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**THE MARKETING ROLE OF UNIQUE CONCEPTS
FOR HOTELS IN SWEDEN**

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Abstract

Many hotels nowadays try to differentiate their product with a unique concept as compared to the traditional hotel product. There is an increase in the interest in hotels with unique concepts, which shows a trend among customers today asking for more than just a room. Today a large variety of hotels with unique concepts can be found all around the world. There are many definitions for all different types of hotels like; boutique-, lifestyle-, design-, co-branded or themed hotels. Unique concept hotels are designed with a personal touch, which will enable them to brand themselves differently. These hotels can differentiate their hotel product from competitors by placing themselves in a market niche through their image, lifestyle, design and style.

The investigation is based on eight hotels in Sweden, which differentiate themselves by marketing their product with a unique concept. The research and interviews from a managers perspective shows the preliminary effectiveness of their marketing strategies in the actual marketplace and discuss how they plan to keep their uniqueness. An explorative approach and qualitative research methods have been used to collect information while conducting the investigation.

The hotel managers at these unique concept hotels believe their customers to have high expectations, therefore the investigation illustrates why the post-modern customers expectations are changing the hotel product.

Key-words: unique concepts, servicescape, post-modernism, differentiation, hotel product.

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1 Introduction

Some hotels we remember, and others we just forget. Is it their unique concepts that make us remember? Hotels are changing; they no longer look the same, act the same and give the same service. Consequently customers are changing as well. Jones (1999, p.427) relates the global hospitality industry in an interesting way, with an impressionist painting. *“When looking at an impressionist painting from a distance one is able to see the picture, appreciate its composition and enjoys its subtle realism, but as you look closer at the painting there is no clear picture just a chaotic jumble of colour”*. We find this to be an excellent way of describing the hospitality industry. From the outside it looks homogenous, but looking more closely into the industry it is incredibly diverse and complex.

According to one of the speed shops (seminars with people in the hospitality industry performed by the Overlook Hospitality Management AB, the hotel industry seems to have difficulties in applying single terms and descriptions to what their product stands for. *“With the continued variation and segmentation of hotel products in the past 20 years, a variety of expressions have been used, but until today there is no industry wide standard vocabulary for the different hotel types”*(Geldner, 2004). There are many definitions for all different types of hotels. Today we can find a large variety of hotels with unique concepts all around the world. Some definitions of unique concept hotels are; boutique-, lifestyle-, design-, or themed hotels. We assume that unique concept hotels’ purpose is to differentiate from competitors by placing themselves in a market niche through their image, lifestyle, design and style. The customers can choose a hotel concept according to their lifestyle, or the lifestyle they associate themselves with. The concept hotels are for everyone, but they might not attract everyone. We believe today’s generation responds positively to *“innovative*

instructional efficiency” i.e. teach me quickly and let me have fun stretching beyond the norm (Stevens, 1990 cited in Borchgrevink, p.275, 1999). As Rob Deiner, COO of design hotels™, Inc describes, a multitude of approaches can be used to describe a uniquely styled hotel product (Geldner, 2004). We will look into some of Sweden’s unique concept hotels and how their differentiation allows them to keep their uniqueness.

Our interest was awakened during the marketing course within the Master Program in Tourism and Hospitality Management. Subjects such as concept design, redevelopment of touristy areas, and experiences in hospitality were discussed to explain and to broaden our insights in the tourism and hospitality industry. Erik Nissen Johansen, Founder and Creative Director at Stylt Trampoli AB, presented his work at a guest lecture during the marketing course. He discussed the changes in the hotel industry regarding the co-branding concepts and brand development through storytelling and concept image. We had a meeting with Jonas Holmsgård (copywriter) and Erik Nissen Johansen at Stylt Trampoli AB to discuss possible research topics around the same concepts addressed in his lecture. Our first brainstorming meeting was very useful for both of us to understand the problems the traditional hotel industry faces with their brands and images. We have learnt through research how the hotel industry seems to be experiencing a need for a better and more personal hotel product. In most developed countries, there is a trend within the hotel industry that hotels move forward having a unique product. These hotels are usually not attached to traditional hotel chains, but we believe they want to differentiate their hotel product in order to compete within the same market.

Changes in the hotel industry regarding different types of hotels that market their product towards a more experienced customer have also made us want to study how these hotels do so. We decided to look into the description of terms such as lifestyle, design and boutique, as these were the most common

definitions used when describing a unique hotel. As a result we decided to focus our investigation on unique concept hotels, which we call all of those that differentiate themselves through a different concept, style or image compared to more traditional hotel chains. We chose eight unique concept hotels in Sweden; below are quotations from their websites explaining their uniqueness:

“Modern art hangs on the walls, and classical styles blend tastefully with more modern styles throughout the building; a unique environment with the ambition to give our guests the highest level of satisfaction”.

Elite Plaza Hotel, Göteborg

*

“The design aims to inspire total harmony where all impressions work together in perfect balance. Within a Ryokan (guest house), guests can enjoy total privacy while experiencing all the qualities of Yasuragi (inner peace and harmony). The suites have their own hot spring and a dedicated Ryokan host serves meals”.

Hasseludden Konferens and Yasuragi, Stockholm

*

“According to the sound judgment of Captain Klassen, neither the South China Sea nor the Caribbean can match the Fjällbacka archipelago, when it comes to sheer beauty. Most welcome to our hotel where a cosy bed, ocean view, excellent service and exquisite food is just the beginning! “

Stora Hotellet, Fjällbacka

*

“Park Inn in Värnamo is a business and conference hotel with custom-designed suites. Located in the interior design region of Småland, from where the hotel’s design and fittings originate”.

Park Inn, Värnamo

*

“Icehotel, now in its fourteenth year, is continuing its successful and celebrated career as the world's biggest hotel made entirely of ice and snow”.

Icehotel, Jukkasjärvi

*

“At Lydmar we offer our guests an experience a sum of many parts food music décor art and attitude. All combined to produce an atmosphere never content to be just in the mainstream. If you are looking for a standard hotel you are looking at the wrong place”.

Lydmar Hotel, Stockholm

*

“Nordic Light Hotel promises an exceptional visual experience. Offers calm, relaxing environment for busy souls. Throughout the hotel, advanced lightening installations highlight and enhance the moods of the interiors. The lobby features a unique interactive work of art that’s sounds and lightning effects when it senses the presence of a guest”.

Nordic Light Hotel, Stockholm

*

“Hotel J is inspired by the J boats of America’s cup history; the original 1912 brick building has been decorated in a contemporary marine style recalling the boat houses of New England”

Hotel J, Nacka Strand, Stockholm

1.1 Latest Changes in the Hotel Industry

In 2001 the Overlook Hospitality Management Group AB performed a speed shop (a seminar for people in the hospitality industry) to investigate the developments of the Scandinavian hotel market. According to this speed shop the Swedish market is not bigger than double that of the London market. However it is spread out over an arena larger than both France and Germany together. The speed shop shows that there is a need for more international hotel chains on the Scandinavian market, as well as more room capacity, which will include all kinds of hotels. The Scandinavian market is seen as a politically, socially and financially safe market, which makes it attractive for international companies. The conclusions of the speed shop were that the Scandinavian travel market will continue to grow, and one of the motives is that people from Asia and USA are interested in “*countries with midnight sun*” (Hullberg, 2001).

The Hotel and Restaurant Association in Sweden (SHR) states that the hotel market is having a really tuff time, and according to Hedlund (2004) there are more and more hotels opening which has resulted in a price war between the hotels. Mats Hulth, the C.E.O. of SHR, is really worried about the increase in low rates within the hotel market; he argues that low rates will bring more guests but result in lower overall profitability. The statistics from SHR show that hotel rates in Stockholm during the first months of the year have fallen 8% compared to the same period last year, and all over Sweden rates have fallen 4%. One of the most important factors to the price decline is the increase in new hotels opening, especially in Stockholm. The general room occupancy in the Stockholm hotels was as low as 53% during the period January- April, 2004. This means that every second room, of Stockholm's 13000 rooms was vacant.

