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Differentiating Hospitality via Experiences: Why Selling Services Is No Longer Enough

by James H. Gilmore and B. Joseph Pine II

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[blurb]

By infusing your hospitality operation with a theme—explicitly stated or creatively subtle—you can improve your guests’ experience and (not incidentally) your profits.

[summary]

Creating a memorable experience is a powerful way to differentiate one hospitality operation from another. Hoteliers and other hospitality operators need to consider how to turn their

mundane services into memorable experiences — and avoid the trap of being treated like a commodity. One method for selling experiences is to imbue operations with a theme, a concept that infuses all services within a given venue with a single organizing principle. Themes can be overtly stated or quietly subtle, but either way, a hotel can use its theme to set itself apart from competitors. Themes are realized through motifs, which are visual manifestations of a theme. A theme can serve as an umbrella across all locations within a company's portfolio of locations, or it can be specific to individual locations. Regardless of the approach, motifs represent specific incarnations of an individual theme. Employing a theme allows a hotel to differentiate its offerings by creating memorable moments for guests out of otherwise mundane interactions (e.g., a wake-up call or elevator ride) simply by layering an enjoyable experience atop the existing set of services — for instance, with unusual antics in a shuttle bus or recorded voices of celebrities to wake up guests.

[text begins]

Do you have the time? In answering that question, most people check their wristwatch — a *tangible good* that performs a timekeeping function for its owner. People then use that good to provide the *intangible service* of telling another person the time. Hotels and other lodging businesses have long ago commercialized this timekeeping service as part of the overnight stays they sell — in the form of wake-up calls for guests.

How, then, does one turn this timekeeping service into a *memorable experience* — one that creates a lasting memory for each guest? Certainly, neglecting to provide the requested service at the specified time will not be soon forgotten. Indeed, the easiest way to turn a routine service into a memorable event is to perform it poorly — thus creating a negative experience of the most unpleasant kind. But how does one turn a wake-up call into a positively memorable experience? Could wake-up calls be staged in such a way that guests share wake-up stories with colleagues, friends, and family members they met later in the day, week, month, or even year? The key to creating such memorable encounters lies not in improving the

functionality of the wake-up call, but in layering an enjoyable experience atop the existing service.

The MGM Grand Hotel & Casino in Las Vegas does just that, by awakening guests with prerecorded voices of celebrities who have performed on its various stages. Stay on multiple occasions and awake to the catchy voice of a different star each visit – Rodney Dangerfield one time, say, and Carrot Top the next. Granted, a morning wake-up call represents just a single dimension of a guest's overall experience. What better way to make a great (make that grand) impression?

Getting Out of the Commoditization Trap

By creatively orchestrating multiple dimensions of one's hospitality business as distinct theatrical events within an overall experience, any company can move to differentiate its offering. (We deliberately avoid using the prevalent term "product," as we believe that its use only serves to perpetuate existing industry paradigms that limit experiential innovation.) When rival hotels become more alike than different in the underlying concepts that dominate their physical design and operational procedures, they quickly find their

businesses commoditized – and purchased primarily on the basis of price. Over the years, many hotels and hotel chains have been afflicted by commoditization, as they’ve grown increasingly similar in the conventions they practice. Are not most wake-up calls basically performed identically across the industry? Managing hotels as experience venues (not “properties”) helps to escape this commoditization trap.

Image the possibilities for staging wake-up experiences at other venues. Resort hotels at Walt Disney World could arrange for the wake-up call to come from any of the Disney characters; hotels around Times Square could employ stars from nearby Broadway shows (after all, New York taxicabs already make use of the prerecorded voices of various New Yorker celebrities); Arizona Diamondback ballplayers could rouse guests in Phoenix and vicinity; and in Nashville, the voices could be those of country-music artists. Hotels in more rural locales (e.g., highway interchanges), could identify colorful characters, resident storytellers, or other appropriate personalities to record surprisingly memorable wake-up greetings. Guests at a limited-service hotel, wondering where to go for

breakfast, might welcome a wake-up call from local restaurateurs who invite them to their establishments.

