

Hospitality Report

Home away from Home? Far-reaching trends are currently redefining hospitality. How can design help to point it in the right direction?



Yeosu Hotel Yeosu, South Korea, 2021. ©UNStudio

The hospitality industry has been undergoing significant shifts in recent years, all of which are driven by interlinked factors, including evolving consumer preferences, technological progress and a stronger focus on sustainability. Whilst the initial emergence of most of these changes began to become apparent prior to the recent pandemic, the resulting lockdowns have supercharged the demands of the ever more discerning traveler.

Today's widely ranging hospitality guests are more conscious than ever before of the values they expect to be reflected in their accommodation of choice. They know what kind of experience they want, and they choose their hotel stays accordingly. In response to these changing demands, the hospitality offering is diversifying significantly.

Gone are the days of the one-size-fits-all, generic hotel that can only be distinguished by its star rating. Today local context, hybrid stay models, value-driven guest experiences, bespoke services, tech-enabled convenience, extensive amenities, careful branding and a strong social media presence enable hospitality businesses to capitalise on their target audiences and position

themselves for long-term success. One of the biggest challenges for today's hotel operators is therefore how to distinguish themselves from the direct competitors in their specific sector and, ultimately, achieve guest loyalty.

For the following report we have sourced information from our own team of global designers, architects and experience designers at UNStudio, alongside consulting recent travel reports and surveys. We have also carried out numerous interviews with experts from within the travel industry and beyond. (Thank you all for sharing your extremely valuable insights!)

This report serves as a summary of key findings, however we have also produced a supplementary series of in-depth videos and podcasts that provide a broader perspective of what is changing globally in the world of hospitality. In addition, we look at the role that design can play in achieving successful new and emerging business models and the various approaches that are being taken to mitigate the negative impact tourism can have on our cities.

Supplements to this report



Whitepaper

UNStudio's Experience Design team have composed an in-depth whitepaper that focuses primarily on those aspects where user experience design, concept design and architecture intersect to devise new strategies for the guest experience.

Read the whitepaper [here>>](#)

Download the whitepaper [here>>](#)

A GLOBAL PERSPECTIVE

UNStudio on Designing for Hospitality



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UNS Talks Podcast

For this podcast we gathered six representatives from our global offices who share extensive experience in hospitality design. Here they outline the emerging trends in their specific regions and what this means for how they can take a bespoke design approach to local hotel and resort projects.

Listen to the podcast [here>>](#)

Listen to the podcast on Vimeo [here>>](#)



UNS Talks (video) Podcast

In this podcast we interview three members of the of the **Social Value Foundation** about the steps that are currently being initiated, or have been taken, to mitigate the negative effects of tourism on our cities.

Guests:

Annemarie Van Doorn – Founder of the Social Value Foundation

Inge Kortekaas – Co-Founder of the Social Value Foundation and Sustainability and Innovation Manager at Annexum

Tim Wassenaar – Asset Manager of The July Hotel Company and also involved in the Social Value Foundation

Watch video [here>>](#)

A special focus on hospitality in Asia

Our Shanghai office has compiled a supplementary report that takes an in-depth look and what is happening in the world of hospitality and tourism in the Asian markets and how changing trends are affecting the design and operation of hotels in the region.

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

Yichen ZHU - Director of Development Marketing, InterContinental Hotels Group (IHG) Greater China

Dr. Van ha LUONG - Post Doctoral Researcher of the IESEG School of Management (France)

Jing WANG - a Chinese Millennials, with extensive domestic and international travel experience

Read our Asia report [here>>](#)

Download our Asia report here>>



Is the Moon the Next Frontier? UNStudio Shares Vision for the Future of Hospitality Design

Check out also our latest video, where we asked unsuspecting members of the public to tell us of their hospitality preferences and then tasked members of our Experience Design Team to evaluate the responses.