The most important guests of the hotel industry are the business and conference guests. In 2003 there was a visible decline of both conference/business guests and foreign travellers, which is one of the motives for the decrease. 2003 was one of the worst years in the history; the war in Iraq and Sars affected the hotel market. Today hotel rates are more flexible and the hotels in Sweden offer different rates for the holidays, which further affect the profitability negatively according to SHR.

In 1993 when the economy moved into recession, the hotel market was one of the first industries to notice the structural change. According to Göran Granhed at SHR, the US and England have had an increasing growth since then (Hedlund, 2004). According to Andersson (Svenska Dagbladet, II), one of the large conference centres outside Stockholm city has noticed a positive trend in their sales this year. Rolf Drangel, General Manager at Lustikulla Konferens och Krog, states that one of the most important factors to keep customers is to have technological solutions and personnel that exceed the expectations of the

costumers. There are new conference centres and hotels trying to compete with their low prices, which affects the business and conference market. According to Rolf Drangel the competitive advantage is made up of the uniqueness of the conference centre and the personnel, not the room rate (Svenska Dagbladet, II).

Lars Hjort, CEO of Capona, one of the largest hotel estate owners in Sweden with over 59 properties all around the country argues that there is a positive trend in today's hotel market. He also states that he does not find it a good idea to lower the room rates when the economy is weak, it will always hit the hotel in the end, because when trends change it is really difficult to raise your room rates to reasonable levels. (Svenska Dagbladet, I) On the international stage the market is booming and this is also spreading to Sweden according to SHR, 2004. There are some positive tendencies in the Swedish hotel industry, but there are large regional differences as well. In Stockholm, the demands for hotel nights have been relatively strong during 2003, while Göteborg and Malmö have been weaker. The business outlook for the coming year is very positive which in turn will increase the demand for hotel nights and company representation. Private consumption of hotel and restaurant services is also expected to experience strong growth, due to the increase in disposable income and reduced savings. The hotel industry has been struggling for the last eight months, although the number of sold hotel nights has increased marginally. Hotel nights are sold at an Average Daily Rate (ADR), which is 2.3% less than the previous year. The main reason for this is that business and conference guests have decreased according to SHR, 2004. SHR continues to state that the positive news is that the numbers of foreign guest nights have increased by 4.5%. These guests are mainly from countries outside Scandinavia. SHR concludes in their October report that their forecast for 2005 shows an increase of hotel nights sold with 3-4%, due to the increased boom on the market. The

ADR will be stabilized towards the end of 2004 and slowly start to increase during 2005 according to SHR, 2004.

1.2 Changes in the Hotel Industry Regarding Concept Hotels

Design leaders from top hotel and resort management companies, interior design companies, and architecture firms nowadays discuss how chains incorporate design and service features to create brand identity, enhance customer experience and make a hotel or property stay memorable (Strodel, 2004). *“We were delighted to host what was an open, engaging dialogue on the critical role that design plays in the hospitality industry,”* said Cornell Hotel School Professor Richard Penner, who chaired the event where hotel and resort leaders discussed the future of design at Cornell centre for hospitality research roundtable last July, 2004. Conner (1991) argues hotels need that special factor, which makes them different. One way of doing that is to develop a prime site by just renovating an existing hotel. This as a strategy can be very successful, especially if the property has historical significance or if its cultural or architectural heritage is unique. Wolchuk and Scoviak (2004, p.38) discuss how *“Niche plays are still hot”*. They show how new brands such as IHG’s Hotel Indigo, Marriott International’s Bulgari, Sol Melia’s Hard Rock Hotel and Choice Hotels International’s planned “lower/upper scale” product are being launched to expand portfolios and reach. *“The future of the industry will be all about families of brands, with guests developing relationships within the brand families to meet their different travel needs”*, says Richard North, IHG’s CEO (Wolchuk and Scoviak 2004, p.38) The newest structural change in the hospitality industry is how the traditional hotel chains such as Intercontinental, Rezidor SAS, and MGM Grand are creating lifestyle segments of their own, starting up brands to niche this market to a special group of consumers. We believe the change must take place since the customer expresses a wish to stay

at a more personal hotel which they can identify with. InterContinental is developing a brand of hotels called 'Hotel Indigo' to target the lifestyle sector, to deliver a refreshing, inclusive hotel experience in response to prevailing consumer trends. *"Hotel Indigo fills a critical void in our industry right now by addressing middle market consumers who are 'trading up' to higher levels of quality and taste, but still seeking value,"* said by Steve Porter, president for the Americas, InterContinental Hotels Group, (2004).

Rezidor SAS announced in April 2003, that they are developing a new lifestyle brand with Cerruti, the Italian fashion house. The chain is to be developed in European cities with the first to open in Brussels (PWC, 2003). Las Vegas's MGM Grand – the largest hotel in the world has announced the shut down of one of its towers in the not-to-distant future to be reopened as a 'lifestyle' hotel within the larger hotel (McDonald, M., Travel Weekly 2003).

One example of a traditional hotel which is trying to create its own niche is the Marriott Venture, which has opened a fitness resort with a campus offering basketball, volleyball, racquetball and squash courts, three swimming pools and kickboxing classes. All the guest rooms are fitted with sets of 2-lb. dumbbells, and power shakes are on the menu. Another example of a traditional hotel chain that has themed hotels is Sheraton with their safari hotel in Lake Buena Vista, Sheraton Safari hotel (Webber, 2001). According to the Vice Chairman of Sol Melia, Sebastian Escarrer (1999), *"The Melia Boutique Hotel line has been designed for the most discerning of guests and experienced international travellers, those people that seek an elegant and modern hotel that provides an intimate and exclusive atmosphere"*. This is a great example of what a well known and branded chain of hotels is changing to pursue a special niche of customers looking to fulfil their needs. Another way to gather a market niche that has not been exploited is to build new hotels within a mature market designed specifically with a concept that targets an intended group of

customers, argues Jones (1999). He also mentions the five basic criteria for any hotel to niche itself; these are location, market segment, room design, grade, and type of stay. Today we can clearly see examples of hotels with a known configuration such as, centre business hotels, budget hotels, resort hotels, courtyard concepts and most recently all suite properties. Since the beginning of the hotel industry hotels have tried to gather a niche of customers. We find it impossible to stereotype guests at a hotel, there are so many factors influencing their stay. In the case of hotels with unique concepts we believe it is easier to display the personality, likings and lifestyle of the owners of the property and this way the customers will choose by occasions and likings. We believe this can be a better way to brand a hotel as customers of today choose hotels by different factors and not just by business or pleasure. David Goldberg, Choice Hotels International's vice president, corporate and brand strategy treasurer states, *"I would not be surprised to see large chains gobble up the small ones. Smart, small companies will be acquired. The rest will just continue to lose money and rooms."* (Wolchuk and Scoviak 2004, p.38)

In one of the speed shops held by the Overlook Management Hospitality AB (2002), it was discussed how to build a consistent brand experience by enhancing the existing *"celebrity appeal"* of the co-operative lifestyle brand. This approach does not require as much time and effort as building a new brand from scratch. Newly built hotels in mature markets are likely to be designed to fill product /market niches that have not yet been exploited. According to Holjevac (2003) people have more than just basic needs for food, beverage, sleep and shelter. He continues to discuss that we also need to fulfil our social and spiritual needs such as, leisure, recreation and travel as well as others not yet identified. Holjevac (2003) argues that the new communication technology will enable faster and easier ways to minimize business travel, but on the other hand the number of people travelling for pleasure and leisure will increase. He

also believes that the guests will be more aware of nature, and a need for “spa-hotels” will increase, where the services will be related to the preservation of health and beauty, physical and spiritual health. Holjevac (2003) also mentions other future concepts for the hotel industry such as; educational hotels, vacation hotels for elderly tourists, which will cater to their special needs, and themed hotels which will emphasize the ethnic and regional uniqueness of the country, region or place. He continues by stating that in the future the international hotels will continue to dominate the market, but the small independent hotels will continue to exist and flourish. He believes however that there is a need of teamwork between them.