Recall how years ago, major hotel chains ran full-page ads in major newspapers that essentially boasted: “The *Last* Thing You Want Is a Memorable Stay.” Providing such flawless operations were the focus of many hoteliers at the height of the Service Economy. Such is indeed the platform on which experiences are staged, but having nothing go wrong is not the same as having everything go right. Moreover, such an approach alone falls far short of intentionally creating personal memories – to entice guests to come back time and time again. If you think the distinction between flawless service and memorable experiences an artificial one, think again.

Consider the gumball industry, of all businesses. Global Gumball of Mesa, Arizona, has revolutionized the sleepy industry in recent years with its Gumball Wizard vending machine. When someone slips a quarter into the slot, the gumball spirals round and round (with the sound like a ball bearing rolling down a track) before dispensing into a customer’s hand. Now, these machines don’t offer

any improvement in the traditional functionality of the offering; they dispense the same gumballs as ever, and they don't deliver a better gumball service. In fact, the delivery service worsens, as it takes more time for the gumball to be received after placing an order. Instead, increased gumball sales result from the staging of an engaging gumball-spiraling experience (We've even seen teenagers put their quarter in, watch the gumball spiral down, and then throw the gumball away.) So successful has the Gumball Wizard been, that the locus of innovation in the industry has shifted to sensory-laden experiences, including kinetic sculptures and pinball-type machines where the gumball is batted around until it drains through the center slot. A quarter put into this machine isn't just buying that nickel gumball; it's buying the gumball-playing experience.

Hospitality Experiences

Guests obtain a memorable experience when a company intentionally uses services as the stage and goods as props to engage individual customers in an inherently personal way. In the hospitality and lodging industry, almost any service can be leveraged to stage a more compelling experience.

To illustrate, let's turn our attention to another neglected dimension of lodging: the shuttle-bus service. (As with wake-up calls, there's no special significance to choosing this dimension, we're simply using it to demonstrate how *any* hotel space can be re-conceptualized as a place for staging engaging experiences.) Most vehicles used in transporting guests between hotels and the airport come equipped with small signs inside that read: "Your driver is...", and a slide-in name placard typically completes the boilerplate sign. ("Your driver is Bob" on one trip; "Your driver is Ted" the next; and possibly even "Your driver is [blank]").) Such posted information represents futile functionality. Seldom, if ever, does an arriving or departing guest actually use the posted information to greet a driver by name. If anything, the sign simply serves to permit the driver (often the first hotel representative making an impression on arriving guests) to avoid eye contact or shaking hands.

What if the sign were instead to read, say, "Your driver *has left the building*"? Now that might help create a memorable experience. Imagine shuttle bus drivers for a Graceland Airport Hotel sporting big sideburns and wearing large, white bellbottoms, singing "Love

Me Tender” as guests step on and off. One need not resort to fictitious hotel venues, of course, to see how the concept might work; perhaps a Memphis Marriott or Tupelo Sheraton could take the idea and drive with it.

Using a theme in this manner provides a direct means for hotels to upgrade their offerings from ordinary services (e.g., a wake-up calls, shuttle bus rides) to extraordinary experiences. To do otherwise risks a hotel’s becoming further commoditized, and undifferentiated in the minds of customers. The question then isn’t whether to embrace new experience-staging techniques, but what and where to employ them for maximum effect.

We fully expect that innovative experience design and orchestration will become an increasingly critical component of any successful hotel management company’s core capabilities (and any hospitality school’s core curriculum). Those who seek to go beyond mere service excellence and work to stage new experiences will take the lead in creating new value in the hospitality industry. The first step in creating that value lies in understanding the foundational axiom of the experience economy, which is that customers buy an

economic experience whenever they *pay for the time* they spend in a particular place.

Charging Admission

No company truly sells an experience unless it charges guests an *admission fee*; and customers won't pay such a fee unless they deem worthwhile to do so. Such admission fees exist in a myriad of forms, as outlined below. Some businesses charge admission via *entry fees*, such as theatres, concert halls, sports arenas, movie cinema, and nightclubs. Casinos, amusement parks, and arcades charge *per-play fees*. Various experience-vending machines like the blue massage chairs found at the New York-New York Hotel & Casino in Las Vegas, the reclining massage chairs sprouting up at airports (such as those from M.J. Eberhardt Co. of Racine, Wisconsin), and the Acqua Massage machines (from AMI Inc., of Groton, Connecticut), now at malls in many cities, charge *per time fees* — for an ongoing experience for a set amount of time. (Interestingly, outlets with these devices charge an admission fee for what still is free at a Sharper Image or Brookstone store.) Companies like ClubCorp, the world's largest stager of club experiences, charge *initiation fees* as well as ongoing

membership fees. (Other combinations are, of course, possible. For example, airline clubs first charge membership fees and then charge access fees to use conference rooms or other facilities.) America Online and other internet experience stagers, or IESs, as we think they should be called (they really shouldn't be called internet service providers, or ISPs), command *access fees* (which really shouldn't be called subscription fees, a misappropriated analogy from magazines).

