Towards a Leaner Hotel Development: Back to Basics

a study of hotel guests’ perception on physical surroundings of mid-range urban hotel guest rooms

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Supervisor: Dr. Ir. Dion Kooijman (Retail & Leisure) & Dr. Clarine van Oel (Housing)
- Tavern of Roman Empire
- Medieval Monasteries
- Inns of Renaissance

1800 B.C.

First World War
First major boom
(over investment)

1920'
- 1920s: World War 1
  - Major boom in commercial investment
- 1930s: Great Depression
  - Many foreclosures
- 1940s: Second World War
  - Occupancy rate up to 80%
- Post-1940s: Diversification and steady growth (over investment)
Diversification &
Steady growth (over investment)

1990' over supply
M/A, rebranding

2000'

- F
d- Decline
- Changed consumer
corporate
- C
Credit Crunch

- Reduced amount of hotel guests
- Decline in the average expenditure per guest
- Changed consumption pattern (Smarter & stronger customer)
  - Corporate responsibility – social responsibility
  - Call for sustainable developments
"How do modern hotel guests define the proper and acceptable basic condition of a mid-range urban hotel guest room?"

"What are the most important and least important guest room features?"

"How demographic characteristics of hotel guests and their expectations on the hotel guest rooms are related?"

"Can a leaner and greener hotel development be acheived?"

"What would be a 'good' investment cost allocation model?"
Important guest room features?

Hotel guests and their rooms are related?

How can design be achieved?

Alignment with research

Urban Hotel Development & Investment

Designing Urban Hotel

Hotel Industry Characteristics

Published books

Recent research articles

Interview
- More personal form of research
- Emotional interaction with key figure of hotel business

Qualitative Research

Quantitative Research

Hotel guest survey
- Comprehensive, structured, standardized, and objective
- Data collection and analysis

Discussion

Conclusion
Urban Hotel Development & Investment

Designing Urban Hotel

Owner Space Development

- Real estate venture
- Business establishment
- Creativity & insight
- Demand decides
- Flexibility
- Gravity of guest rooms
- Design greatly influence multipliers paid
- Insufficient information for evaluation (inspection)

Operator Service Maintenance

- On-going business, rented daily
- Competition transcends segmentation
- Should establish self-supporting business
Hotel Industry Characteristics

Published books

Hotel distribution web sites

Recent research articles

"Guests will be satisfied in hotels with moderate design and simple amenities provided they are treated in a hospitable and welcoming manner."
(Heide and Gronhaug, 2009)

"Hotel image and customer satisfaction with housekeeping are the most important factors. This phenomenon is more evident on business travelers."
(Kandampully and Suhartanto, 2000)
Published books
Recent research articles

Service
Management
Location

"Guests will be satisfied in hotels with moderate design..."
"Guests will be satisfied in hotels with moderate design and simple amenities provided they are treated in a hospitable and welcoming manner."
(Heide and Gronhaug, 2009)

"Hotel image and customer satisfaction with housekeeping are the most important factors......This phenomenon is more evident on business travelers."
(Kandampully and Suhartanto, 2000)
Hotel distribution web sites

“Guests will be satisfied if...”
Amsterdam, NL (Western)

1. Comments of lower ratings on 3/4 star hotels

2. Comments of lower ratings on 3/4 star hotels

Seoul, Korea (Eastern)

3. Comments of lower ratings on 3/4 star hotels

4. Comments of lower ratings on 3/4 star hotels

Expedia

Orbitz
Interview

• More personal form of research
• “Event organizer” as a big buyer of hotel businesses

Method

Semi-structured
Face-to-face interview or telephone call interview

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Company/organization</th>
<th>Location</th>
<th>Time</th>
<th>Mean of interview</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A.G.</td>
<td>Energy company (private)</td>
<td>Western Europe</td>
<td>20th February, 2005</td>
<td>Face-to-face</td>
<td>35 minutes</td>
</tr>
<tr>
<td>2</td>
<td>H.S.</td>
<td>Pharmaceutical company (private)</td>
<td>Southern Europe</td>
<td>15th February, 2005</td>
<td>Telephone</td>
<td>30 minutes</td>
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<tr>
<td>3</td>
<td>H.R. (A)</td>
<td>Investment agency (semi-public)</td>
<td>Western Europe</td>
<td>1st April, 2005</td>
<td>Face-to-face</td>
<td>35 minutes</td>
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<tr>
<td>4</td>
<td>H.R. (B)</td>
<td>Hotel company (public)</td>
<td>Western Europe</td>
<td>15th March, 2005</td>
<td>Face-to-face</td>
<td>30 minutes</td>
</tr>
<tr>
<td>5</td>
<td>S.R.</td>
<td>Engineering organization (semi-public)</td>
<td>Eastern Asia</td>
<td>15th February, 2005</td>
<td>Telephone</td>
<td>30 minutes</td>
</tr>
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Procedure