To be part of a consortium of hotels is a way of competing with corporate brands, “*there is a growth gap for consortia*” Wolchuk and Scoviak (2004, p.38) say in their article in Hotels Magazine, July 2004. Consortia such as “design hotels™” are growing on an expanded service menu. The definition of consortia is getting broader; the list combines technology providers, such as Unirez with soft brands such as SRS-World hotels with marketing and representation service providers such as VIP International and Pegasus solutions. We can see how in the near future there will be consortia for everything. Not only those who share the same look will be put together, but also those that although totally different have something in common.

“*The success of the consortia is finally reawakening an interest in independent hotels*” Wolchuk and Scoviak (2004, p.38). In the article by Wolchuk and Scoviak, they mention that some consortia see a choice for owners in the branding versus the non-branding decision. Charles Peek, COO of Destination Hotels & Resorts believes that if the hotel is a commodity it might need to be franchised, but “*if the property is unique it can be marketed as its own brand*”. Marder (1997) mentions that to offer exactly what the customer wants is not enough. That is why we believe unique concept hotels offer what the customer

thinks he or she really wants or should want. He also argues that what you need is the right marketing concept in order to induce people to choose.

2 Problem Analysis

We have noticed that many hotels nowadays try to differentiate their product with a unique concept as compared to the traditional hotel product. We believe there is a trend among customers today which asks for more. We clearly see an increase in the interest in hotels with unique concepts in travel, leisure and lifestyle magazines. Unique concept hotels are designed with a personal touch, which will enable them to brand themselves differently from those that look the same, act the same, and offer the same service. *“Guests don’t just want a bed, they want an experience”* says Struan McKenzie director of development and asset management for Hard Rock Hotels & Casinos (Yesawich et al, 2004). We believe these hotels differ in their working process as regards developing their concept as compared to traditional hotels. From a marketing perspective we think the customer feels attached to the brands, styles and designs of these hotels. This, when successfully implemented creates a sense of belonging. Research studies such as the one from PriceWaterHouseCoopers (2003) and the speed shops held by the Overlook Hospitality Management AB show an increasing interest in these types of hotels. Their market is growing, the experienced customer is attracted to them, and the hotel industry is recognizing the trend.

We will present some hotels in Sweden, which differentiate themselves by marketing their product with a unique concept they believe in. We believe that today a link between cultures, people, countries, style and design exist. This link is getting stronger as our global community shrinks. Today’s customer reacts to the influence of brands, images and styles in a way, which represents his/her lifestyle or way of living. Almost all products, from cars, clothes, hi-tech, to what we eat, where we live, and what we believe in, to the feelings associated with the products, express our lifestyles. By this premise we believe

managers at unique concept hotels have thought to market themselves this way in order to differentiate their product from traditional chains of hotels wanting the majority of the market. *We will investigate how managers of unique concept hotels are planning to keep the uniqueness.* In order to compete in such a fragmented market and industry, the importance of differentiating the hotel is a must if it is not already attached to a family of brands. We suppose the customer needs association and recognition and therefore, unique concept hotels can better utilize their unique properties as a differentiating factor, which can give a strong competitive advantage.

2.1 Purpose

We have observed within the hotel industry, how unique concept designs are used as a means of differentiating the hotel product. We believe this has become a fashion, a trend, and a way to represent their image and style. *The aim of this thesis is to investigate how unique concept hotels differentiate themselves and keep their uniqueness.* To be able to find out what makes these hotels unique and what their competitive advantage is, we have two sub aims.

First we will investigate from a management perspective how these hotels describe their unique concept. We want the hotels we have chosen to define themselves according to their characteristics, and to describe how they express themselves through marketing in order to differentiate the hotel product.

Secondly we will investigate how they differentiate themselves through personnel, servicescape and other customers, and what influences them to keep their unique concept.

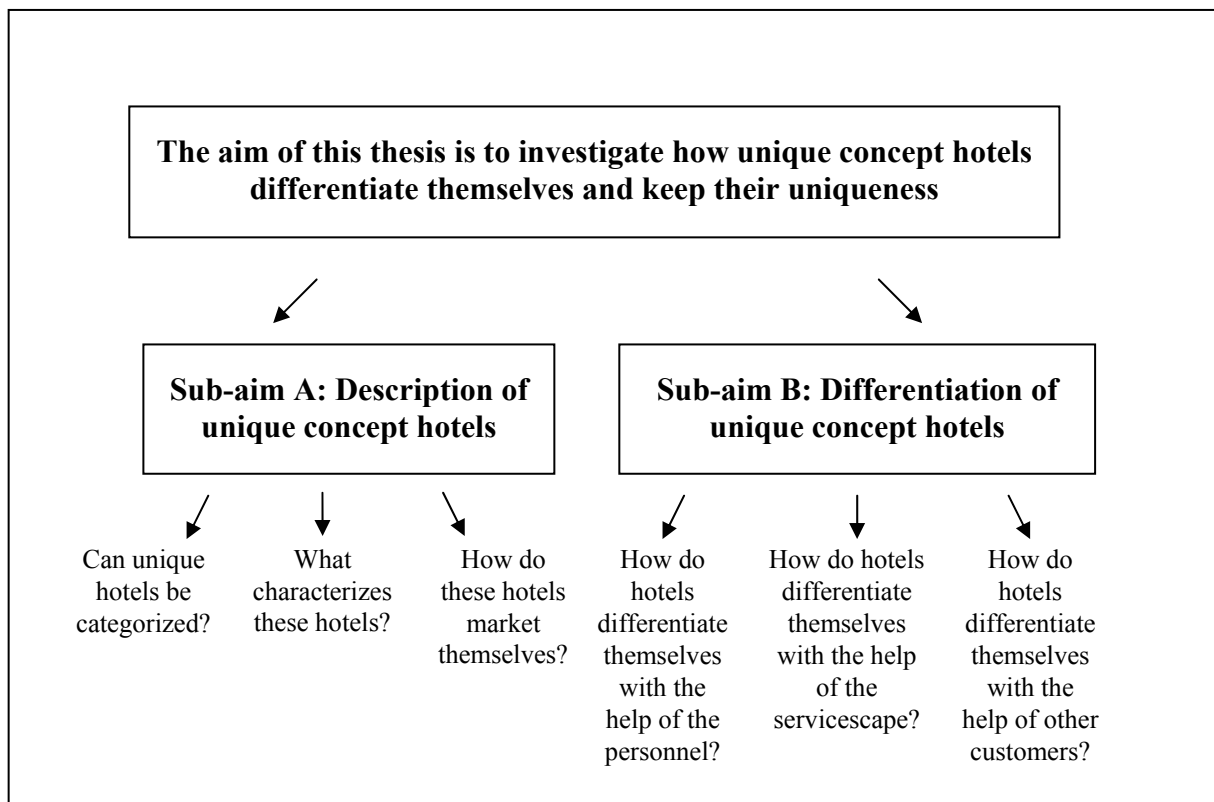
Sub-aim A: Description of unique concept hotels

- Can unique hotels be categorized?
- What characterizes these hotels?
- How do these hotels market themselves?

Sub-aim B: Differentiation of unique concept hotels

- How do hotels differentiate themselves with the help of the personnel?
- How do hotels differentiate themselves with the help of the servicescape?
- How do hotels differentiate themselves with the help of other customers?

Research Questions



2.2 Delimitations

There seems to be a diffusion of categories within the hotel industry. We believe it once was simpler to choose between hotel categories, like business and leisure hotels. Given the fact that the hotel industry is complex and diversified, we have chosen to concentrate on unique concept hotels. We limit ourselves to interviewing and studying the management perspective of each of the hotels we have chosen to work with. We will therefore not look into the customer's perspective, since we suppose such investigation require a longer time frame. We will not make any comparisons between unique concept hotels and traditional hotels, as our interest lies only in investigating how these hotels have created their uniqueness and how they aim to keep it. We will not go into economic factors regarding these hotels, or express their success or failure based on profitability, occupancy rate or return on investment. Consumer choice and consumer behaviour have major impacts on any product, especially new product developments such as the ones we will look into, but as mentioned earlier our time frame is too short to make a quantitative analysis concerning customers. Such interviews with customers are in-depth and accountable; therefore we will give an overview of today's consumer based on post-modern theories and definitions in order to explain why the development of unique concept hotels has been increasing in the last years. We have chosen to use servicescape theories based on Lena Mossberg's model (2003) to express the importance of the physical surroundings that affect the customer, the personnel and other customers, as well as differentiation theories to explain how these hotels are able to compete in such a fragmented industry. Sweden has a limited number of unique concept hotels, and we have chosen to use those that have been most recognized through the media with as many different unique concepts as possible.