Today, the practice of charging admission steadily spreads across the economic landscape. Places that were once accessible for free are now commanding a fee. Some retailers and restaurateurs now charge admission for specific experiences. Outdoor-equipment retailer REI charges a \$5 per-play fee to non-members wishing to ascend the climbing wall inside some of its co-op stores (there's no per-play fee for members who pay \$15 for an annual membership). Shoemaker Vans charges \$5 to 14 per two-hour skateboarding session at its Skateparks, depending on locale, time of day, and whether or not the guest holds a membership (for which it charges \$40 annually). ESPNZone charges \$75 or more per hour for private "sky boxes" within its complexes, plus per-play fees for various games on a

dedicated floor (as does Dave & Buster's). Medieval Times Dinner & Tournament restaurant charges \$23 to \$28 for children and \$44 to \$49 for adults to gain admission to eat chicken medieval style (i.e., without silverware) while watching six battling knights.

The practice of charging admission is found too, of course, within the hospitality industry. The Burj Al Arab in Dubai charges those not staying in the hotel about US\$27 to go across its private bridge onto the small island in the Arabian Gulf that houses this soaring venue, which is shaped like a gigantic sail. The wonderfully opulent experience within the world's tallest hotel includes the world's largest atrium, a nightly light show, an undersea restaurant complete with simulated submarine ride, and a Museum of Future Art. The Atlantis in Nassau, The Bahamas, charges US\$25 to those boat cruisers who want to visit. It then designed an experience that would be worth the fee – including a “historical” tour of the Lost City of Atlantis and a water park complete with a slide that begins at the top of recently constructed “ancient ruins” and goes through the middle of a shark tank. Taking the showroom another step, most casino-hotels in Las Vegas have taken some aspect of their theme and

turned it into an experience that generates revenues and profits, whether that be the Coney Island roller coaster at New York–New York, the fine-art gallery at Bellagio, or Star Trek The Experience at the Hilton.

You might now be asking: But don't all hotels charge admission for the basic overnight stay? In a sense, yes, hotels do charge for the time guests have access to their rooms and other facilities. However, most hoteliers essentially view their room rate as merely the price they assess for the *collection of services* performed (e.g., preparing the room, making the bed, cleaning the bathroom), rather than the fee guests pay for the *portfolio of experiences* encountered during their time spent in the hotel.

This distinction suggests two models – one that focuses primarily on the functionality of services rendered, and another that also concerns the wealth of sensations each guest encounters. The service mindset results in operations that revolve around getting customers in and out of a place, while the experience mindset results in business stagecraft that encourages guests to spend more time in the place. Staging compelling experiences requires focusing on ways to

encourage guests to spend more time inside the hotel each day (versus outside it), to spend more days per stay, and to make more stays per year.

The two different mindsets surface fundamentally different approaches to orchestrating a guest's stay. Even the best of "full service" hotels generally require guests to check out by a specified hour, because the service mindset instills standards requiring certain activities to be performed with the guests out of the way (and out of the hotel). A contrast to that approach is the one offered by The Raffles L'Ermitage in Beverly Hills, which embraces an experience mindset. This hotel affords guests a full 24 hours before they have to check out, regardless of what time they check in. This *day rate* — not a room rate — represents an experience-based admission fee, because it manifestly charges for the time people spend in the hotel in certain, distinct experiences.

Consider one more non-hotel example, The Pleasant Company's American Girl Place in Chicago. Experiences there that require an admission fee include the *American Girls Revue*, a 70- minute musical in a 150-seat theatre, for \$25; a hair-styling experience for a young

girl's doll for \$10; a flat fee of \$16 for lunch or tea; and \$18 for dinner (including gratuity) at its dining experience simply named *Cafe*. Its admission fee for *Cafe* exemplifies a telling distinction between delivering services and staging experiences in the restaurant industry. Charging by entrée represents a *food service* pricing model. *Dining experiences*, on the other hand, appropriately command a flat fee. Some finer restaurants, catering to adult dining, have moved to similar *prix fixe* admission fees — charging by entry, rather than entrée.