View video [here>>](#)

Interview

And finally, for this campaign we also caught up with [Amanda Ho](#), Co-Founder of [Regenerative Travel](#), to gain a better understanding of what steps can be taken in hospitality to help mitigate the ecological price tag of the industry.

Read the interview [here>>](#)

Now back to this written report, where we take a broader look at some of the key factors that are enabling the hospitality industry to improve the guest experience through the implementation of tech, whilst also answering to the many and widely varied preferences for connection, disconnection, authenticity and real-life discovery, adventure, hyper exclusivity and personalisation, healthy choices, sustainability compensation strategies and much, much more.

With increasing numbers of guests no longer satisfied with tired accommodation models of the past, hotels now need to offer a great deal more than just a place to eat and sleep if they are to survive in today's competitive market. From luxury hotels to holiday resorts, and from business travel to student hotels and long stay models for digital nomads, value-driven guests of all ages are seeking out hospitality venues that can offer them unique experiences and a sense of authenticity. From curated experiences that facilitate immersion in local culture and gastronomy, to social connection and sustainable credentials, wellness and health-based amenities, changing guest demographics are defining a wide array of new strategies, offerings and environments. So, what are the key factors that are shaping - and presenting challenges - to the industry response?

First, let's dispel some widely held perceptions

Recent research by McKinsey, as documented in their '[State of Tourism and Hospitality 2024](#)' report, points out that notions about luxury travellers, such as how much they are willing to spend and how old they are, could perhaps be reexamined.

Their survey findings question the perception that all luxury travellers are very wealthy and note that luxury means different things to travellers at different wealth levels, from aspiring luxury travellers through to Ultrahigh-net-worth individuals (UHNWIs).

Another questionable widely held perception is that luxury travellers mainly come from Europe and the United States, while in fact the geographical balance of wealth is shifting. They state, "*Although North America is still home to the most millionaires, it could be overtaken by Asia by the mid-2030s—largely as a result of growing wealth in China.*".

A third perception is that luxury travellers are old. Here the survey showed somewhat surprising results. "*While baby boomers do represent a significant portion of luxury spending, 80 percent of the luxury leisure market is in fact made up of people below the age of 60. Spending on travel peaks between the ages of 40 and 60, and younger travelers show an increasing willingness and ability to spend at luxury levels.*"

SPENDING HABITS

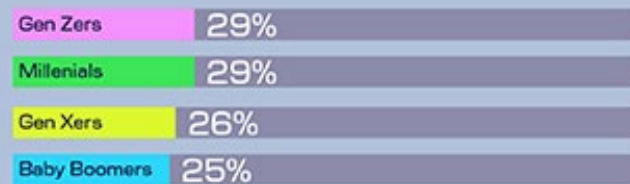
Number of Trips

(average during 2023)



Income Devoted to Travel

(in percentage)



Infographic by UNStudio. Information source: McKinsey State of Travel Survey 2024

McKinsey also notes that a number of unexpected traveler archetypes are emerging. When they analysed their survey results, they identified seven clusters of travelers who express shared attitudes and motivations toward travel.

TRAVELER ARCHETYPES

By analyzing the survey, [McKinsey](#) identified seven clusters of travelers who express shared attitudes and motivations toward travel:

- Sun and beach
- Culture and authenticity seekers
- Strategic spenders on curated Experiences
- Trend-conscious jet-setters
- Cost-conscious travelers
- Premium travelers
- Adventure seekers



TRAVEL TRENDS / UNStudio Hospitality Report

Source: McKinsey, State of Tourism and Hospitality 2024 Report

Infographic by UNStudio. Information source: McKinsey State of Travel Survey 2024