3 Methodology

3.1 Research Design

In the beginning of our research we had various meetings with Erik Nissen Johansen, Creative Director and Jonas Holmsgård, Copywriter at Stylt Trampoli AB, who opened our minds to the hotel industry with unique concepts and to the subject of unique concept development from their perspective. We also had phone discussions concerning unique hotel concepts with Oliver Geldner, Director of Business Development at the Overlook Hospitality Management AB, a management consultant company working towards the hospitality industry. The Overlook Hospitality Management AB has discussed the subject of lifestyle hotels and un-traditional hotels development in all major cities around the world. We were given a very good insight into what is actually said in the industry today and which questions still arise and are needed to find answers to. We also had a preliminary meeting with Carlo Mandini, General Manager at the Elite Plaza hotel in Göteborg to discuss the hotel industry in Sweden 2004. During one of the discussions with Stylt Trampoli AB, Jonas Holmsgård called the hotel industry “*a brand jungle - how can the customer choose nowadays?*” We have understood that hotels today do not differentiate only by brand or name they need something more than that.

The objectives of our thesis are to learn and identify new ideas, thoughts, motivations, preliminary insights on, and an understanding of how unique concept hotels differentiate themselves from traditional hotels. We will also try to determine the preliminary effectiveness of their marketing strategies in the actual marketplace and discuss how they plan to keep their uniqueness. We will

use an explorative approach and qualitative research methods to collect our information while conducting the investigation.

The research design of a thesis is a basic plan that will guide the data collection and the analysis phases of the research problem. A good design can also ensure that the collected information is consistent with the studied objectives, and that the data collected holds accurate information (Kinnear and Taylor, 1996). We have chosen to make an investigation of a few unique hotels in Sweden, with minimum expenditure, cost and time. This is according to Kinnear and Taylor (1996) an exploratory study. It can also be characterized by its flexibility in order to be sensitive to the unexpected and to discover insights not previously recognized. The same authors also state that it is appropriate when the research objectives include the management's and researchers' perspective concerning the character of the problem situation. They continue to say that in situations of problem recognition and definition it is also appropriate to use an exploratory study. The exploratory research focuses on collecting primary and secondary data and using an unstructured format or informal procedures to interpret these (Hair et al., 2003). They continue to state that exploratory research techniques have the fewest characteristics or principles of the scientific method, and are often used to classify the problems or opportunities, but are usually not intended to provide conclusive information from which a particular course of action can be determined. We want to learn with the study how the hotel product can be different but with most of the elements constituting what a hotel has always been. We believe the development of the hotel product is changing and according to Hair et al., (2003) an exploratory research method will help us explain what these hotels seem to be doing in order to differentiate themselves from the traditional hotel product.

3.2 Data collection

We decided to look into the Swedish market and its hotel product. We gathered a list of hotels which filled our requirements of having a concept as their brand differentiator in order to be part of our group of hotels. These hotels have a well known uniqueness, and are easily recognised by the public. Another important factor for the study was to have a representation of every type of hotel we have chosen to mention as having a unique type of hotel concept. Most of the hotels do not belong to hotel chains, but we have also included two hotels which do belong to a chain, but represent their image and product in a similar way to those that have unique concepts. Some of these hotels are also part of a consortium called “design hotels™”. We also have some hotels that are privately owned with very personal concepts and others that have recently been bought by hotel chains in order to survive during the last few years. Even though some of these hotels which started as unique concepts are now owned by a bigger organization, they are still managed the same way as when they were private.

3.2.1 Primary Data

In order to come up with answers to our questions regarding the uniqueness of these hotel concepts as their marketing differentiator, we needed to conduct interviews with primary members of their management group. Our primary data is based on in-person interviews at the location with managers, owners-of the hotel. For those interviews we could not attend physically we used telephone interviews with the respondents. We chose to record all the interviews in order to go back to find exact comments to express in our results and analysis. The interview was divided into two parts. With the help of an interview guide we wanted to gather the management perspective of both sub aims (see appendix part 1 and 2). Part (1) contains the sub-aim A regarding the

description of unique concept hotels. Part (2) contains the sub-aim B regarding the differentiation of unique concept hotels.

We chose eight hotels with different unique concepts. As these hotels are not comparable we find it difficult to generalize the results but we our aim is to come up with conclusions and reasons to the question of how these hotels are able to compete by using their uniqueness as a differentiator. Internal data in the form of internet sites, brochures and magazines have been very useful to generalize ideas, but we feel that the actual investigation needs the personal experience and touch we get from the interviews.

We were very eager to include a hotel in Stockholm called the Rival Hotel, the most recently opened hotel with a unique concept in Sweden. The Hotel Rival opened 13 months ago, stating to be the first boutique hotel in Stockholm. Benny Andersson, a former member of ABBA, well known in Sweden and recognized internationally within the entertainment world owns the hotel. Unfortunately the management of the hotel was not interested in describing their concept or having an in-person interview with us. We understand that the timing of our research was not in tune with their development of the concept so we will just use them as an example in our discussions, but not within the analysis and conclusions of the study.

We are pleased to include the Icehotel, Jukkasjärvi in our research. The Icehotel is located in the far north and we were not able to visit them, therefore we had a telephone interview with the hotel director and owner of the Icehotel. Another hotel which we were not able to visit for the interview was Park Inn, Värnamo, a hotel that is located approximately 150 km from Göteborg. Unfortunately, we had to cancel the scheduled in-person interview and instead made a phone-interview with the general manager.

Lydmar Hotel, Stockholm

The Lydmar Hotel has been open since 1995 and it has received a lot of attention because of its innovation and concept around music and art. Pelle Lydmar developed the hotel concept. His persona gave the hotel a name and his interest was clearly reflected in the hotel's style and image. Today, Pelle Lydmar no longer owns Lydmar Hotel. In 2000, the family company Tage Hotels acquired Lydmar Hotel. The Lydmar Hotel reflects a concept that is never content with being mainstream. *"The hotel offers events, contemporary art, loud music, crowded bars, and fantastic service"* according to Ingmari Pagenkemper, Music Manager.

Nordic Light Hotel, Stockholm

The Nordic Light Hotel, Stockholm, has also received a lot of PR both nationally and internationally because of its design and lighting system, reflecting the essence of Sweden. The hotel opened in 2001, and is today one out of three hotels of the Nordic Hotel group in Stockholm. The two other hotels are the Nordic Sea Hotel and the Nordic Blue Hotel. According to their website the concept is based on minimalist elegance and with sparse, restrained simplicity it offers calm, relaxing environment for busy souls. Carefully applied accent colours and striking contrasts in the otherwise subdued design add an inviting touch of warmth and life.

Hotel J, Nacka Strand, Stockholm

Hotel J is located in Stockholm but in a very unique location, Nacka Strand, which reflects the concept of the hotel. It is on the water front, close to the city but a bit apart giving you the feeling of being in another world, closer to the one they portray. The hotel was opened in 1997; it expresses the feeling of the boathouses in New England, Newport - Rhode Island, USA. The marine style

and the concept reflect the image and magnificent J-class yachts of the early 20th century.

Hasseludden Konferens & Yasuragi (K & Y), Stockholm

The hotel is located 20 minutes from the city of Stockholm. The hotel opened in 1997, its concept is based on their Asian inspired spa product, a peaceful environment for all your senses. Its design is purely Japanese and they have enhanced their product with the help of Feng Shui. The customer can choose to stay in a traditional or a Japanese hotel room. In Japanese *Yasuragi* means inner peace and harmony, and that is what Hasseludden K & Y symbolizes when offering their hotel product.