This pricing approach is not really new, it's just uncommon. Why do nearly all hotels just have *room service* – priced by entrée? Why not offer in-room theme dining experiences with flat fees? For example, why not offer a special in-room dining experience specifically designed for each Spectravision movie available? Or feature dining experiences based on the most popular TV show each night, say, a “Friends” dining experience which (for a flat fee) also provides access to an after-show party available to only those who bought the “Friends” experience that evening? Surely, such

experiences would help keep guests in house, command premium pricing, and differentiate the place.

Places within the Place

The American Girl Place illustrates another important principle: Thinking about how to charge admission to a business forces operators to think differently about how to create additional economic value within that operation. What would you do differently if you charged admission to your hotel lobby, for instance? This question should be asked not only to a guest's overall stay, but also to individual components constituting that stay. Every hotel has spaces worthy of consideration as platforms for new experiences. Exploring how to charge admission for each of them helps to develop practical, new ideas for enhancing the overall experience (and for generating incremental revenue and profit as well). So, go back through the forms of fees listed above, and ask yourself why you're not offering some experience via each of these pricing mechanisms.

This idea is an expansion of the concept pioneered 80 years ago by Conrad Hilton, who determined that every available space in his

hotels constituted a revenue-generating opportunity. Just as Hilton “tucked rental stores and restaurants into little-used nooks and crannies”¹ (to sell goods and services), present-day hotel managers should, like American Girl Place, tuck new experiences in otherwise unused places to engage each guests and increase revenue.

The hotel industry should draw a lesson from how NASCAR, that experience stager extraordinaire, uses the principle of making “places with the place” a means to layer experiences. Not only does NASCAR charge admission to the race track itself, but it has found ways to also charge for access to special locations within the track, such as the oval, grandstand, infield, concessions, and pit. For example, NASCAR charges interested customers an additional fee to eavesdrop on the conversations between drivers and their pit crew during a race. Those who pay this incremental fee obtain a headset that enables them to listen to the selected team’s conversations. In

¹ See: Daniel R. Lee, “How They Started: The Growth of Four Hotel Giants,” *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 26, No. 1 (May 1985), p. 23.

essence, NASCAR has found a way to charge for places within the place, by creating an event within an event.

It's no coincidence that one of the most successful attractions in the hospitality industry over the past decade or so has been spas — a place within the place for which hotels explicitly charge admission. Even those operations that began with spas, such as The Homestead and the Greenbrier, have made a new and concerted effort to market their spas as experiences. Compare these spa experiences, which are fee-paid offerings, with that hotel innovation of the 1980s: fitness rooms. As part of that decade's amenities creep, hotels simply added fitness equipment (or the use of a nearby club) to their portfolio of services for which typically no additional fee was charged. Many of those exercise rooms now offer little or no differentiation, at best, and have become a cost sink, at worst.

To avoid that kind of outcome — and instead generate profitable enhancements (like the nearly-ubiquitous mini-bar or in-room movies) — simply list all the possible places inside your venue. For each one, ask what you might do differently if you charged admission — that is, a fee to use it. Performing this analysis helps

uncover many potential ideas for new experiences. Even if one does not end up charging explicitly for such new experiences (out of concern that guests will be unwilling to pay more), their presence will encourage guests to value the (increased) time they spend. Plus, such experiences may enable a premium room rate to be charged. If you think richly and creatively, many new ideas will emerge for experiences that can actually command an incremental fee once they are developed and implemented (the best approach, certainly, to avoid any future fitness-room pitfalls).

Consider the Desert Springs Marriott Resort & Spa. This property is famous for its boat rides that allow passengers to embark from its downstairs lobby to tour the resort, or to go to the various restaurants that can be reached via the hotel's waterways. The boat ride constitutes a place within the place that offers a delightful experience, one that encourages guests to spend more time at the hotel complex. After decades of offering this boating experience for free, however, the resort might find it difficult to begin charging admission – since frequent and return guests “know” that it is included in the room rate. (There's an additional lesson here: If you

do launch any new experiences and you don't explicitly charge for them, charging fees later becomes a difficult task.)