Trends in the hospitality sector

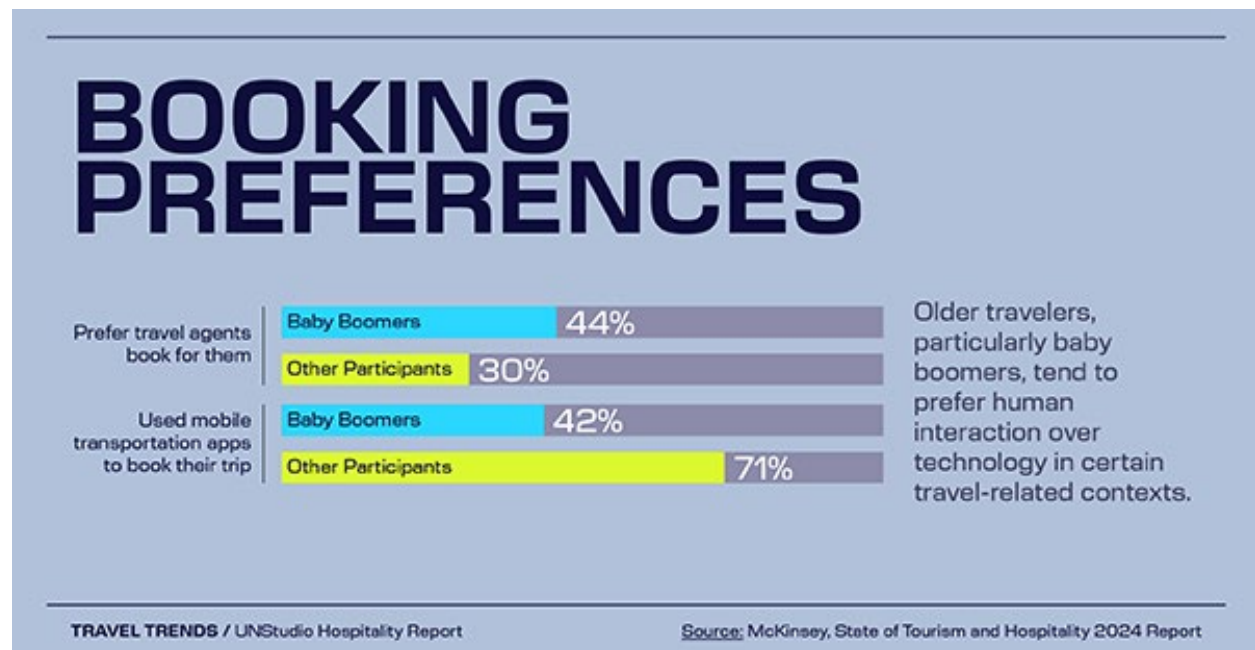
The increasing importance of technology

Contactless services such as mobile check-in, digital keys and tablet or voice-controlled room automation have become increasingly popular, primarily because they simplify the guest journey by reducing physical contact points and wait times. However not everybody favours such anonymous efficiency. Many guests still prefer a touch of human interaction and personal service during their stays.

Recognising this binary demand, the fast-expanding owner/developer/operator chain [The Social Hub](#) (TSH, and formerly The Student Hotel) embraces a hybrid model that allows its guests to choose whether they want their interactions to be with a human being or an app. Further still, in the switch from purely student accommodation to a hybrid hospitality model that caters to students and hotel guests alike, TSH based their overarching concept on the value of interpersonal communication, of bringing people together to inspire connection and creativity. In this respect they have taken their use of tech one step further with the development of an app that not only allows their guests to check in, order food etc. but also to communicate directly with each other. In spatial terms, TSH has also installed sensor-based monitoring systems in their properties, the data from which makes it possible to continually adjust and improve their spaces based on guest use patterns.

Perhaps inspired by the preferred mode of communication used by Airbnb Superhosts, the [citizenM](#) hotel brand goes one step further in familiarity by using other widely used tools such as WhatsApp to allow their staff to remain in constant contact with guests, respond immediately to their requests and provide tailored services.

Meanwhile in the luxury sector, guests can enjoy tech-enabled hyper personalisation, meaning that their fully tailored guest experience and their rooms are completely set up for their preferences and complete comfort prior to arrival.