Elite Plaza Hotel, Göteborg

The Elite Plaza hotel is located in Göteborg. The hotel is one of 16 hotels belonging to the hotel chain Elite Hotels of Sweden. This is a national chain with a very high service quality, in which each hotel has a unique history, and the majority is housed in carefully restored buildings. The hotel was opened in 2000. This is a hotel which we are glad to include in our study, because even though it is a member of a chain, the way they present their product is out of the ordinary. It is the only five-star hotel in Göteborg. We have chosen the Elite Plaza Hotel, Göteborg to be part of our study because it stands out from the chain.

Park Inn Hotel, Värnamo

This hotel belongs to the family of Carlson Hotels Worldwide since 2000. The hotel concept was developed a year before in 1999 by the previous owner Hotel Winn and Stylt Trampoli AB. The concept of this hotel was developed around the location and its significance. Park Inn, Värnamo is the main hotel of the furniture district in Sweden where major furniture designers have created a name for themselves and are well known internationally. This hotel's concept

aims at representing the Swedish designers from that area and examples of their work is represented within the hotel.

Stora Hotellet, Fjällbacka

This hotel is located in Fjällbacka on the west coast of Sweden. Stora Hotellet, Fjällbacka developed their concept with the help of Stylt Trampoli AB in 1997. Stora Hotellet has a premium location in Fjällbacka, and it has mainly worked as a seasonal hotel, but thanks to their concept development and efforts to sell the product all year round, the hotel in itself has created more interest than just the location based on the season. The hotel has only 23 rooms and the concept is based on a sailor, Captain Klassen, his trips around the world and the women he met with during his journeys.

Ice hotel, Jukkasjärvi

The Icehotel, Jukkasjärvi is located in the Swedish province of Lapland, 200 km north of the Arctic Circle. In 1989 Jukkas AB decided to look upon winter as an asset and the concept of the Icehotel was created. It first opened in 1990, its continuing success and celebrated career as the world's largest hotel made entirely of ice and snow, has made the concept known worldwide and others are duplicating the product in their countries. Unfortunately the hotel has to be rebuilt every winter since it melts when the season is over.

3.2.2 Interviews

We conducted both in-person and telephone-interviews with managers and owners at the chosen hotels. The interviews were planned in advance through phone calls and emails to introduce ourselves, the aim with the thesis, and to express our interest in their unique concept hotel. The questions were not handed out prior to the interview, but we chose to give an explanation of our purpose with the thesis, and which hotels would be included in our

investigation. We assume this made the interview process easier. During the interview we felt their interest was at a very high level the entire time, and we had a very open and detailed discussion about the hotel's history, concept, future plans and lessons learned. Some of the hotels have changed owners since they opened, but they believe the concept is still as strong as it was from the beginning. It was interesting to see how the new managers of the hotel recognized our interest.

Part (1) of the interview includes the management perspective of their unique concept. We want the respondents to place their unique hotel concept according to some criteria the hotel usually uses to market their product. In the second question within Part (1) we discuss the most important variables in regards to the hotel concept, and we want them to describe the importance of the chosen variables. We aim to come up with arguments why these unique concept hotels decide to focus on certain variables instead of others.

Part (2) of the interview discusses differentiation of unique concept hotels. We introduced the servicescape model by Mossberg (2003) and explained the importance of its elements, and how the entire picture influences the experience of the customer according to their expectations. We want to gather the management perspective of these areas and how they work together in their hotels. We asked a series of questions regarding the personnel, the servicescape and its physical surroundings, as well as their perception of the customer, and the marketing activities reflecting the image and concept of the hotel. These questions will help us explain and analyze how these hotels differentiate themselves by these elements. The table below shows the hotels in our study with the respondents for the interviews, their positions and if the hotels are members of a chain, belong to a consortium, or if they are privately owned.

Table 1: Selected Hotels and Respondents

Hotel and Location	Respondent	Position	In-person / Telephone	Chain / Private	Consortium
Lydmars Hotel, Sthlm	Ingmari Pagenkemper	Music Manager	P	Hotel chain 5 hotels	Tage Hotels AB & World Hotels
Hotel J, Sthlm	Ralf Thalén	Owner / General Manager	P	Private	design hotels™
Nordic Light Hotel, Sthlm	Mia Björklund Fredrik Ottosson	General Manager Guest Experience Manager	P	Hotel chain 3 hotels	design hotels™
Hasseludden K&Y, Sthlm	Christer Råderström	General Manager	P	Private	Svenska Spa Föreningen
Elite Plaza Hotel, Gbg	Carlo Mandini	General Manager	P	Hotel chain 16 hotels	design hotels™
Park Inn, Värnamo	Kåre Johansson	General Manager	T	Carlson Hotels 1570 hotels world wide	Rezidor SAS
Stora Hotellet, Fjällbacka	Catrin Karlsson	Sales & Marketing Manager	P	Private	Slott, Hav och Herrgårdar
Icehotel, Jukkasjärvi	Kerstin Nilsson	Owner and Hotel Director	T	Private	N/A

* Lengths of interview and date of interview see bibliography

Observations

An important factor for our study was the first impression of the hotels physical surroundings as we were intending to experience what the customer feels the first time. We understand every customer is unique, and we will not discuss their perspective, but in order to experience the hotel and imagine what a customer might sense, it was essential to meet at the location, and visit the hotel areas. This was a way for us to personally compare the perceived image we got from their website and marketing material with the reality of their

concept. We believe the first physical impression can last forever and makes it into an experience. Many hotels in other markets have made impressions that influence our understanding of the subject. Visiting their websites or reading about them is a way of observing and interacting with their concept, and we will use the information for the discussions during the interview.

3.2.3 Data Analysis

In order to analyze the data of our investigation we chose to use an interview guide (see appendix part 1 and 2) based on the problem analysis and the theories researched to support our investigation. Before the interview we informed the respondents that everything they said would be recorded and could be used in our investigation. They had the choice to decide what information was confidential and we encountered no problem whatsoever to use all of their comments. We also gave them the choice of the dates for the interviews, as we understand they have a hectic schedule. We believe this gave them the control to decide when to discuss their unique hotel product. We noticed that during the phone interviews the possibility of misinterpreting what the respondent states is higher; we therefore offered to send by e-mail all our written information about their hotel. It seems to us that the respondents felt trust in the purpose of the study, and believed we would be honest in expressing their thoughts. After each interview we listened to the recorded tapes and took notes to make sure all information was well documented. On some occasions we had to contact the respondents to clarify their answers and make sure what they stated was relevant and accurate.

3.2.4 Secondary Data

Most of our research has been conducted using secondary data in order to understand and try to explain the structural change the hotel industry is

experiencing in many parts of the world. Unique concept hotels are everywhere, and we have taken examples and information from many sources discussing the different classifications these hotels fall into in order to differentiate from what is known as a traditional hotel. Sweden is a very small market in comparison with other countries much more experienced in developing these types of hotels. We have also collected data from secondary external sources books, magazines, articles, websites, and academic journals to explain and gather enough information to give a broad perspective introducing the theories and the subject. We have used well known theories of differentiation as they apply very well to our subject, and other theories of postmodernism which we plan to combine with the era the customer is in today, and the hotel product they expect to get. Other theories of servicescape and the experience of the physical surroundings and how they influence the interaction between the personnel, customers, and the physical surroundings are also used as secondary data. Therefore we assume that the secondary data is the support of our study enabling us to apply and analyse the results.

3.3 Validity and Reliability

Data validation is the process of determining, to the largest possible extent, if surveys, interviews or observations were conducted correctly and are free of fraud or bias (Hair et al, 2003, p.492). The information from the in-person interviews has been recorded to make sure we express the same meaning in writing as what the respondent meant during the interview. We understand the answers are based on their personal perception of the subject. We aim to gather their motives, ideals, meanings and feelings of what we have presented as our aim for the thesis. It is important to state that we are not trying to create, analyse or conclude a prototype of a unique concept hotel. Our interest with the information gathered from the interviews is to apply the theories used in our

theoretical framework which we believe are relevant to the beliefs and acts of the hotels, and to explain and discuss how they can differentiate themselves. The validity of our information from these in-person and telephone interviews is reliable and reflects their image, concept and meaning.