From the moment it opened, the Venetian in Las Vegas charged for the gondola rides it offers inside its Canal Shoppes, starting with a fee of \$10 when the hotel first opened in 1999 and \$12.50 today. Another revenue source from this engaging experience is the \$15 photographs that many riders buy as memorabilia. Theme parks have similarly latched onto this idea by selling photographs of their guests as they plunge down the roller coaster, or simply as they arrive for a day of fun.

It's possible to initiate admission fees for those experiences that have been free in the past, but introducing such charges has to be done in conjunction with adding additional experiential value. The Desert Springs Marriott could, for instance, charge for a ride to new places (to some exclusive new dining venue, say), or at special times (perhaps on New Year's Eve or for midnight anniversary rides). Perhaps a new style or genre of boat could be introduced for the for-fee trips. Maybe a guest's special voyage could be recorded and sold on videotape, or perhaps the ride could turn into a floating buffet.

Clearly, just asking how an admission fee could be applied opens up myriad possibilities.

Interestingly, the Desert Springs Marriott successfully introduced an admission fee for another service that was once free, its Springs Pool. Not used by guests as much as its larger main pool, this smaller swimming spot now charges an access fee to use flower-theme cabanas that now line the pool's outer edges. This place-within-a-place constitutes a charming offering that presents a more tranquil experience than that of the noisier main pool. The admission fee for the cabanas at the Springs Pool at the resort signals guests that it's an exclusive experience that's worth the time — precisely because it commands a fee.

The Importance of Themes

Using a theme automatically turns a service into an experience. A great misconception surrounds the use of themes, however, largely because Walt Disney was so far ahead of his time (in using themes to turn amusement parks into a new genre of experience, namely, theme parks). People tend to equate themes with the façades of numerous fantasy worlds that have since sought to emulate Disneyland. But

such cartoon worlds are only one genre of place that stems from having and applying a theme.

A theme is simply the underlying concept for everything staged in particular place, including hotels and restaurants. A theme is the dominant idea, or organizing principle, devotion to which creates a coherent experience for guests. Envisioning a well-defined theme provides the foundation for creating places worthy of commanding added fees. In contrast, an incoherent theme (and every man-made place ends up with a theme, even if none was consciously or intentionally selected²) gives guests nothing around which to organize impressions, and yields no lasting memory (or at least not a good one). Such places are like Gertrude Stein's Oakland: "There is no there there." Having a theme allows one to harmonize a set of impressions — the "takeaways" left in a guest after having

² This point is well made in Mark Gottdeiner, *The Theming of America: Dreams, Visions, and Commercial Spaces* (Boulder, Colorado: Westview Press, 1997).

experienced some place — that engage guests in a particularly memorable way.

Such impressions can and should be formally articulated. For example, Starwood's W hotels aim to be "warm, welcoming, witty, and wired." To impart those impressions, Starwood imbues its hotels with such theme-based cues as the latest internet-access technology, parking garages whose signs simply read "Wheels," lobby bars named "XYZ," and wake-up calls stating "*Welcome* to Friday" (their emphasis). Visit any W and one viscerally understands the underlying theme that holds together the components. (We're only left wondering why Starwood still uses letters, rather than numbers, in elevators to designate W's floors.)

South Florida's boutique Rubell Hotels takes the process one step further, by defining not only the impressions with which it strives to be remembered (namely, sincere, low-key, unpretentious, smiling, and human), but also identifying the contrary impressions that it seeks to avoid (i.e., arrogant, formal, intimidating, robotic, and snobby). Having these impressions formally identified helps in two fundamental ways. First, it informs designers of any particular hotel

what *not* to design into a place. Too many hotels have too many incongruent elements today. Second, it advises employees *how* to do what they do in the place. It allows for workers to act with specific intentions in everything they do.

A theme should also fit the character of the enterprise staging the experience. No one should attempt to be Disney (except Disney); yet management of every hospitality operation should ask themselves the Disneyesque question: *What's the underlying and organizing concept for everything we do?* Answering that question provides invaluable direction toward staging a more compelling experience, providing the context for what to do – and what not to do – to create more memorable experiences for guests.