Infographic by UNStudio. Information source: McKinsey State of Travel Survey 2024

When the power of social media meets the desire for human interaction

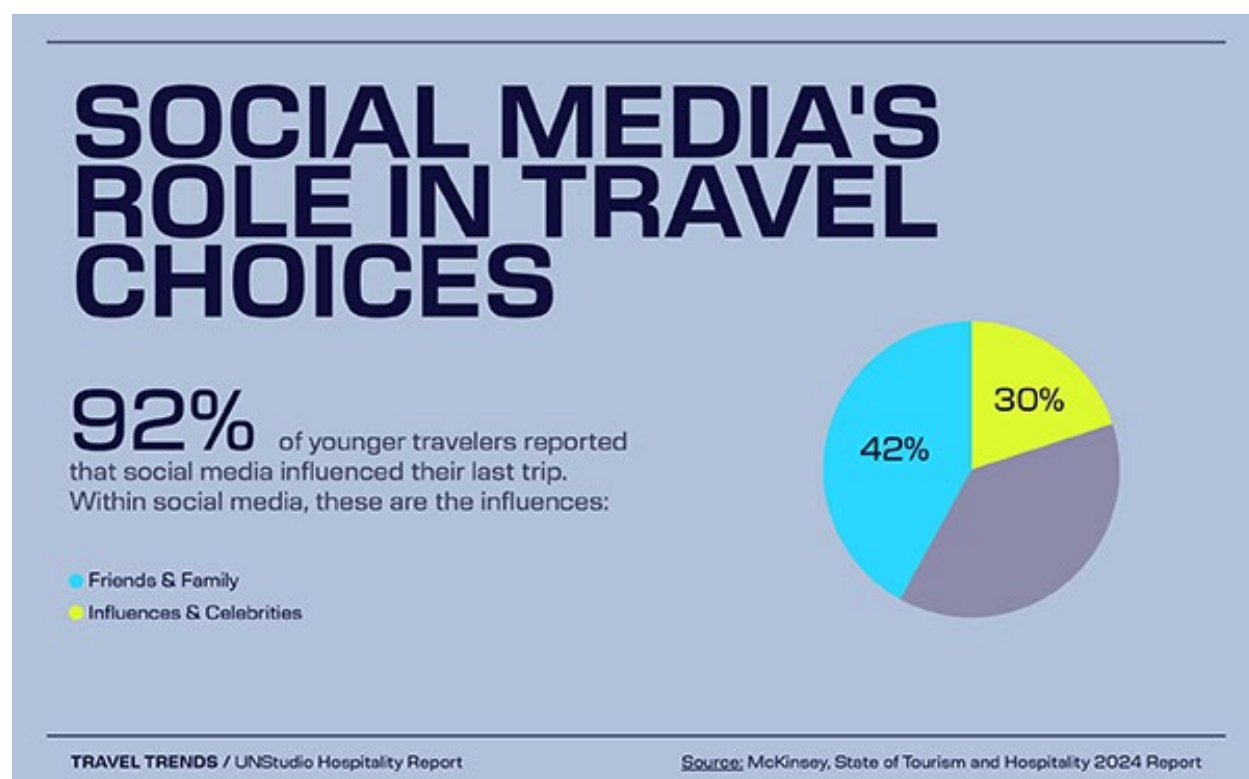
The hospitality industry has been quick to catch on to the fact that their guests now have the technology at hand to become some of their best brand ambassadors. As a large part of the sector thrives on immersive encounters, hospitality not only caters to our desires for leisure, travel and memorable life experiences, but also influences the way we interact and socialise.

They are also aware that a shift took place after the recent pandemic, which has resulted in guests now seeking to explore the location surrounding the hotel or resort area much more than was previously the case. Today, increasing numbers of guests also want to spend time with locals and engage in meaningful interactions, and hospitality operators are realising that this requires a degree of targeted curation on their part.

