

Boutique hotels must work hard to stand out, says HVS

As the boutique hotel sector continues to grow, both in the UK and internationally, operators must work harder to create a point of difference for their properties as well as to maintain a sense of exclusivity and aspiration, says a new report from hotel consultancy HVS London.

The report, **Boutique Hotels Segment ? The Challenge of Standing Out from the Crowd**, says that as the boutique sector expands there will be an increasing need for operators to attract guests and customers with destination dining or bar facilities and with the use of direct marketing to loyal guests.

?Hotels are no longer able to get away with passable restaurant offerings. Looking forward, we expect to see further partnerships evolve between chefs and boutique hotels in creating truly standalone offerings drawing in outside custom. Such restaurants have a high revenue earning potential as well as priceless publicity for the hotel,? comments report author Cristina Balekjian, associate, HVS London.

?It is not uncommon for food and beverage revenue to account for 40-50% of total sales,? adds Balekjian. ?Aside from increasing revenues, such restaurants often act as strong marketing tools, elevating the hotel's public image. In some instances guests book rooms to ensure ease of access into these areas and more boutique properties are likely to capitalise on this.?

Boutique hotels are usually less confined to brand standards, allowing their chefs to create a ?one of a kind' concept, says the report. A recent example can be seen in Bethnal Green's Town Hall Hotel, which has partnered with the critically acclaimed chef Nuno Mendes in creating Viajante. Since opening the restaurant has become a destination in its own right, earning a Michelin star and drawing in a large volume of customers attracted to its high quality food and inspirational design.

Upscale boutique brands, such as InterContinental's Indigo, are also developing design-led restaurants and bars that take inspiration from their local surroundings. The product is fresh in its approach and provides a welcome alternative to many competing brands.

The HVS report suggests that boutique hotels will further enhance their exclusive aura by developing ?clubs' for frequent guests, which will export their brand values to a group of loyal, appreciative followers. More are likely to create guest-only areas such as bars, rooftop terraces, libraries and lounge rooms, enhancing the feel of a private members' club.

?Boutique hotels have become popular with guests partly because they offer a unique experience. In order to reinforce that feeling of exclusivity they will increasingly look to create a form of private space within the hotel, or introduce a club ?network', similar to a loyalty club, which would give the member access to various privileges,? says Balekjian.

The boom in boutique hotels over the past decade has been fuelled largely by guests' desire for something more from a hotel than a commoditised product. Customers are drawn to the stylish and exclusive feel offered by boutique hotels as well as the high level of service and sense of being recognised.

HVS London's biannual London Boutique Hotel Monitor (see Table A below) shows that by 2013 a further 2,544 rooms will have been added to the London boutique hotel sector, effectively doubling its size and making it the fastest growing segment within the capital's hotel industry.

Click [here to download a copy of Boutique Hotels Segment ? The Challenge of Standing Out from the Crowd by Cristina Balekjian](#).

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About HVS

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