We started the interviews by introducing ourselves and explaining our interest in the subject as regards the purpose and aim of our investigation. Then the respondents introduced themselves by giving a broad description of the concept of the hotel and its history since the concept development. Most of the respondents are general managers, but some have positions such as “music manager” and “guest experience manager”. The interviewed managers are well aware of the marketing activities of the hotel, and the development of their uniqueness within the concept of the hotel. We decided to interview only the managers since our aim is focused on the management perspective. We understand they have the capability of describing their hotels and explain how they aim to differentiate themselves from others. The reliability of our investigation is based only on these respondents knowledge of their hotel concept, the times we are in and the reflection of today’s hotel industry.

4 Theoretical Framework

4.1 Unique Concept Hotels

The hospitality industry has a large variety of hotels where most of them have different definitions and descriptions of their image. We would like to present some definitions of different unique concepts within the hotel industry. Suguaw and Enz (1999) state that there is an increasing number of hotels using residential or home-like design to accomplish that task. Then we ask ourselves: what is home-like? Do we all have the same home? Or as the photographer and writer Ypma, 2000 states in his book; “Hip hotels – Escape”: *“there is a need to escape to get away from it all, the necessary flip side of modern existence”*. These are some of the reasons why we believe there is a need of unique concepts within the hospitality industry, and also why there are so many definitions and descriptions. The most important factor is not which concept the hotel has but the uniqueness that gives the customer a memorable stay. Experiences that create a memorable stay can ensure the guests will spend more time in the hotel and frequent it more often (Pine and Gilmore, 2002). Brown (2002) argues that hotels need to develop a strong brand to create a loyal customer, because in the end the winning brand is the one the customers prefer. Different unique concept hotels can be divided into specific groups. There is a thin line between these groups, and the difference is sometimes hard to distinguish. A themed hotel can be designed as well, just as a designed hotel can be a lifestyle hotel. Below we will discuss some definitions of unique concepts within the hotel industry.

Below we have gathered a list of variables which we believe are differentiation variables of a unique concept hotel. We have decided to look into only these variables in order to measure the most important characteristics of each hotel. We base the variables on secondary data found on websites and theories of how

a hotel characterizes its amenities and type or style. The data for each hotel is in accordance with how they express themselves on their websites and in brochures.

Table 2: Differentiation Variables of Unique Concept Hotels

<i>Hotel</i>	<i>Location</i>	<i>Size</i>	<i>Concept</i>	<i>Atmosphere</i>	<i>Hi-tech</i>	<i>Entertainment</i>
<i>Elite Plaza Hotel, Gbg</i>	City Centre	143 rooms	Business oriented	Personal and comfortable atmosphere	Yes	Restaurant, Bar, Wine cellar, Conference /meetings
<i>Nordic Light Hotel, Sthlm</i>	City Centre	175 rooms	Exceptional visual experience	Unique interactive work of art with lights	Yes	Restaurant, wine cellar, Light bed experience, Light Bar experience
<i>Stora Hotellet, Fjällbacka</i>	West coast of Sweden	23 rooms	Around the world in 23 rooms	Personnel, unique design.	No	Restaurant, bar, Wine cellar, Conference /meetings
<i>Icehotel, Jukkasjärvi</i>	North of Sweden	66 rooms made of ice	Everything made out of ice and snow	“cool” design	Yes	Icebar, theatre, ice-restaurant and ice/snow events
<i>Lydmar Hotel, Sthlm</i>	City Centre	62 rooms	Music & Art	Creative ambience in lobby & restaurants	Yes	Bar & restaurants mixed in the lobby & Art exhibitions all around
<i>Hasseludden K&Y, Sthlm</i>	Saltsjö-Boo, 20 min from city centre	163 rooms	Japanese spa and Conference centre	Peaceful and Asian	Yes	Different Japanese restaurants, meditation, spa treatments
<i>Park Inn, Värnamo</i>	City Centre	120 rooms	Easy to use and affordable	Fresh and energetic	Yes	Restaurant, conference, relaxation-sauna
<i>Hotel J, Sthlm</i>	NackaStrand, 15 min. from city centre	45 rooms	Marine style, New England, US	Lobby – living room feeling	No	Restaurant conference/meetings

Source: Hotels homepage websites (2004-10-18)

4.2 Descriptions of Hotel Concepts

4.2.1 Themed Hotels

According to Pine and Gilmore (2002) a theme for a hotel is an underlying concept, which turns a service into an experience. The most well known themed hotels are the Walt Disney Hotels and Resorts. They use a theme, which automatically turns into an experience. Other hotels with a theme here in Sweden are: The Icehotel, Jukkasjärvi or Stora Hotellet, Fjällbacka. The Icehotel is “*the world’s largest igloo*” according to their brochure. The pillars, bed frames, church pews, cinema seats, glasses and more are made of ice. (Hip Hotels – Escape). The theme of Stora Hotellet, Fjällbacka as we mentioned earlier is based on the captain of a ship and the 23 rooms are themed and named after his favourite ports, explorations and girls. This hotel theme is based on storytelling. According to Bower, et al. (2002) themed hotels are the fastest growing trend in the hotel industry. They continue to say there is a whole market segment of travellers who are no longer just looking for a place to plug in their laptop, they also want a hotel where they can experience interesting things.

4.2.2 Design Hotels

According to Clause Sedlinger (2003), CEO and president for design hotelsTM – an international consortium with only designed hotels, today’s customers are searching for personal answers, pure beauty, miracles and secrets. The customers are looking for an escape into the other spheres of perception. Helen Pippins (2003) who works for the same company states that in the nineties the customers found themselves in a time of minimalist modernism at every swanky address. Quality became more and more important, and the price tag became an expected part of the hotel. Today’s customers according to Pippins

(2003) live in an inherent desire to escape from the optimized normality of their daily life; hotels are not homes from home, but pre-conceived pleasures. The hotels are creating a lifestyle brand and meeting like-minded people.

The design hotelsTM made some interviews with some of the hotel owners and general managers of their organisation. Nicholas Rettie, GM for the Great Eastern Hotels states that it seems as if there is less interest in the major branded hotels. He also believes this is the future, and main changes will be to bring high-tech and high-touch aspects of hospitality together. They combine technology with the personality and the human element. The owner of the Artus Hotel, Laurence Raymond, believes the changes happening in the industry over the last ten years are the individuality within hotels, instead of hotel chains or family concerns. In today's market there is more fashion and character involved, which brings more spirit. Another trend that Rafael Isun (VP marketing and sales, Hotel Claris) argues is that hoteliers today listen to their costumers and not just expect them to adapt to the industry (design hotelsTM, 2003). According to the Overlook Hospitality Management (2001), design hotels are different; they are all unique; they send a clear message of individuality which will attract a certain type of customer who is more interested in what the hotel says about him, than what it does for him.

4.2.3 Boutique Hotels

According to the study made by PriceWaterHouseCoopers, PWC (2003), boutique hotels form a niche of their own in the luxury/first-class hotel segment without hotel chain affiliations. These hotels have unique identities and highly modern characters, with an average of 86 rooms per hotel. The rooms combine contemporary design with high-tech solutions and their most striking feature is the unique level of service and the genuinely personal customer/guest relations. Examples of well-known boutique hotels include the Sanderson Hotel, NY

influenced by Philip Starck, and One Aldwych, London. Altogether there are no more than 100 boutique hotels in Europe, while 87 new ones, the equivalent of 7,000 hotel rooms, are currently being planned. This represents an increase of 87 per cent in 2002; according to a study by PWC (2003).

As said by Steve Rubell of Studio 54 in The New York Times (1984) when describing the design of their new boutique hotel, Morgan's Hotel, New York, "*we tried to build it like a home*", it is personal, the ambiance has a sense of style and makes you feel special and unique, and it offers all the amenities an individual wants. The concept is different from traditional commercial hotels, boutique hotels offer an experience of personal touch, and they are known to possess very high service quality standards.