The Handling of Themes

None of this means that you must explicitly articulate your theme to customers. Consider our favorite business-to-business experience stager, The Geek Squad, based in Minneapolis. When founder and Chief Geek Robert Stephens wanted to get into the business of installing and repairing computers in 1994, he decided against merely delivering mundane services. Instead, he launched an

experience business. He asked himself, who better to work on computers than a squad of geeks?

Accordingly, the Geek Squad is costumed with white shirts, thin black ties, black pants that are just a shade too short, and the outfits feature various devices hanging off the belt. The geeks, called Special Agents, drive new VW beetles, dubbed Geekmobiles, that are painted as black-and-white squad cars. All the special agents perform a number of specially scripted routines. For example, when an agent goes to a customer's premises, he pulls out his identification badge and says, "Hi, I'm Special Agent Smith from The Geek Squad. Please step away from your computer."

The Geek Squad's theme may seem to be explicitly stated right there in its name. But it's not: the organizing principle that Stephens strives to fulfill is "Comedy with a straight face." Use of this theme allows every agent to maintain a straight-laced demeanor (just as if they'd walked off the set of "Dragnet") yet entertain customers with Geek-based humor — all while still performing the necessary software installation or hardware repair.

Deriving Motifs from Themes

The Geek Squad illustrates that a subtle — even veiled — theme can be effectively used to create memorable experiences. That suggests a distinction exists between a theme (the underlying principle) and a motif, which involves the application of an overall theme to the outward appearances of an experience (the physical set; the workers' costuming, props, and behavior). Motifs certainly stem from a theme, but the environment thus created is not the experience itself (that only exists inside individuals), nor the theme itself. Further, a multiplicity of motifs can be used to manifest or support any one theme.

Consider the use of a subtle theme in the new Horizons timeshare offered by Marriott Vacation Club International. Targeting these villas to families with young children, the motif at the inaugural Horizons resort in Orlando features a partially sunken pirate ship in its swimming pool, complete with water-slide planks and water-gun cannons. One might mistakenly think Horizons employs a "pirate" theme, but that's just the outward motif at this particular venue. The theme in play is "stuff in pool." It's this subtle theme that might let Horizons put other objects, say, submarines or

aircraft carriers, in pools at other locations. More important, the theme serves as powerful means to extend a central concept throughout the place, and not just the pool. It's an attitude that runs contrary to "no fun allowed" that typifies all too many resort hotel pools, and bears its positive influence throughout the Horizons experience.

Certain themes may, like that of Horizons, seem far from straightforward, requiring some mental effort to see exactly how they're at work within an experience. That is a good reason why such themes might not be stated explicitly to customers. But that's not automatically the case. For example, W's theme really is simply "W," — almost too simple to believe, even though it's clearly stated.

Regardless of how obvious or obscure, one may either choose to express the theme explicitly, or leave it unarticulated to visiting guests and shared only behind the scenes. The choice of whether to articulate the theme in public is one of the dimensions to consider in determining an approach for one's theme. Another dimension lies in determining whether to apply the company's theme uniformly across all locations, or to apply the theme differently at each

individual location. (For example, Busch Gardens may apply its theme with an African motif in Florida and an American Heritage motif in Virginia.) The intersection of these two dimensions then opens up a number of ways to turn themes into motifs.

Understanding Different Theme-Schemes

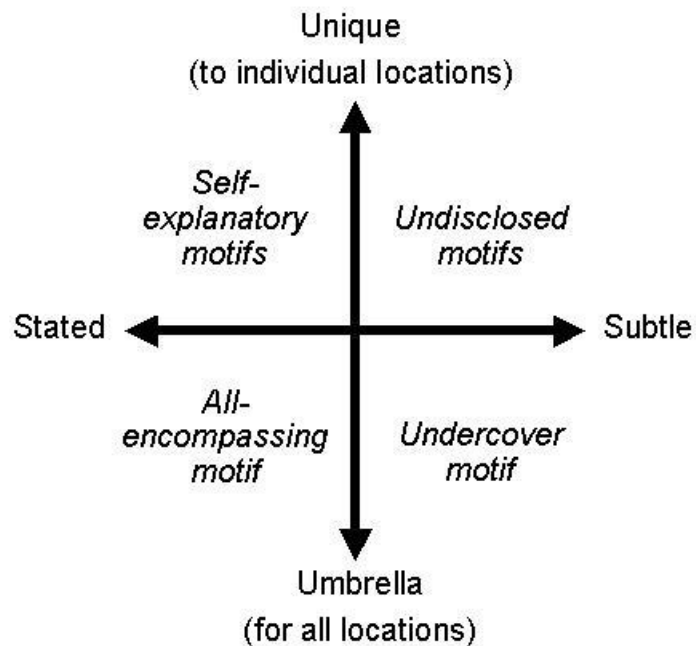
These two theme-related decisions define four approaches toward developing a theme strategy. As shown in Exhibit 1, each approach results in a different genre of motifs:

