

New hospitality trends in Asia to have on your radar: where to go from here and how design can take the driver's seat



Yeosu Hotel, Yeosu, South Korea, 2021. ©UNStudio

China's recently concluded Golden Week has elevated the global travel boom to new heights. At the same time, a reshaping of the hospitality landscape has come into sharper focus. With its position at the core of local tourism development and with both global reach and local impact, the hospitality industry is currently undergoing a structural shift. Alongside tech-enabled seamless stays and a move towards environmentally conscious tourism, promising trends are emerging that focus in on enhancing both the guest's personalized experience and their well-being.

Now and in the years ahead, we are eager to explore opportunities that underlie the abovementioned trends, as revealed by some key factors in this evolving paradigm. These drivers include travel demand, ever-evolving traveler and consumer preferences and behaviors, current market conditions, socio-cultural changes, technological innovation and environmental concerns.

'Value-conscious' is also a key phrase for 2024 when it comes to lodging choices. Today's consumers are demanding a fair value exchange when they travel and will prioritize experiences that align with their personal values. It is in fact their distinct preferences that will continue to reshape the market in the coming years. As a result, hotel developers and operators that effectively articulate their commitment to shifting from star ranking system to niche segments and loyalty programme strategies, while also catering to evolving traveler preferences, will differentiate themselves from others.

With that in mind, in the following report we offer reflections drawn from UNStudio's design experts, alongside research into emerging trends in the hospitality industry across Asia. This output is based on in-depth interviews we conducted with professionals from the tourism and hospitality sectors, as well as information sourced from recent online surveys. Aimed at enhancing consumer satisfaction and helping hospitality excel through design and beyond, the key findings in this report serve as essential information when designing for hospitality.

With special thanks to the following interviewees who donated their valuable time:

1. **Yichen ZHU** - Director of Development Marketing, InterContinental Hotels Group (IHG) Greater China
2. **Dr. Van ha LUONG** - Post Doctoral Researcher of the IESEG School of Management (France)
3. **Jing WANG** - a Chinese Millennials, with extensive domestic and international travel experience

Global Hospitality Report

Wondering how the hospitality industry is reshaping globally and how design can help to point it in the right direction? Check out our Global Hospitality Report [here>>](#).

The Asian hospitality market is bouncing back, but all is not as it was

So, what is the current state of the evolving hospitality industry across Asia? Let's first examine this by highlighting some of the key factors that are driving the industry forward.

Following the pandemic, and since 2024, global markets have entered a period of normalization and growth. Meanwhile, the Asian hospitality sector continues to undergo structural changes, with an upward trajectory poised to soon surpass 2023 performance levels.

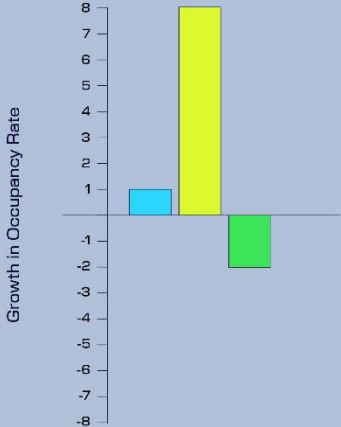
A recent STR report reveals that most Asian countries are performing positively in terms of occupancy in 2024, driven by record-breaking traveler flows. In Japan, this is largely attributed to historical currency depreciation, while in Vietnam, it is due to the reopening of borders. Meanwhile,

Korea's occupancy rates indicate a sustained growth trend. In contrast, China is experiencing lower performance in RevPAR and occupancy compared to the previous year, with 90% of its markets experiencing lower performance.

HOTEL MARKET PERFORMANCE

A recent STR report reveals that Japan stands as a leader with the highest occupancy rate of 80%. Vietnam has made its debut on the leaderboard, showing an 8% increase compared to the same period in 2023. In contrast, data indicates that China has experienced a decline compared to 2023 levels.