4.2.4 Lifestyle Hotels

We have found many definitions of the word lifestyle, and lifestyle hotels. According to the Overlook Hospitality Management (2002) lifestyle hotels are designed to fill the emotional needs of the guest, they also share the common themes of independence and individuality and are also called 'design' hotels and 'boutique' hotels.

The largest hotel chain in the world with over 3,500 hotels all around the world, the Intercontinental Hotel Group, IHG (2004) launched a new brand this year called Hotel Indigo, which is their lifestyle brand. The IHG defines a lifestyle hotel as a new lodging alternative for the traveller seeking a hotel experience, not just a room. A hotel where the hotel chain sees the hotel experience from the view of the customer, and the customer's stay reflects who they are and/or who they identify themselves with.

"You are where you sleep" (Ian Schrager quoted by Overlook Hospitality Management, 2001)

From the industry point of view, ‘lifestyle’ hotels are different from traditional hotels. The traditional hotel brand is based on familiarity and service quality with slogans such as, “*wherever you wake up in the world the room will look the same*” (Johansen, 2004). As mentioned earlier, a hotel that is designed, is trying to send out a message of individuality to a certain type of customer, who is more interested in what the hotel says about him/her, than what it does for him/her (Overlook Hospitality Management, 2001). “*To offer a personalized experience at a lower price is the key to this market*” (Conley Chip, PWC 2003). For some people, lifestyle hotels allow you to experience a different lifestyle from your own. It is the brand that sets the expectation of a certain experience and it is up to the design to deliver the experience. (Clodagh, Overlook, 2002)

A lifestyle hotel is small, fashionable and stylish, and offers excellent value for money (PWC, 2003).

Klein (2002) stated that if there is anything to learn from the 90s, then it is that “*a hotel is more than the sum of its design features, and that design alone can not make a hotel succeed*”. Klein continues to separate the different categories of design: He argues that “trendy” is a term not to aspire to, since every trend has a short-term life span. He points out that Ian Schrager did two things, which made his hotels popular, first he did not neglect the basic element like service and guest relations, and the kind of design he chose was a “fashionable” design. Lifestyle hotels is a concept developed by marketers in the hotel industry after the revolution of what is known as ‘boutique hotels’ started by Ian Schrager and Steve Rubell in the early 1980’s with the opening of their first hotel, Morgan’s in New York (PWC, 2003). The hotel created a boom of interest from consumers and also other hoteliers. Mrs. Putman, the Parisian interior designer for Morgan’s in New York stated in the New York Times

(1984), *“The idea was to be unpretentious and discreet and to look like anything except a commercial hotel room”*.

4.2.5 Co-Branded Hotels

A new trend in the hotel industry is the co-branded hotels or cross-branded hotels. These are hotels that are attached to another brand. We have seen a trend in the hotel industry to co-brand with a fashion product. One of the first fashion-branded hotels in the world is the Palazzo Versace hotel, Gold Coast, Australia. According to USATODAY the well known fashion brand Bulgari has opened a number of hotels in cooperation with the luxury hotel chain Ritz-Carlton. The Bulgari and Ritz-Carlton partnership is structured so that Bulgari provides the name, chooses the location, the architect and the décor and Ritz-Carlton takes care of construction and management of the hotels (USATODAY, 2004). According to the same article in USATODAY another trend with exclusive designers is to design the guest-rooms, the lobby or the uniforms for the staff. Examples of fashion designers are Armani and Ralph Lauren. According to USATODAY, James Fallon, editor of fashion bible Women's Wear Daily believes travellers want to *“buy into a certain lifestyle”*. The fashion brand Diesel designed their first hotel in 1994, the Pelican hotel in Miami Beach, USA. Each room has its own unique design and concept (www.pelicanhotel.com). Weissmann argues in his article that *“There is a trend of converting product buyers into lifestyle consumers”*. Other brands such as ‘Courvoisier’ also owner of ‘Malibu coconut rum’ have ideas about a holiday resort called Malibu which will fit well into the company’s goals (Weissmann, A., 2004).

4.2.6 Service Quality Hotels

To define a traditional service quality hotel is to describe everything that a unique hotel is not, but is expected to have. *“Wherever you wake up in the world the room will look the same”*, (Johansen, 2004). The website for the Malmö Hilton Hotel states: *“Our rooms are spacious and comfortable, so that you can enjoy the fantastic view over Malmö and that special Hilton feeling - your home away from home. You will find that all rooms are elegant and furnished to an exceptionally high standard. All business rooms have air conditioning, a minibar, a work desk, an internet connection, coffee and tea facilities, and an ultra-soft bathrobe, and — for extra stylishness — an orchid”*

The Scandic hotels have what we call a very traditional description of their hotels: *“we have a room for every guest and can cater for each interest”*. Their website is all about the comfort, the location, the facilities, and how to earn the points and miles. In most hotels which focus on service quality, the customers have a wide variety of unique services such as pillow menus, your own favourite scent and high class bathroom amenities, as found within all Four Seasons Hotels around the world and others such as Melia Hotels.

4.3 Differentiation of Unique Concept Hotels

Carpenter, Glazer & Nakamoto (1994) argue that product differentiation is a classic marketing strategy. Porter (1985) argues that differentiation strategies are when a company seeks to be unique in its industry along with some of the dimensions that are of importance to the costumers. The company chooses the attributes that are perceived as important and unique. Porter also continues to state that each industry’s differentiation is unique. The differentiations can be based on a wide range of other factors; the product itself, the delivery system by which it is sold or the marketing approach. Since multiple factors of a product and a service are involved in the hotel industry, it can make the

differentiation of products more complex. If a company can achieve and sustain the differentiation they are an above-average performer in the industry. Porter (1985) continues to state that when the company's price premium exceeds the extra cost incurred they will become unique. Hence, differentiators can always seek ways to differentiate themselves. One way can be to have a price premium which is greater than the cost differentiation. Porter continues to state that one of the most logic differentiating strategies is to choose attributes that are different from those of the rivals.

“A firm differentiates itself from its competitors if it can be unique at something that is valuable to the buyer” (Porter, 1985 p. 119).

We understand the hotel industry to be a competitive industry and it is therefore important to differentiate the products. According to Kotler (1997) product differentiation is the key to a competitive advantage. A way to stick out and (be unique is essential to be profitable in relation to the competitors. The same author continues to state that a company needs to try to identify specific ways to differentiate itself or its products to obtain a competitive advantage.

“Differentiation is the act of designing a set of meaningful differences to distinguish the company's offering from competitors' offerings” Kotler (1997, p. 282).

Kotler (1997) goes on to state how products in most industries look the same, but buyers respond differently when buying them. It is all about how the customers respond to the brand, the image. The importance is to distinguish between the identity and the image of the products. He continues to define the *identity* as the way a company aims to identify itself or positions its products; compared to the *image* which is the way the public perceives the company or its products. Design and style are important differentiating factors to set off one company from another (Kotler, 1991). To be a competitive company it is

important to have a brand or a product offering things which are different from the competitors'. According to Kotler (1997) new products can convert an undifferentiated product into a differentiated offering. This can be a way for unique concept hotels to position their product on the market. The unique concept hotels are offering the same products as other hotels; the only difference is that their product is unique, exceptional from other products in the same industry. Each differentiation will most certainly bring additional costs to the product, but also adds value that benefits the customer. Therefore, it is really important for a hotel to carefully select the ways it will differentiate itself from others to gain as much profit as possible. Kotler (1997) argues that there are certain criteria to follow when differentiating products from others; hence, many companies will fail if they do not follow the criteria when introducing their product differentiations on the market. These criteria are:

Table 3: Kotler Criteria to differentiate products (Kotler, 1997)