- *All-encompassing motif*. The theme is explicitly stated and applied as a common motif across all locations represented by the hotel brand or chain.
- *Self-explanatory motifs*. The theme is explicitly stated, but applied as differing motifs at each location within the hotel brand or chain.
- *Undercover motif*. The theme is not explicitly stated, and is subtly applied across all locations as a common motif within the hotel brand or chain.

- *Undisclosed motifs*. The theme is not explicitly stated, and is subtly applied in diverse ways at the hotel brand or chain's individual locations.

Let's examine these four resulting theme-schemes for expressing a theme through its motifs.

Exhibit 1: Theme Schemes



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All-encompassing motif. The first approach relies on expressly stating and uniformly applying a theme. This is done in an effort to have the outward declaration infuse every element of the experience with a common core concept. Ritz-Carlton's well-known and mantra-like theme of "Ladies and gentlemen serving ladies and gentlemen" reflects this approach. Its all-encompassing motif propels associates to act in a properly dignified manner, and it permeates the physical decor of every hotel in the chain, thus serving as a stage to reinforce associates acting their part (and to induce guests to act in a manner worthy of such performances).

Interestingly, not every operational procedure at Ritz-Carlton needs to be visibly demonstrated just because it outwardly expresses the hotel's theme. After all, ladies and gentlemen refrain from self-congratulatory behavior and blatant displays of bravado. Thus, Ritz-Carlton executes certain customization routines transparently – and frequently in a prescient manner, before guests even have to ask for

assistance.³ Regardless of which Ritz-Carlton a guest may visit, the motif remains the same, because information gathered about guests' preferences at one location are shared with other locations, to ensure the theme is applied in a uniform way.

Self-explanatory motifs. Disney's approach to themes is different from that of Ritz-Carlton. No two Disney hotels are alike (even though Disney's overall theme – parents and children sharing happiness and knowledge – obviously lies behind each place), as it uses location-specific motifs. The self-explanatory motif of each Disney hotel (e.g., its Florida venues of Grand Floridian, the Swan, the Dolphin, and the Animal Kingdom Lodge) is stated right in each property's name and depicted in its façade. The resulting motifs are readily apparent and easily grasped.

Such a scheme can be employed for businesses that seemingly bear little resemblance to Walt Disney World. Ian Schrager Hotels

³ See our discussion of transparent customization in: James H. Gilmore and B. Joseph Pine II, "The Four Faces of Mass Customization," *Harvard Business Review*, Vol. 75, No 1 (January–February 1997), pp. 91–101.

employs much the same approach to applying themes. Behind each of his hip venues lies the same “in-the-know” theme, but it’s realized differently at each hotel. Sophisticated guests value the unique expressions of hip experienced at each hotel (more than one Schrager guest has told us: “This place is Disneyland for adults”).

Undercover motif. Sonesta Hotels demonstrates a third approach in its use of themes. Its theme is not overtly known like that of Ritz-Carlton, Disney, or Schrager. Instead, Sonesta subtly translates its theme, “Adding value to the lives of people,” into a particular point of view about how a hotel can enhance its guests’ lives during a hotel stay at any of its locations. Sonesta’s low-key, undercover motif results from a passion for the personal touch, combined with standards of excellence applied to all locations.

So, each Sonesta embodies a common emphasis on integrating art into the experience, not ostentatiously, but through other less-conspicuous means. For example, the water fountains at the Key Biscayne Sonesta contain mosaic tile sculptures. The fountains’ design and color scheme then carry over to the design of the poolside restaurant and bar, Seabreeze. Indeed, because of the understated

way that Sonesta integrates art throughout, one would be hard-pressed to find a more harmonized place. Cuisine at each Sonesta is similarly treated – not as a means to be fed, but to artistically enhance everyday living.