- Japan
- Vietnam
- China



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Source: STR©2024 CoStar Group, Hotel Market Performance Report 4-week data ending 6 April 2024, STR Weekly Insights

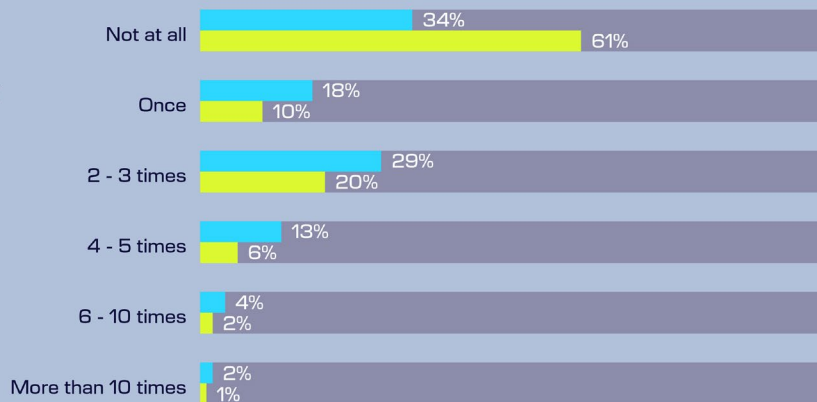
Infographic by UNStudio. Information source: STR©2024 CoStar Group, Hotel Market Performance report 4-week data ending 6 April 2024

This situation further underscores the impact of China's economic slowdown on pent-up spending and travel demand, particularly for business-related purposes such as MICE (Meetings, Incentives, Conferences, and Exhibitions) travel in 2024.

TRAVEL FREQUENCY FOR BUSINESS PURPOSES

61% of South Korean travelers and over 1/3 of Chinese travelers reported having no business trips planned.

● China
● South Korea



TRAVEL TRENDS / UNStudio Hospitality Report

Source: Survey by Statista, June 2024

Infographic by UNStudio. Information source: Survey by Statista, June 2024

However, a strong resurgence in business travel is expected soon, based on various predictive research studies. This optimism is fueled by changes in visa policies and simplified visa procedures, emerging hybrid business demands, decreasing airfare prices and improvements to the region's tourism infrastructure. In a segment with a relatively large market share, the recovery and reshaping of business travel presents opportunities for the hotel sector to implement segmental and transformative strategies to anticipate future emerging business models.

LEISURE TRAVEL DEMANDS

The data reveals a robust enthusiasm for leisure travel among respondents, with a majority increasing their travel spending and favoring intra-regional holidays within Asia-Pacific. The planning of multiple trips, including a significant portion aiming for seven or more holidays, underscores a strong commitment to frequent travel and exploration within the region.



TRAVEL TRENDS / UNStudio Hospitality Report

Source: Marriott International, New Report Reveals Changing Face of Luxury Travel in Asia Pacific 2024

Soaring demand for leisure travel. Infographic by UNStudio. Information source: Marriott International, New Report Reveals Changing Face of Luxury Travel in Asia Pacific 2024

Despite interim economic fluctuations, travelers remain eager to explore both domestically and internationally. The demand for leisure travel is substantially soaring once again and driving up occupancy rates. In particular, the South Korean and Vietnamese tourism markets are expected to rely heavily on leisure travel as the primary driver of their growth, with sun and beach destinations forecasted to be the most popular choices for travelers.

It is likely that, in addition to the reopening of borders, this growth is fueled by an increase in global wealth, rising disposable incomes and a growing middle class in countries like China, South Korea, and India. And of course, with travel signaling professional and financial success, it's only logical that high-end travelers are the likeliest candidates to return more quickly. Aside from this group, younger generations and especially Gen Z, are also indispensable luxury customers with clearly defined behaviors and wish-lists.

Most notably perhaps, travelers today are more discerning with their spending, while prioritizing experiences that align with their personal values. This presents a significant opportunity for hotels to adapt their operational models to cater specifically to their guests' diverse preferences and behaviors.

From 2024 onwards, the hospitality industry is being reshaped by a complex backdrop of travel patterns and demand which is strongly driven by demographic shifts and evolving traveler preferences, all of which are leading to a new paradigm.

Emerging trends - shifts in hospitality are arising from socio-cultural changes

Driven by sustained travel demand, the hotel landscape appears to remain buoyant. [CBRE recently unveiled research](#) showing that major global hotel groups are expanding rapidly across the Asia-Pacific region. These operators continue to invest in loyalty programs and niche segments tailored to different generations and market needs, with upgrades in operations and branding to outperform competitors and capture the market. In this context, design also plays a crucial role in accelerating the success of these goals, both from operational and branding perspectives.

