

What makes a place of note?

How the key to
| *enduring value*
creation | in
luxury hospitality
is a considered
interplay between
| *matters of the*
head and the heart.



“Value creation is two-fold: it’s about protecting any existing value from risk through careful governance and it’s about increasing value through having a competitive edge that allows you to grow faster than the market. This can be via various means: performance improvements, people improvements, system improvements or a clearer brand positioning”.

Matteo Siani, Operating Partner,
Three Hills

“Creating places where people want to be and return to is a simple premise, but it’s ultimately what defines a place of note”.

Stephen Alden

In reality, creating such a place requires a unique blend of hard and soft skills, a choreography of sorts – setting an inviting stage in the first place and then maintaining a cast of talented individuals who work together to make guests feel both entertained and at ease, again and again.

“A place of note is somewhere remarkable, a home from home, somewhere you miss when you’re not there”. Marco Olivieri, CEO, The Wilde

That’s why, when we talk about ‘value creation’ in luxury hospitality, we do not believe it is simply the preserve of our rational brains and commercial know-how. There is a lot of heart involved too.

This paper expands on our approach to building a place of note, drawing on our philosophy of People, Passion, Places and focussing on best practice value creation fundamentals we have identified through our work in and with some of the world’s top hotels. We do not suggest there is a magic formula for doing so – as we’ve just said, it is more nuanced than that. However, we do believe there are common characteristics and behaviours that are relevant, both in terms of protecting existing value and finding new sources of value.

“It’s as much about the feeling a place invokes – joy, comfort, warmth, being at ease – as it is about the elegant, beautiful design”.

Charlotte Keesing, Director, Walpole

Our thinking on this topic has been bolstered by leading experts in areas such as operations and culture, sustainability, wellness, technology, F&B and brand, many of whom form part of the network of specialists that we draw on to collaborate with us on Notable projects. It was important to include their voices, alongside our own.

Value Creation Fundamentals

We believe there are three fundamentals underpinning any successful place of note:

1. A Distinctive Market Positioning
*that has a strong sense of place
and purpose*

2. A Desirable Brand Story and
Experience *that instils a feeling
of belonging*

3. Operational Excellence *that
blends technical expertise
with intuition*

Succeeding at each of these fundamentals requires a skilful understanding of the interplay between the three areas. And a balance of both the head and the heart.

1 |

A Distinctive
Market

Positioning |

*that has a strong
sense of place and
purpose*



Gleneagles, Scotland

“A real sense of vision is key to value creation – the ability to create something that isn’t sterile and the same as everything else”.

Managing Director, Private Equity Fund



Knowing who you are and who you are for, is the starting point of any place of note. We’d argue that it is impossible to grow faster than the market and create long-term value if you don’t take the time to work out who you are in relation to your competitors and why you are (or can be) better.

“You need to know your edge. Why is a guest choosing you?” **Franck Arnold, Managing Director, The Savoy**

For hotels, the clues to creating a distinctive market positioning start with location, people (staff and guests) and cultural context. The latter could be in the form of more historical context or a modern cultural context, as long as it has an authentic connection to a place or an individual’s story and passions. When it comes to location, true distinctiveness often comes from linking it to a particular context of the city or destination in question. For example, Claridges isn’t just a London hotel, it’s a Mayfair hotel and is deeply connected to the social fabric of that part of the city. Likewise, the distinctiveness of somewhere like the Six Senses in the Douro Valley comes from connecting the hotel’s story and guest experiences closely to the wine-making history of that region.

A trap to avoid is assuming distinctiveness comes from services, experiences and amenities. These are all additional layers that can help enhance a hotel’s overall offer (and it’s essential you don’t fall behind the competition in these areas), but they are often more transient and unlikely to be the root of long-term stand out and growth.

“The first questions you need to ask are why are you doing this? Where are you going? What are you trying to be? What is your timeframe? What’s already there?” **Chris Mumford, Managing Director, Cervus**



Take Gleneagles as an example, a renowned institution experiencing a recent resurgence that can be attributed directly to honing a more distinctive market positioning centred around location, people and cultural context. As Conor O’Leary, Managing Director at Gleneagles, says “our uniqueness is a combination of physical assets and people assets”. Gleneagles recognised they were at risk of falling into the trap of relying too heavily on one experience to drive reputation – in their case, golf. Although it would have been easy for Gleneagles to keep being an outstanding golf hotel, it was only ever part of their story and was only ever going to attract a certain profile of guest. This would ultimately stifle long-term growth and value creation.