Overall, successful social media strategies require the crafting of authentic narratives that will encourage their guests to share their experiences. These can range from something as simple as providing specific '[instagrammable](#)' areas in their hotels and sharing behind the scenes staff videos, but can more successfully be achieved by incorporating local experiences into their offer, such as elephant feeding, local craft or cooking workshops, tree planting, beach clean-up initiatives, hyper-exclusive or adventurous activities etc. Activities that appeal to their specific guest demographic and ones that their guests are likely to want to instantly share with their family, friends and followers.

Interestingly however, although engaging a social media influencer as a quick fix might seem appealing and somewhat more efficient, the 2024 McKinsey Survey found that although 92% of the younger travelers surveyed said their last trip was motivated in some way by social media, their major sources of social inspiration aren't necessarily influencers or celebrities, but rather friends and

family. There is no doubt that today's travelers want to share their travel stories, but it is also the case that friends and family back home are more likely to be influenced by these stories than by anything else they see or hear.



Infographic by UNStudio. Information source: McKinsey State of Travel Survey 2024

The sustainability conundrum

Sustainable tourism has been around for some time and is based on the 17 sustainable development goals from the UN. But can global travel ever be considered truly sustainable? Given the distances that need to be travelled and the ecological costs of construction, it seems currently extremely difficult, if not virtually impossible, for hospitality developers and operators to fully align with sustainable practices.

Meanwhile, in a 2023 survey conducted by the [World Tourism Organisation](#) (UN Tourism, the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism), 73% of all global travellers communicated that they wanted to stay in hotels that have implemented sustainable practices. This presents a bit of a problem for some.

Fortunately however, the residential real estate market is leading the way by making it difficult to rent out and make profitable, properties with an unfavourable environmental record. This trend has already begun and is likely to intensify, thereby affecting commercial real estate in a significant way. In other words, hotels that have not been renovated and adapted to today's standards and expectations are likely to suffer, even disproportionately.

Hospitality groups are also increasingly adopting sustainable building techniques and are generally trying to adopt a 360-degree strategy that allows them to be sustainable from the first brick up to the operation. For example, the [Beyond Now Network](#) where industry experts have joined forces to transform hospitality businesses into environmentally friendly, efficient and profitable enterprises.

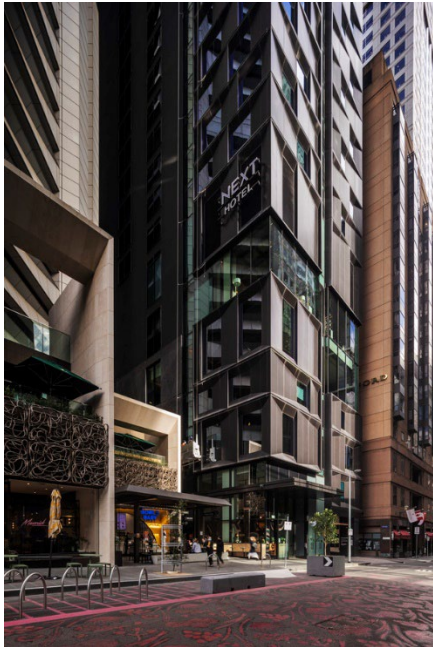
Some are going even further, not content with being net zero, but aiming to become net positive, as exemplified by 'regenerative tourism' practices. These involve educating travellers, tour operators and hotel operators in compensation, or pay-back strategies, which carry the added advantage that the locals can also see that tourists contribute, not only to their economy, but also actively and positively to their environment.

Such regenerative strategies are also being connected to loyalty programmes, where targets are pre-set and points can be gained through day-to-day behaviors, or by taking part in activities involving carbon emission compensation. Thus, encouraging guests to return to the hotel to reach a new goal. Also interesting here is that in some circles 'wellbeing', a term widely used in the hospitality industry, is now being adopted and expanded to refer to active and positive contributions made to the wellbeing of the destination.