Looking closely at the transforming landscape of the industry, a number of key trends have been triggered by lifestyle changes, new demographic patterns, cultural influences and current market needs. Such transformation of course then results in questions pertaining to how you design to create the perfectly curated experience for a variety of different guest demographics and their specific requirements.

It's all about the experience

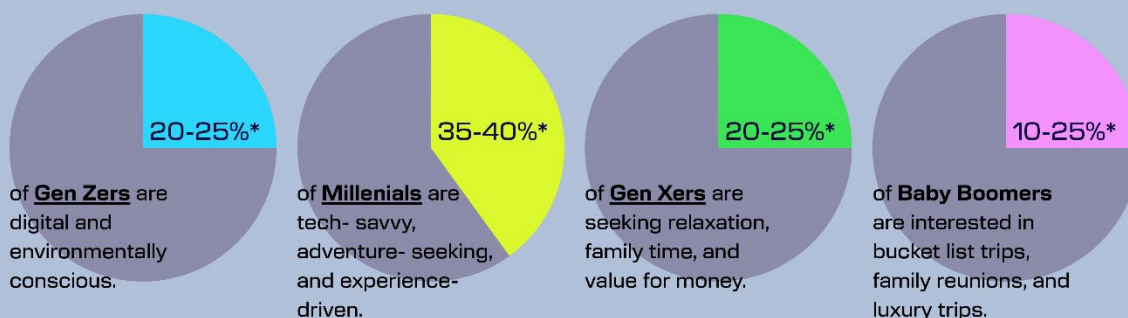
When it comes to shaping engaging hotel experiences, it is important to understand the behavior of travelers. But it is also essential to analyze their motives, as it is these that fundamentally provide a means to understand and anticipate their demands.

Motivation, identified by Professor Uysal and Hagan in 1993, is the driving force behind all actions and so too, plays a role in shaping travelers' values and determining their behaviours. And so it follows that businesses in the hospitality sector can increase occupancy by meeting the needs of travelers' and satisfying their underlying motives. Motivation specifically influences tourists' behaviors in two main categories: in-role behaviors, such as their willingness to pay and intention to revisit, and ex-role behaviors, including citizenship behavior, eco-friendly behavior, and stewardship behavior.

Using this theory, motives in different demographic groups been unveiled by Virtue Market Research in a recent [report](#).

TRAVELLERS' MOTIVES BY DEMOGRAPHICS

* percentages of population sizes of each age group.



TRAVEL TRENDS / UNStudio Hospitality Report

Source: Virtue Market Research, Global Leisure Travel Market Research Report 2024

Infographic by UNStudio. Information source: Virtue Market Research, Global Leisure Travel Market Research Report 2024

[Marriott also notes in their report](#) that three distinct new groups of luxury travelers have emerged in the Asia-Pacific (APAC) region. "These groups include the "Venture Travelist," who seeks business opportunities while traveling; the "Experience Connoisseur," Millennials who travel for enrichment; and the "Timeless Adventurer," individuals over 65 who create their own itineraries and explore destinations before they become popular."

Experiential (culture-initiate) travel has an inimitable appeal.

The first notable trend revealed that travelers are increasingly moving away from traditional "off-the-shelf" travel packages in favor of personalized trips that provide unique experiences, often off the beaten track- commonly referred to as "experiential travel". Experiential travel allows them direct contact with the host community and their culture, such as history, food, environment, and people. It can also be a great way to de-stress and reconnect with nature.

"Over the past year, local culture has impressed me the most through its multi-faceted experiences and as the pinnacle of destination appeal. As a result, I created many memorable moments during my visits," said Jing WANG in her interview. "I also enjoy experiencing authentic nature through outdoor activities at a slow pace, especially since the pandemic."

Experiential travel is resulting in integrated resorts

Inspired by travelers' increased willingness to spend more on accommodation, followed by prolonged border closures during the pandemic, the upscale+ segments continues to dominate new

developments across the region. While among the various development directions, the holiday resort has emerged as one of the most appealing accommodation types.

The rise of experiential travel has significantly contributed to market growth in this typology, with resorts becoming a preferred choice for vacationers, especially multi-generational family groups who seek to combine relaxation and adventure with a variety of amenities and attractions.