Instead, by developing a purpose to ‘create memories and experiences through unrivalled adventures’, as expressed through their ‘glorious playground’ concept – Gleneagles have identified a much bigger, more inspiring positioning that is wholly unique to them. Golf very much still fits within the ‘glorious playground’ concept but importantly, it has appeal for a wider audience including those who have no interest in golf.

Now that the positioning has been identified, everything else flows from it. As O’Leary explained, “we spend all our time embedding what our purpose means for each team – the spa team, the F&B team, the technology team, outdoor pursuits. It also drives every picture we put out, every word we use. Everything is joined up”.

We’ll come back to the importance of embedding purpose in our Operational Excellence section.

2 |

A Desirable
Brand Story &
Experience | *that
instils a feeling of
belonging*



“The brand story begins before you arrive, comes alive when you’re there, and continues to make an impression after you’ve left”.

Tiffany Winter, Partner, Notable

Talk of brand may sound like the reserve of the marketing department but when it comes to luxury hospitality, we believe the experience of the brand is the brand. And it is the experience that influences guest return rates and in so doing, value creation.

Furthermore, it means that everyone in an organisation needs to appreciate the value of brand and understand their individual role in living and breathing that brand. Too often, in hotels, those responsible for the day-to-day delivery of a brand promise – namely the operations team and back of house staff – are not invited to input into the creation of the brand story in the first place. This leads to a disconnect that will be felt by guests, particularly those of a more discerning nature who are seeking an authentic, joined up experience pre, during and post stay.

A sense of belonging starts with listening

“Making me at ease, like I belong, like I’m seen”. This is what most of our experts referenced as the leading attributes of a place of note and the driving factor in guests wanting to return to a place. But how do you create that feeling?

It sounds obvious but first, you really need to understand who it is you are inviting into your world. This comes from listening, a skill that every human has the ability to do, and one that can increasingly be supported by and deployed to great effect, by clever technology (as we discuss later).



The Savoy, London

“Guests want to feel a sense of connection to a place. It used to be that guests wanted to stay in a hotel to escape but now it feels more like they want to find a place to belong to, a rootedness”.

Emma Parfitt, Director of Marketing and Comms,
The Savoy

“An excellent guest experience requires an ongoing dialogue and an almost permanent engagement with guests”.

Laura Tan, Partner, Notable

Mandarin Oriental is an example of a brand that listens to its guests using a combination of human and technology-enabled methods. Through their “Fans of MO” program, they have an engaged and loyal base that shares feedback about their stays. Using AI, Mandarin Oriental is now able to bring together multiple data sets to create a global, ‘one view’ profile of a guest with all their preferences and habits (spa treatment preferences, room facilities, food allergies / likes and dislikes). This enables local teams to tailor a guest stay in advance of their arrival.



Venice Simplon Orient Express
Belmond

As Alex Schellenberger, Global SVP Brand at Mandarin Oriental told us, “A lot of our guests can probably choose to stay anywhere – in order for us to pay back their trust, we want to deliver an exceptional experience that makes their eyes light up. To do that consistently well, we need to be able to actively listen, record their preferences, pre-plan and use our creativity to make each stay memorable and worthwhile”. Once you know about that ‘eyes light up’ moment, the possibilities are endless for how to use creativity, operational skill and human instinct to make that moment happen for each of your guests.

Find the seeds of a story through intersecting insights

Knowing what makes guests tick provides the key to the insights needed to create a compelling brand story. However, the best insights usually combine a human (guest) truth with a company or product truth: where the two intersect is typically where the best stories germinate. In the case of hotels, the product truth should come from the distinct positioning – in other words something unique about the experience, the staff or the location of the hotel.

A great example of an intersecting human and product insight providing the recipe for a brand story, is Belmond’s Legends idea. It taps into a company truth – that of the timeless stories and vibrant history of Belmond’s portfolio – and combines it with a human truth around the desire to create personal ‘legends’ or stories through travel.

Using this idea of Legends as a red thread for all their communications, Belmond has created a platform for storytelling that can then take many forms; whether it is through collaborations with other legendary storytellers (both visual and written) in their marketing materials or, more significantly perhaps, in how they develop and package up their guest experiences. In our expert interviews, it was interesting how more than one person referenced Belmond's amazing experiences – describing them as 'iconic' and very much the stuff of legends.