Hospitality groups are therefore of course also increasingly looking for more innovative and meaningful ways to implement, measure and communicate their sustainability practices. Measuring and fact-based reporting are becoming an extremely important aspect of communication strategies, as the risk of widespread accusations of greenwashing could, prove to be extremely damaging.

But what about the luxury sector? This group can roughly be broken down into three categories: for some luxury travellers, highly exclusive adventures and experiences are what's required on the menu, while for others, luxury is associated with total disconnection from their daily lives at a highly catered for, private retreat. This trend has also played a role in the emergence of new types of hybrid resorts that not only offer '7-star' hotel stays, but also serviced secluded private villas. In Asia this model has become particularly popular for multi-generational family holidays.

For many, luxury travellers however, highly exclusive materials continue to remain an important factor in their choice of hotel brand or venue. This means that the currently increasing material costs actually run the risk of making luxury as we now know it even more exclusive and therefore yet more popular. But with the price of materials increasing and luxury becoming so expensive to build, could a new aesthetic or desired experience evolve in luxury accommodations that enables a more sustainable approach? This remains to be seen.



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." Photo by AECOM Photography by Trevor Mein

The quest for loyalty

The recent diversification into hospitality offerings that are tailored to attract guests travelling on different budgets and with different preference profiles has meant that, while competition is rife to attract these demographics to a specific brand, achieving and retaining guest loyalty is in fact a key factor to achieving long-term success.

To achieve this, hospitality brands need to know their guests' habits and understand their needs. They need to know why they choose to visit the brand and what they think makes it unique. But they equally need to know why these same guests also visit their competitors.

Numerous strategies have been adopted, from loyalty memberships across locations offering discounts and using technology to deliver an efficient and convenient experience, to redefining the drinks menu by offering unique drinks, or driving a positive emotional connection by aligning with customers' views on sustainability.

According to McKinsey's research, when it comes to aspiring luxury travellers, the nonmillionaire segment (which is comparatively large), it is essential to understand its predilection for only certain prestige offerings. These present opportunities for brands to achieve enduring loyalty; important not least because some of its members will graduate into higher income levels over time.

Luxury travellers are also not above caring about hotel loyalty points and perks. Sixty eight percent of luxury travellers - compared with only 41% of mass travellers - say loyalty programmes are an important factor when choosing accommodations, albeit that many luxury travellers are looking for a different kind of reward from their loyalty programs. *"They are apparently less focused on accumulating points and redeeming them for free stays. They're more attuned to the recognition that comes with being a valued loyalty customer and with the attentive service, foreknowledge of preferences, and exclusive privileges it can entail."*

To conclude: so where does design come in?

There is one more widely held perception that perhaps also needs to be dispelled. Namely that architects and designers primarily concern themselves with highly efficient programme distributions, flexible floor plans, sustainable and affordable facade systems and green roofs. They do, of course, but only in answer to highly complex briefs that will eventually determine how these physical factors need to be resolved.

Many of the challenges for architects certainly lie in the client's brief and in garnering a thorough understanding of the site and its context. But in fact, before architects and designers can even begin to start problem-solving, they have to know all that can possibly be known about their clients' business models and *their* customer or tenant base, as ultimately, they have to design experiences for these very specific end users.

In the fast-diversifying hospitality industry, the greatest challenge is to fully understand and create a integrated response to the different requirements of the three distinct stakeholders: the developers, the operators and ultimately the guests. It is certainly no longer enough to simply design hotels and resorts to house the required amount of 'keys', properly proportion back of house and front of house, maximise nice views and fit in supplementary programme.

Designers today need to know how the guest wants to *feel*, both while at the hotel and when they leave. With hospitality this entails carefully designing around the required guest experience, or journey.

A hybrid mix of architectural, landscape, interior and particularly experience design strategies are essential to the successful facilitation of the both the user journey and the full guest experience. As designers are challenged to envision how guests move through and engage with the environment over time, they now need to take a holistic, highly user-centric and immersive approach to hospitality design, from the moment of arrival, to the experience of departure, and everything in between.