Initial contact:
Assent to interview
Keywords provided in advance

3 star hotels vs. 4 star hotels

Credit crunch after effect still more to come

Location, amenities, maintenance, and service

Price factor less significant

Strong influence of individuals

Low recognition on sustainability

“Properly provided basics”

Qualitative Research

• Job & task description
• Process of hotel accommodation/event arrangement
• Important considerations on purchasing decision
• Important aspects of a hotel guest room
  - Feed-back from colleagues
  - Channel of contact
  - Business account system
  - Negotiation process
  - Brand preference
  - Sustainability & hotels
Interview

- More personal form of research
- “Event organizer” as a big buyer of hotel businesses

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<tr>
<td>#1</td>
<td>A.G.</td>
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<td>Western Europe</td>
<td>22nd, February, 2011</td>
<td>Face to face</td>
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<td>#2</td>
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<td>Southern Europe</td>
<td>28th, February, 2011</td>
<td>Telephone</td>
<td>30 minutes</td>
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<td>#3</td>
<td>P.B. (A)</td>
<td>Investment agency (semi-public)</td>
<td>Western Europe</td>
<td>1st, April, 2011</td>
<td>Face to face</td>
<td>30 minutes</td>
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<tr>
<td>#4</td>
<td>P.B. (B)</td>
<td>Hotel company (private)</td>
<td>Western Europe</td>
<td>2nd, March, 2011</td>
<td>Face to face</td>
<td>40 minutes</td>
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<td>#5</td>
<td>S.P.</td>
<td>Engineers’ organization (semi-public)</td>
<td>Eastern Asia</td>
<td>24th, February, 2011</td>
<td>Telephone</td>
<td>30 minutes</td>
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### Procedure

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Assent to interview
Keywords provided in advance
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• Sustainability & hotels
3 star hotels vs. 4 star hotels
Credit crunch after effect still more to come
Location, amenities, maintenance, and service
Price factor less significant
Strong influence of individuals
Low recognition on sustainability
“Properly provided basics”
Quantitative Research

Hotel guest survey

Method
Questionnaire with Conjoint Analysis + Discrete Choice Analysis
Visualizing a part of Design Quality Indicator

Attributes
Each variable represents a function of hotel guest room
Ordinal: 1) flexibility, 2) efficiency, 3) cost, 4) natural resource use
Hotel guest survey

Method
Questionnaire with Conjoint Analysis + Discrete Choice Analysis
Visualizing a part of Design Quality Indicator

Attributes
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Ordinal; 1) flexibility, 2) efficiency, 3) cost, 4) natural resource use
Literature Study + Major design trend
Best Western, Hampton Inn, Holiday Inn, Ramada, Courtyard Marriott, Mercure, Sheraton, Novotel, Four-point + Innovative design
Scandic Element by Starwood

Image sources:
Accor, http://www.accorhotels.com
Aloft Hotels, http://www.starwoodhotels.com
CitizenM Hotels, www.citizenm.com
NH hotels, http://www.nh-hotels.com
Scandic, http://www.scandichotels.com
Starwood, http://www.starwoodhotels.com
Fractional factorial design

- Demographics #1
  - Travel characteristics
    - Conditional jump
  - Random jump
- 3-star Conjoint questions
  - 8 questions x 34 blocks
- 4-star Conjoint questions
  - 8 questions x 34 blocks
- 3-star Discrete Choice questions
  - 2 questions x 10 blocks
- 4-star Discrete Choice questions
  - 2 questions x 10 blocks

35 questions per person, 10 minutes duration

- Demographics #2
- General questions
Fractional factorial design
Q. You are visiting a city on a business. Which of the following hotels would you choose to stay?
Q. How would you rate a hotel room offering features presented below? (Conjoint question 1&2)
Q. How would you rate a hotel room offering features presented below?
(Conjoint question 3&4)
Q. How would you rate a hotel room offering features presented below? (Conjoint question 5&6)
Q. How would you rate a hotel room offering features presented below? (Conjoint question 7&8)
The most likely choices of 4 star hotel guests
CLEAN COMFORTABLE BED
**Quantitative Research**

**Hotel guest survey**

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Conclusion

How do hotel guests define the proper and acceptable basic condition?

- Leaner hotel development
- Demographic characteristics & guest room preference

- Visualizing influential elements
- Identifying proper basic conditions
- Useful decision-making tool for developers/investors
- Response to previous researches
- Generalization & application
- Sample size
How do hotel guests define the proper and acceptable basic condition?

3star

4star
• Leaner hotel development

• Demographic characteristics & guest room preference
• Visualizing influential elements
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“Intelligent products reflect the value we place on our civilization. They must use resources wisely and celebrate the full potential of our emerging scientific and technological age.”

Designer Ross Lovegrove