Undisclosed motifs. Finally, companies may apply subtle themes individually to each location by creating undisclosed motifs. Perhaps no hotel operation better demonstrates the use of the undercover approach than Joie de Vivre Hospitality, founded by Chip Conley. Joie de Vivre shares the same joy of life as Sonesta, but employs a different scheme for developing each of its venues' themes. Outwardly, it invites guests to "Escape, Explore, Experience." But this tagline in no way represents the company's underlying "Pick a magazine" approach to applying its theme. For each hotel, Conley selects a magazine as the underlying concept around which to harmonize a specific set of impressions and to inspire design.⁴

⁴ The genesis of Conley's approach came from being a young, cash-starved entrepreneur. He didn't have the resources to conduct market research, and

For example, at his first hotel, the Phoenix, in San Francisco's Tenderloin District, Conley selected *Rolling Stone* as his theme magazine. This does not mean that the Phoenix uses the magazine's name or other design elements. Instead, Conley developed his hotel to fulfill five attributes that he identified from the magazine: namely, adventurous, hip, irreverent, funky, and young at heart. By employing this scheme, Conley gives each of his hotels its own motif, even though none is explicitly stated. Few if any guests would surmise that Hotel Rex is based on *New Yorker*, for instance, or that Hotel del Sol's theme is based on what Conley calls "*Martha Stewart Living* meets *Islands* magazine." Yet at each location guests experience the central concept that brings cohesion to the whole, unaware that that concept stems from a magazine. (Note also that Conley generally bases his concepts on magazines from the same section of the rack!)

so hit upon the idea of feeding off an industry that did: magazines. For more on JDV Hospitality and its "pick-a-magazine" approach to themes, see: Chip Conley, *Rebel Rules* (New York: Fireside, 2001).

Rooms within the Hotel

This theme-schemes framework can apply to individual guest rooms just as it applies to the hotel as a whole. When it comes to individual rooms, however, most hospitality companies clearly remain on the bottom half of Exhibit 1's diagram and maintain a common theme throughout all rooms (though they may vary by size and accoutrements). Increasingly, however, hotels are following the lead of B&B operators by applying themes to individual rooms. A 1999 study by PricewaterhouseCoopers found that the number of rooms with individual themes rose from just 500 in the late 1980s to 3,000 in 1995 to over 9,000 and counting at the time of the study.⁵

Every room of the Fantasyland Hotel at the West Edmonton Mall in Canada, for instance, applies its theme with self-explanatory motifs in each room, varying from an Eskimo igloo and an Arabian night to an African village. In Europe, the Radisson SAS offers individual room motifs to cater to various guests (including

⁵ Cited in Thomas Goetz, "Beyond the Heart-Shaped Tub," *The Wall Street Journal*, February 12, 1999, p. W1.

Scandinavian, Old Dutch, art deco, hi-tech, Continental, Italian, and Oriental). One of the rooms at Chip Conley's Hotel del Sol is "321 Love Shack" (after the B-52s song), and at the Swissôtel in Boston there's the Author's Suite that is filled with books written by authors who have stayed there.

We know of no hotel that uses undisclosed motifs for individual guest rooms (perhaps because, well, they're undisclosed). That said, by far the best hotel that we've noticed employing room-level self-explanatory motifs is the Library Hotel in New York. This boutique hotel has ten floors of five or six rooms each, and every floor reflects a different category in the Dewey decimal system: social sciences (the 300s) on the third floor, languages (400s) on the fourth, math and science (500s) on the fifth, and so on. Then, each of the rooms on that floor represents a different sub-classification in the appropriate category. For example, Room 700.001, on the seventh floor, called The Arts, is the architecture room; 700.002 is Paintings; 700.003 is Sculpture; 700.004 is Paintings; and 700.005 is Music.

Items within the Room

The theme-schemes framework can be applied to ever lower levels, in a bid for fractal functionality. Perhaps an example of this is Westin's "Heavenly Bed." It's an all-encompassing theme for an all-consuming bed! Regardless of how one develops and applies a theme scheme, the goal is to create a memorable hotel experience that engages each guest in an inherently personal way. Such venues ensure that guests will spend more time in the hotel and frequent it more often. Staging such experiences provides the route to increased revenues and profits in an otherwise increasingly commoditized industry.