Grow cultural capital through thoughtful collaborations

Sticking with Belmond as an example, often a sense of belonging can be further enhanced by the right partnerships and collaborations that help a hotel build cultural capital and, in turn, engagement with specific types of guests. To bring to life the Legends idea, Belmond partnered with world-famous photographers, allowing them creative freedom to develop their own visual stories about iconic Belmond properties such as Hotel Cipriani in Venice and the Splendido in Portofino. They have even turned their photographic projects into a series of collectible art books called *As Seen By*, published in collaboration with Parisian publisher RVB. This move – for a hotel to add publishing to their bow – is a clever demonstration of how Belmond is positioning itself as a cultural leader.



Build communities of shared mindsets and experiences

In the same way that collaborations can build cultural capital, building a sense of community is a way that hotels can build social capital, in so doing strengthening a sense of belonging and connection. Many of our favourite places of note have a community-centric approach to hospitality; be that via forging genuine connections with the local community, hotel and guests or by instigating the formation of new communities through shared interests, needs and mindset.



The Savoy, London



“Artfarm are masters at pulling all the strands together – community, place, people, art. They really understand what their customers want”.

Stacey Langham, Head of Corporate Partnerships: Luxury and Business Innovation, Royal Academy

Artfarm is a hospitality brand that has always fostered a community-first approach to brand building. This comes from an enlightened understanding of the natural connection between food and drink, community and culture, particularly when it comes to the higher-end, discerning consumer who often shares an interest in all of these areas. Their roots in the art world (through Hauser & Wirth) and their proposition, ‘to bring together art, community, education, people and place’ is almost a textbook formula for how we would define a modern-day place of note. Even though they now have a portfolio of original and distinctive brands, from The Fife Arms in Scotland, to Mount St in London, to Cantina in Menorca and Manuela in NYC, their strong sense of purpose and principles ties the collection together.

Community is also a key consideration in two other foundational parts of the hospitality brand experience: F&B and wellness. Both are parts of a hotel’s brand story and experience that need to resonate with the local community in order to drive the repeat visits, reputation and revenue required for long-term value creation. The Oetker Collection is a fitting example of how to develop a true sense of place through community-centric, locally specific initiatives. They describe their approach as having a ‘deep devotion to local culture and community’, as evidenced in different ways across their portfolio. The Bristol in Paris, for instance, features a unique Les Ateliers du Bristol zone, dedicated to celebrating traditional gastronomic techniques of the local area including a flour mill, chocolate factory, cheese cave and wine cellar. With regards to wellness, The Oetker Collection adopts a simpler approach, integrating local products and wellness experts into their offering – the spa at Eden Rock, St Barths, for example, features products by Ligne St Barth, a local family business that uses local ingredients such as aloe vera, coconut oil and tropical plants.



Mandarin Oriental, Hong Kong

Building an emotional connection

It would be remiss to talk about instilling a sense of belonging without getting down to the very personal level. Whether or not someone feels like they belong to your brand is based on their individual guest experience, layered with whatever personal mindset, emotional state or circumstances brought them to a place to begin with. This is why the ability to offer some form of true personalisation is the ultimate sign of a place of note. This can be as simple as responsive, in-the-moment service or more involved, using the latest data science to get to know and then offer personalised experiences to guests – remembering their special anniversaries, their preferences, their interests – as per the Mandarin Oriental. Again, this is all about a careful blend of hard and soft skills, a combination that is equally important when it comes to Operational Excellence.

“A true emotional connection is achieved through a combination of the right staff and training, a pride in the brand (the MO pin that people carry on their work costumes is a badge of honour, a pledge to be the best professional version of ourselves). Then it is all about active listening and individual creativity – how can I turn the insights I just learned into what we call a ‘moment of delight’”?

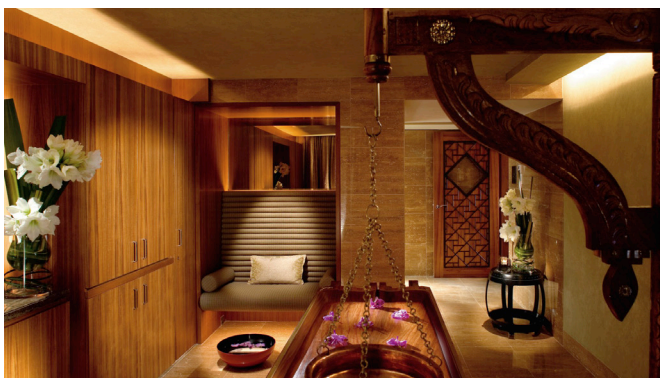
Alex Schellenberger, Global SVP Brand,
Mandarin Oriental

3 |

Operational
Excellence | *that
blends technical
expertise with
intuition*

“Operational Excellence is something that you can see and feel... Feelings are not what people expect to hear when they are thinking about standards and checklists within the hospitality environment but feeling and passion is what sets apart notable hospitality from cookie cutter hospitality”.