This shift necessitates a holistic resort experience. Hotel operators must therefore develop initiatives that cater to the diverse needs of multiple generations at once and offer various types of accommodations within their resorts. Another notable trend is the integration of spa and wellness facilities, recreational offerings and unique arrival experiences. As a result, hotels are being transformed into co-living spaces for multiple generations, fostering meaningful social interactions and community creation.

The luxury experience

Luxury clientele remain substantial in number, with Millennials and Gen Z serving as indispensable representatives. Their demand for unique services and experiences is driving several distinct trends in the upscale+ sectors.

For luxury customers who favor a fully organic and sustainable lifestyle, hotels are offering experiences associated with the 'farm to table' concept, while also providing a private retreat that allows for complete disconnection from their daily lives. Inspired by [Six Senses](#), who invite their guests to immerse themselves in a connected journey—enjoying organic products, participating in coral replanting and reforestation projects, and engaging in layered wellness programs—such hotels offer a holistic experience. In addition, an emerging group has shifted their luxury experience preferences from traditional exclusivity towards tech-enabled, edgy design and art-oriented styles.

Meanwhile, to meet their standards for high-end living, some luxury customers continue to demand highly exclusive materials and opulent decorations. This means that, to some extent, rising material costs could in fact make luxury as we know it even more exclusive and, consequently, more popular.



A hotel tower incorporated in the K.Wah G72 mixed-use development, Nanjing, China, 2020. By introducing a high-end living and working environment, UNStudio's design envisions a lifestyle waterfront community with layered green spaces and public social areas for use by all occupants. ©UNStudio

Championing lifestyle

In order to cater to evolving lifestyles, lifestyle (boutique) brands experienced rapid growth during the period 2023-2024, as shown in the [CBRE report](#). This growth has prompted multi-dimensional thinking to cater the emerging lifestyles, such as whether to add or remove certain functions,

whether to incorporate more flexibility in the space, or whether special activities are needed to engage customers or create an emotional connection with them.

But what does lifestyle lodging actually promote? With a strong emphasis on creating experiences and an ever-evolving portfolio of entertainment and F&B options, lifestyle designs offer a unique and personalized experience that connects customers with the local community, culture, art, and design.

Cultural immersion is redefining the hotel experience

Culture and heritage serve as a key differentiator in creating a hotel experience. It not only aids in the restoration of local culture—an aspect of authenticity—but also enhances storytelling and brand recognition, fostering strong customer loyalty. Hotel operators can differentiate their properties by incorporating subtle nods to local culture in various ways.

"We collaborate with brand consultants, clients and different designers who help us deeply explore the neighborhood culture—such as exploring within about a 3km radius," Yichen ZHU shared in her interview. "From the very beginning of the planning process to its embodiment and integration in the edgy design and operational details, unique cultural elements permeate throughout the hotel, creating a distinct guest experience."

A pioneer in this field is [Hotel Indigo](#), an IHG hotel, that deftly connects their hotels with the neighbourhood through a tailored positioning strategy and manifests this approach in different locations. Their [hotel in Diqing Moonlight City](#) serves as a strong example of this concept. Here, they additionally engage with the local community by offering their guests the opportunity to experience Tibetan Tangka painting art, with the aim of enhancing the quality of the guest experience.

However, overemphasizing cultural restoration can be counterproductive. As Dr. Luong cautioned, *"It's necessary to remind hotel managers not to overdo it, because if you don't approach it properly, it will lose authenticity. People want to experience real local life."*

These strategies create immersive experiences that go beyond traditional tours, allowing guests to live the local culture through exclusive workshops, pop-up events, and culinary adventures.

Integrating hotels and retail into new multi-sensory leisure destinations

It is also worth noting that pioneer hotel brands are evolving and newcomers are strengthening their offering with tried-and-tested branded retail.

"Partnering with distinctive and influential local commercial brands to establish stores—such as apparel shops, restaurants, and exhibition spaces—within hotels is an effective strategy to increase the utilization of public areas in the current market. This commercial presence can diversify the hotel experience while seamlessly integrating with local communities." Said Zhu.

As a result, the focus will be on upgrading existing facilities to unlock their potential and cater to market needs, enabling customers to enjoy a more mixed experience. Consequently, flexibility will be a key factor in the design and utilization of these shared spaces, transforming hotels into leisure destinations that attract increased traffic flow.



