-like study using Pine and Gilmore's (1998) experience framework to identify the primary memorable experience generator categories that producers considered essential to generating new sources of economic value when designing the future luxury hotel room.

Keywords: *Hotels; Experiential Consumption; Memorable Experience Generators; Delphi Study*

Introduction

With growing individual wealth seen as a catalyst for the consumption of luxury hospitality, hotels provide an ideal backdrop to stage experiences. To capitalise on future demand, however, producers must understand consumers' individual experience needs when designing luxury hotel rooms (Pine & Gilmore, 1999). A review of literature has established that product differentiation is no longer sufficient to compete in a hyper-competitive marketplace, thereby forcing hospitality operators to shift their focus beyond products and services to generate positive, memorable experiences (Berry, Parasuraman, & Zeithaml, 1994; Lovelock, 1999; Pine & Gilmore, 2011). This research focussed on the luxury hotel room and how producers respond to consumer desires for memorable experiences.

Literature Review

The notion of experience as an important component of consumption has become a key element in understanding consumer behaviour (Addis & Holbrook, 2001). Moreover, research shows that today's tourism and hospitality producers need to recognize that experiences have become central to consumption activities (Arnould & Price, 1993; Bille, 2010; Binkhorst, 2006; Pine & Gilmore, 1999; Walls, Okumus, Wang, & Kwun, 2011). Nevertheless, empirical research specifically directed at experiences in the lodging sector, remains scant (Ferreira & Teixeira, 2013; Ritchie & Hudson, 2009). This is remarkable because Pine and Gilmore's (1999) review of US attractions, such as destination theme parks, live concerts and sporting events, found that tourism and leisure businesses outperformed traditional industry segments, showing higher sales and profits. They assert that the major attraction for consumers are unique and memorable experiences, which add additional value for both the consumer and the producer. Thus, experiences are perceived as a new form of economic value that should motivate organizations to design, orchestrate and co-produce experiences to delight the consumer, who in return is willing to pay a premium for the experience. However, for experience production to become profitable, producers need to find innovative and effective ways to stage memorable experiences (Olsen & Connolly, 2000). An understanding of the dimensions of memorable experience generators, therefore, is critical to achieve financial success in the hospitality sector, now and in the future (Oh, Fiore, & Jeoung, 2007; Pine & Gilmore, 2011).

Methods

Guided by Pine and Gilmore's (1999) experience framework, a series of questions were designed to gain rich insights from experts who held senior positions within 12 global hotel brands with properties in five continents. Pine & Gilmore's four realms framework allowed for a structured approach to guide the data collection and subsequent analysis of opinions among participating panel experts. As the most appropriate research technique, a Delphi-like method was selected because this structured

approach allowed the group to consider, reflect upon and provide opinions on complex issues, whilst remaining anonymous (Linstone & Turoff, 1975). Participants were identified on the basis of their knowledge in luxury hotel development and service operations and engaged in two Delphi rounds.

Results

The experts nominated important current and future memorable experience generator types relevant to the guest room and Pine and Gilmore's (1999) four realms (entertainment, aesthetics, education, escapism). In round 1, the experts nominated 283 memorable experience generators. When collated and systematically coded, these produced 18 key themes divided over 4 primary experience generator categories (Services, Atmosphere, Culture, Technology). The research revealed that producers considered the entertainment realm as the most important experience dimension, where they would invest resources to design and deliver future memorable guest room experiences. Specifically, the order in which the producers expect memorable experience generator categories to earn a return-on-investment (ROI), were services, technology, atmosphere and culture (Table 1). Within the dominant services category, where producers compose and orchestrate the appropriate level of resources for effecting specific benefits extended to guests, the research found that producers focus their attention on specific memorable experience generators. These involve customized content based on a deeper understanding of guest preferences, offering pre-arrival experiences tailored to the guest's interest and purpose of travel, as well as offering virtual in-room assistance.

Table 1: Memorable experience generators (by category) – ROI predictions by the producers

The Producers	Memorable Experience Category - ROI commonality - key words	
Level of importance	Category	
1	SERV	Customized, tailored content, guest preferences, pre-arrival preparations relevant to purpose and interest, including virtual advise
2	TECH	Simplified, connectivity, fully integrated, HMI (Human Interface), Virtual in-room assistance
3	ATMO	Stress-free, simple-to-use, feels personal, innovative, educational and stimulating in-room design, sustainable and eviornmentally sound
4	CULT	Experienced, culturally diverse, knowledgable, in-house and external expert advise, personal assistance

Discussion

Scholars in consumer experience research acknowledge that whilst the understanding of the experience itself is well advanced, the systematic utilization of experience concepts remains in an unmanaged state (Ritchie & Hudson, 2009). This study found that the four realms of experience framework is a useful, practical tool to manage experience research. On the surface, for example, the concepts underpinning the entertainment realm would seem adequate for guests' experiences. However, this study highlights that modern-day entertainment content has become more interactive and should be co-produced by consumers.

Conclusions and Implications

The research advances our understanding of memorable experience concepts in the current and future luxury guest room. Prior to this, the literature on this subject - specifically in the context of the luxury hotel sector within the experience economy, was inconclusive on several vital questions relating to the systematic utilization of experience concepts and the consumer experience discourse (Mcintosh & Siggs, 2005; Pullman & Gross, 2004; Walls, Wang, Wang, & Pizam, 2011). A noticeable implication for producers is the premise on which the four realms of experience framework was conceived. In contrast to designing services that are developed to achieve economies of scale and where producers focus on efficiency and improvements of the overall delivery, within the experience economy, producers compete beyond products and services by designing and delivering meaningful and

memorable customer experiences that guests are willing to pay a premium for (Frow & Payne, 2007; Oh et al., 2007; Pullman & Gross, 2004; Sundbo, 2009).

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