Stephen Alden



Mandarin Oriental, Hong Kong

Far from being just about logistics and functionality, operational excellence starts and ends with people and passion: a united vision, a commitment to putting all people (staff and guests alike) first and a shared belief in exacting standards. Combining these elements with a meticulously designed environment, supported by invisible technology that works like clockwork, is something only the world's best hotels manage to do masterfully.

A united vision

“People need to be put in the middle of the mission. But most places get onboarding wrong and leave it in the hands of HR. It's so much more important than that”. **Franck Arnold**, Managing Director, The Savoy

By a united vision, we mean that everyone, from the C-suite to housekeeping, understands the distinct market positioning, as outlined above. They need to know why they show up to work each day, what a place stands for and what the ideal guest experience should feel like. It also means that everyone is able to connect their daily responsibilities – from the mundane to the marvellous – to a wider, shared goal. At Maybourne, this was expressed through the phrase ‘Uncommon Passion’, which expressed the genuine delight across the board – from owners, the Board, management and the staff – to be associated with Maybourne and what it represented both historically and in terms of promises for the future. With regards to value creation, the management team at Maybourne were convinced that the success and achievement of industry leading performance metrics could be directly attributed to this shared passion. Similarly, at the newly opened members' club The Wilde, in Milan, Marco Olivieri, the CEO, explained to us that “there is a shared understanding that we're on a journey together. We recruit those who want to grow with us, to learn with us”.

“Good talent gravitates to the best. People can detect phoney. You need to walk the walk. There’s no point building something amazing and then paying people poorly or providing terrible staff accommodation. You can’t have those inconsistencies”.

Chris Mumford, Managing Director, Cervus

Again, The Wilde is an example of somewhere that is demonstrably putting people first. They explained to us that they foster a culture of “mutual respect” and that the management “think about our staff beyond the time they are on duty and in the building. How do they commute here? How can we help with that?” This is all commendable but it’s also directly linked to long-term value creation. As Olivieri pointed out to us “we need to stop them from leaving to join a competitor and we do that by thinking about their whole self, not just their one role here”.



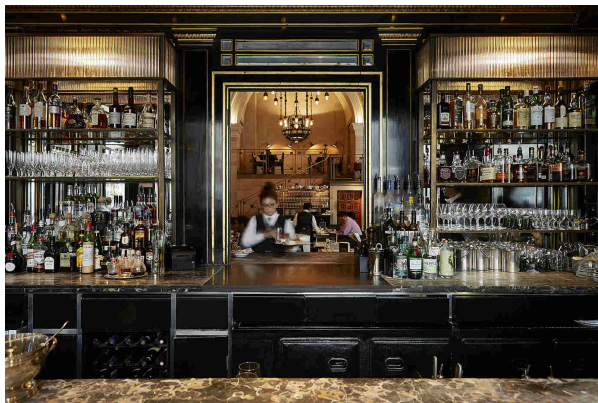
The Wilde, Milan

People first

However, a shared vision and feel-good philosophy like ‘uncommon passion’ is not enough. It needs to be supported by investing in the infrastructure, training and culture that will keep good people motivated and happy. We have a long-held belief that back of house matters as much as front of house and meeting the needs of the internal team must be considered even at the very earliest design stages of a future place of note. In the same way that we may aim for a hotel to be a destination of choice amongst discerning travellers, we should also think about how it could be a workplace of choice for the most talented people. Everyone who interacts with a notable place needs to feel enriched by it.

“Operational excellence requires a clear understanding of what it is we want to stand for, what we are delivering and what is the tone and style of that delivery. Consistency of standards is crucial but under no circumstances should they stifle intuition or creativity”.

Stephen Alden



The Wolseley, Mayfair

“People tend to return to places that are consistent in what they deliver but, above all, a sense of genuine warmth and hospitality is paramount”.