Next Hotel, Melbourne, Australia, 2013-2021. Designed by UNStudio, this eclectic and creative CBD hotel is described by its operators as “Melbourne’s most sophisticated sanctuary to work, play, stay and everything in between.” With restaurant, bar, pool, gym and other recreational amenities, the hotel creating a flexible experience for all occupants. Photo by AECOM, Photography by Trevor Mein

Hybrid mode for work-play demand

As the boundaries between work and life become increasingly blurred, today’s guests want more from their hotels. The growing prominence of business and leisure (“bleisure”) travel is also contributing to the transformation of hotels. This shift has led to a rise in the frequency of use of public spaces, particularly co-working areas that are integrated with high-end leisure facilities—such as green rooftop bars, wellness studios, and collaborative lounges.

This trend is largely driven by a demographic shift toward a younger workforce. Younger employees are increasingly seeking opportunities to combine work-related travel with leisure activities, thus reshaping the dynamics of corporate travel.

Additionally, as Zhu emphasized, nowadays business travelers commonly favor access to laundry facilities and this becoming more pronounced. Therefore, upgrading existing laundry rooms to meet customer needs is crucial for hotel operations.

Technology-enabled stays are becoming increasingly valued

Beginning with the online booking process and extending throughout the entire guest experience, smart technology has recently been extensively applied in the hospitality sector to enhance convenience and provide a contactless experience for those who prefer it. It is however crucial to strike a balance between operational efficiency and customer expectations.

For tech-savvy customers, the use of smart systems, appliances, and service robots is prioritized, automating the accommodation experience and creating a sense of intelligent living. However, for those who prefer human interactions over a tech-immersive experience, hotel operators continue to enhance their full-services to meet these expectations.

Another aspect of this trend is the role of AI in optimizing energy efficiency and sustainability within hotels. By intelligently managing resources, hotels can reduce their environmental footprint while maintaining high standards of comfort and luxury. From a long-term development perspective, investing in technology enablement offers significant returns over time.

The social media bandwagon

Accommodation choices today are strongly influenced by social media. Platforms such as Xiaohongshu (Little Red Book), Douyin and Ctrip.com have become significant sources of inspiration and information for Chinese travelers. From Wang, we learned that Xiaohongshu plays a crucial role in their decision-making, as it serves as a tool to search for information about safety, convenience, services, interior decor and the full stay experience, while also providing reviews and comments from previous guests.

Leveraging the power of this new media, the hospitality sector is enhancing their branding efforts by monitoring the behaviors of current and potential customers on social media platforms. As part of their branding strategy, some hotels also showcase real-life scenarios of their guest rooms and amenities on social platforms. This approach helps them to create an engaging and authentic image that attracts potential guests.

Consumers, in turn, use social media as a valuable tool for making travel decisions. They reference the content shared by hotels and other travelers to gather information and make informed choices about their accommodations and experiences.

Engaging with sustainability

With sustainable tourism being actively promoted by the United Nations World Tourism Organization (UNWTO) since 2017, and with the UN's 17 Sustainable Development Goals gaining traction among all stakeholders, sustainability has emerged as one of the fastest-growing perceptions in the hospitality industry.

The term "sustainable hospitality" is frequently used to describe how hotels can adapt their business models to become more environmentally responsible, although it is still currently challenging to fully quantify this through measurements and hard data. While some hotels strive to achieve sustainable and green building certifications such as LEED and BREEAM, others may overlook aspects of social sustainability or lack focus on overall well-being.

Indeed, utilizing concrete metrics can provide a more efficient and credible way to measure carbon emissions, while also clearly communicating their sustainability commitments to the public. For instance, some hotels in Vietnam are implementing strategies that engage customers in planting activities and setting up metrics to measure carbon emissions, while reductions could be converted into loyalty points, encouraging guests to return to the hotel, or hotel chain. Similarly, several Chinese hotel brands are undertaking similar sustainable initiatives in collaboration with [Ant Group](#).