Daniele Scarfone, General Manager, The Wolseley

A holistic and intuitive understanding of excellence

In addition to taking care of people and communicating the shared macro vision, it is also essential that staff are trained to deliver world-class operating standards. The right training – that which takes a more holistic approach – equips staff to not just deliver the technical side of their job but also the lifestyle element, providing them a bigger picture understanding of excellence. For example, giving Housekeeping the chance to learn about wine tasting, not just the meticulous making of beds. Or ensuring the Sommelier is not just a world expert in wine but also knows how to take the best insta-worthy pictures for guests when they ask them to capture a special moment. When someone is well-trained and well-prepared, operating standards can start to feel intuitive rather than rote and provide the opportunity for the individual to let their personality shine. For instance, an operating standard may be that guests are always greeted by a host when arriving at a hotel. This should never be compromised but it doesn't mean the exchange between a guest and host needs to be scripted. Instead, allowing a well-trained, engaged member of staff to decide how to greet guests will nearly always make a better impression than anything scripted.

Human-enabling technology

It's increasingly important, and indeed a competitive advantage, that underpinning all the human magic is the latest technology. Most guests don't want to see or hear about technology but you can guarantee they will notice its absence or if it is not functioning well. This paper will only be able to touch the surface of the role of technology in value creation but we'll highlight two key areas: firstly, by creating a more efficient infrastructure for the day-to-day running of all hotel facilities and systems and secondly, by automating the tasks that take up precious time and thus prevent key people spending as much time with guests.

Anne-Marie Verdin-Mulot, an expert in AI in the luxury sector, describes the role of AI as "a star support system for star players, giving them more time for real-life conversations with guests" and we would agree. AI is not there to replace people but to enable them to do their jobs better. This can be deployed in so many ways and every day there are new possibilities emerging, for example: using it to help with detailed planning and training or helping to create slicker processes for everyone. Or gathering feedback more efficiently so that hotels can respond faster and improve the experience for the next guests. Gleneagles has a very open-minded approach to AI, embracing it as a positive force and something to test and learn from. It is currently being used there to answer reservation enquiries where there is a great deal of repetition in terms of the questions being asked, to help with the night audit and to automate invoicing.



Gelateria, Sant Ambroèus, New York

Test & learn

Speaking of the 'test and learn' approach to AI, this is an attitude we believe can be applied across the board. Often, innovation and progress is stalled by feeling overwhelmed by the need to change entire systems or teams, particularly in larger hospitality companies with multiple locations. However, we would advocate picking a 'laboratory' to experiment with new ideas – ideally a part of the operations which can act as a microcosm for the hotel at large, in the sense that it draws on multiple parts of the hotel's operating system and daily rhythms. Room service, for example, is a perfect laboratory to test new processes as its execution relies on a cross-section of hotel operations: scheduling and movements around the hotel (e.g. ensuring housekeeping don't need the lift at the same time as room service trolleys), staffing rhythms (having enough people to take orders during peak times), product quality (how to ensure freshness of ingredients and prepared dishes) and so on. Our experience has shown that the ability to demonstrate how an operation can be improved quickly, once isolated and reworked, can give stakeholders the confidence to pursue a broader objective around change.

“AI should be used to automate the ordinary, freeing up more time and space for the extraordinary”.

Anne-Marie
Verdin-Mulot,
AI & Luxury Expert

In Summary

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It seems fitting to end this paper by highlighting the importance of being open to experimentation and change. One of the common characteristics of places of note is that they never stand still. Even those most steeped in heritage are continuously seeking new ways to connect their history with the modern-day guest mindset and expectations. The only constant, as we have reiterated throughout this piece, is that the best actions start and end with people and passion. The functional and technical can always be learnt and layered on top. But a place without the heart and ambition to be notable will always struggle to make the emotional connection with guests that is the fundamental driver of enduring value creation.

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“A hotel of note is a place where genuine hospitality, culture, creativity and technology converge. It is a place of comfortable wonderment! The story unfolds as you experience the journey at your own pace as you return time and again with those most special to you”.

Stephen Alden

Established to build brands of note, Notable is a creative consultancy that partners with ambitious organisations to build desirability and long-term value.

Our team of ambidextrous thinkers offer a rare blend of strategy and creative, left and right brain, head and heart. Our hospitality focused practice, Notable Places, advises select clients on how to build a 'place of note', offering a rare blend of brand and operational know-how.

If you would like to hear more about Notable, we'd be delighted to have a conversation with you. Please contact:

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