Meanwhile, younger generations are increasingly adopting sustainable lifestyles, which in turn leads to a higher demand for eco-friendly and climate-neutral tourism services and lodging choices. Many are considering how their travel positively impacts their destinations and have developed a desire for purposeful travel. However, even though travelers are increasingly aware of sustainability, as this concept has been around for over 20 years and is now ingrained in public perception, some Asian travelers find difficulty to prioritize sustainable initiatives over their other essential demands. Wang said, *"I barely know what hotels do to promote sustainability or eco-friendliness. So it's hard for me to engage. Discontinuation of disposables is a more conventional practice, but what else? I'm willing to pay for it, but so far, I don't prioritize this demand."*

In response to that, Dr. Van Ha Luong shared in his interview that, *"One key to facilitating the realization of this request is for hotel operators to initiate activities that involve their guests, such as feeding fish or planting trees and flowers locally. Simultaneously, it is important to measure the carbon emissions reduced from these engagements using concrete metrics, with reductions*

potentially converted into loyalty points in a way. These approaches are more important and effective because they actively engage guests in a measurable way and encourage them to do more good for the local environment and community."

But what about sustaining luxury?

Looking at it from a different perspective, and for a different customer segment, are sustainability and luxury in fact so inherently opposed? In other words, is sustainable hospitality a fully mature trend in practice? With luxury being a significant trend in the region, the pursuit of exclusive materials by some luxury travelers will continue to drive up the costs of building luxury accommodations, which raises concerns about achieving sustainability goals.

On the one hand, sourcing replicable materials that are either adaptively reused, or incorporating new technologies can lead to increased costs due to the investment. On the other hand, despite these higher costs, sustainability is increasingly viewed as a new form of luxury. This shift reflects changing consumer values, where eco-friendly and sustainable living are now considered both desirable and prestigious.

However, this trend is not yet fully established, so the exploration of possibilities for a new form of sustainable luxury travel continues...

Last but not least, according to Dr. Luong, although "regenerative tourism and hospitality"—which emphasizes a 'net-positive impact'—has not yet been widely adopted in some Asian countries, it is likely that these countries will be significantly influenced by global trends in the future.

Remodeling or renovation opportunities

Another current trend that is already becoming evident is that China's surplus of vacant office space has prompted the hospitality industry to seek new opportunities.

The country's commercial real estate market is grappling with a significant oversupply, with vacancies reaching near two-decade highs in some cities. However, the rising demand for travel presents an opportunity for hotels to capitalize on this surplus. Hilton is leading the way by developing hotels that repurpose empty office spaces instead of constructing new buildings from the ground up. In fact, [25% of their pipeline](#) for the next 18 months in China involves such projects. Additionally, Cushman & Wakefield expects vacancy rates to remain high over the coming 12 months.

Technically speaking, the [remodeling](#) an office or retail building into a hotel requires extensive cross-disciplinary knowledge of current building conditions, exterior structures, interior circulations, and the renovation and correct proportioning of functional spaces. It also involves assessing whether dismantled building materials can be adaptively reused, in order to maximize the lifecycle of the buildings.

Safety first

The demand for safe, fully equipped neighborhoods is also becoming increasingly essential. There is a shifting perception regarding safety in accommodations, with consumers now more cautious about the security of the entire neighborhood where their hotels are situated. Clear escape routes are particularly emphasized, as guests want to feel as secure as they would in their own homes. Additionally, electric car chargers are becoming quite essential for people who are looking for domestic travel accommodations.

To conclude: how design can take the driver's seat

As architects and designers we are tasked with taking a holistic view when responding to the goals and emerging trends in the fast-diversifying hospitality industry. By truly understanding and integrating all the factors and trends mentioned in this report and in our further research, we can identify opportunities and challenges arising from these trends and proactively drive the industry forward.

Among the many and various possible strategies, it is also crucial that the design perspective takes into account the hotel or resort's full lifecycle: from the outset of planning, through to the design and construction process, and continuing into post-occupancy.

But before architects and designers can begin problem-solving, they must thoroughly understand their clients' business models and *their* customer or tenant base, as they ultimately design experiences for these specific end users.

In this ever-changing industry, the greatest challenge is to fully understand and create an integrated response to the diverse requirements of three distinct stakeholders: the developers, the operators, and ultimately the guests. This necessitates a holistic, highly user-centric, and immersive approach, combining architectural, interior, and experiential design strategies. Such an approach is essential for successfully facilitating both the user journey and the complete guest experience.

It's time to really let design intelligence perform as a crucial tool for the prosperity of the hospitality industry.

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