Criteria	Definitions
Important	The difference delivers a highly valued benefit to a sufficient number of buyers
Distinctive	The difference either isn't offered to others or in a more distinctive way by the company
Superior	The difference is superior to other ways of obtaining the same benefits
Communicable	The difference is communicable and visible to others
Pre-emptive	The difference cannot be easily copied by competitors
Affordable	The buyer can afford to pay for the difference
Profitable	The company will find it profitable to introduce the difference

4.3.1 Competitive Advantage

Porter, 1985 stated in Power, (1997) argues that in order to create sustainable competitive advantages there are a number of different strategies that can be used. Porter continues to argue that "*differentiating the product or service*

offering of the firm, creating something that is perceived industry wide as being unique”(stated in Power, 1997 p.135). Carpenter, Glazer and Nakamoto (1994) argue in their article how differentiation on an irrelevant attribute, a meaningless differentiation can create a valued difference between brands. They believe the irrelevant attribute to one brand changes the structure of the decisions made by the customers, especially if the differentiating attribute is difficult to evaluate. There are many brands, which are successfully differentiated by an attribute that appears valuable but, on closer examination, is irrelevant to creating the implied benefit. But even if the attributes are irrelevant, the costumers still appreciate them. An experiment made by Carpenter, Glazer and Nakamoto (1994) shows surprisingly that an increase in price for a differentiated product can increase the preference for the brand. *“The uniqueness of an irrelevant attribute can lead to a positive valuation of the differentiated brand”* (Carpenter, Glazer and Nakamoto, 1994 P: 341)

Kahnemann 1973; Wyer 1970, Wyer & Carlston 1979 (stated in Carpenter, Glazer and Nakamoto, 1994) state that novelty by differentiation is more favourably evaluated than the non-differentiated products, and the irrelevant attributes are more likely to be more silent in inter-brand comparisons because the product is unique. The competition between the brands and the differentiation of the brands do not need to become a race to meet the needs at the lowest price, instead it can become an action over the structure of consumers’ preference. Carpenter, Glazer and Nakamoto (1994) continue to say that the attribute’s only purpose is to make the brand unique. But they also declare the competitive advantage created through meaningless differentiation may not be sustainable, because of the competitive reactions.

Kotler (1997) argues that companies can gain a strong competitive advantage by hiring and training their employees better than what their competitors do.

The better-trained personnel will, according to Kotler (1997) exhibit six characteristics:

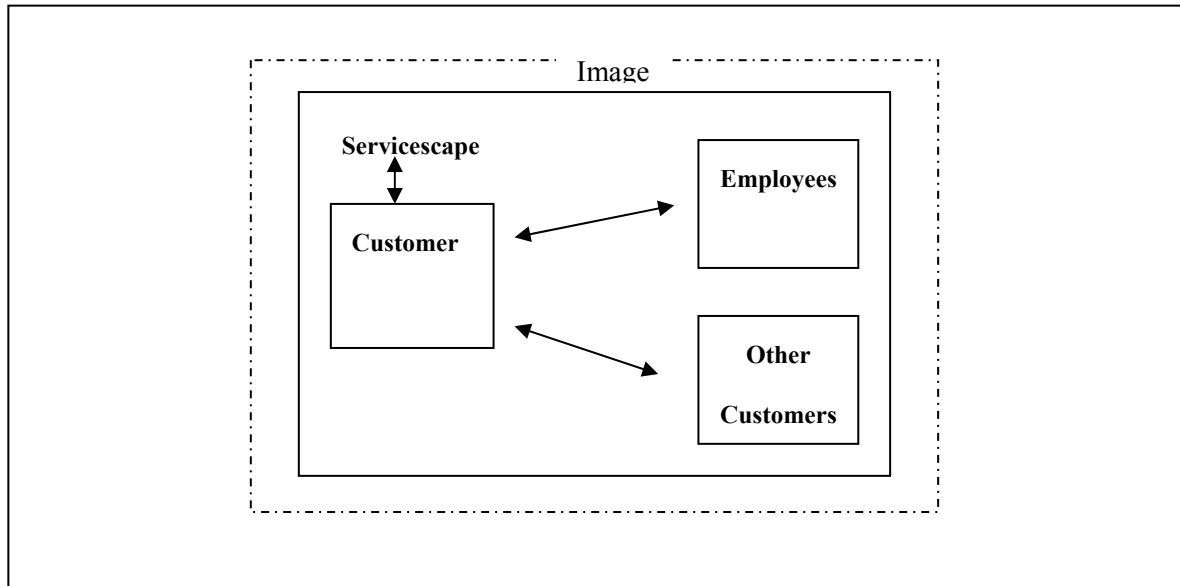
Table 4: Kotler characteristics for personnel (Kotler, 1997)

Characteristics	Definitions
Competence	The employees possess the required skill and knowledge
Courtesy	The employees are friendly, respectful and considerate
Credibility	The employees are trustworthy
Reliability	The employees perform the service consistently and accurately
Responsiveness	The employees respond quickly to customers requests and problems
Communication	The employees make an effort to understand the customer and communicate clearly

Kotler also discusses how many companies and industries, which have a reputation regarding their product or service, differentiate themselves compared to others. Kotler (1991) gives examples like Singapore Airlines as a company with an excellent reputation because of the beauty and grace of their cabin crew or the Disney crew as friendly and upbeat. We believe the hotel industry has a reputation of being service-minded and helpful, but the hotel itself should also be clean, tidy and up to date. In the service industry the personnel need to be competent and to have the required skills and knowledge (Kotler, 1991).

4.4 Interactions in the Servicescape Affecting the Customer Experience

Figure 1: Servicescape Model



Source: Mossberg (2003) an overall picture of the factors that influence different types of experiences between customers, employees, other customers within the image of the Servicescape.

In 2003 Mossberg developed a model explaining the different interactions within the customer's experience. The framework of this model is built upon the customer's interactions with the servicescape (physical surroundings), the employees and the other customers. The servicescape relates to the customer's interaction with other customers, and employees within the physical surroundings, where the experience is performed. The employees interact with the customers in the servicescape (physical surroundings), and the other customers interact with the customer in the same servicescape. The starting point of the Mossberg model is the experience, the interaction between the customer and the employees in the servicescape, and the different parts, which affect the customer's emotions, absorption and control. Instead of seeing the role of the customer as passive the customer is here seen as active, as a co-

producer. The employees in the Mossberg model have a large impact on the service quality. If the customer enjoys the product or the service, it can lead to a longer stay in the servicescape, which in many cases can lead to a higher grade of consumption. According to Mossberg all experiences have different length periods, which reflect the trends of time and dictate the length of life of the service or product.

The Mossberg model discusses the service meeting as the meeting between the employees and the customer. It gets the customer involved within the servicescape, and to offer the customers a positive experience, the employees need to improvise and be able to solve problems in order to surprise the customer. When the customer is not aware, or has no control over the situation, the excitement might be both good and bad, but still an experience. In the service meeting both the customer and the employees depend on each other. The behaviour of one party will influence the atmosphere between them, and the behaviour of the employees can even affect the customer's return. During the service meeting it is important the customer feels control over the consumption. For example, at a hotel the customer feels control if he/she can choose between, room type, bed size, floor etc. Getting control, the customer feels more responsible for the result, which is important for the service meeting.

Other customers also play an important role in the servicescape. Mossberg (2003) argues that within the servicescape the other customers can be for better or worse. Many times the customer experiences something together with other customers, and social bonding plays a vital role. The consumption is interplayed between the customer, the other customers, and the employees all in the servicescape. According to many authors including Mossberg, 2003, other customers can both strengthen and reduce the service quality and satisfaction of a product. Martin and Pranter (1989), stated in Mossberg, (2003)

argues that a so-called “compatibility management” is important to create a good mix of customers, to be able to develop good customer relations. According to Oliver (1999), stated in Mossberg, (2003) it is common with “consumption cultures” where customers share the same consumption values and behaviour, which can result in friendship. Mossberg discusses the image of the product or service in her model. The image surrounds the servicescape enclosing all experiences. The line, which illustrates the image, is not continuous; it is a dashed line due to the difference of images consumers share in their subconscious, making the customer uncertain if he/she has the same image as other customers.

The reason why we chose to use the model above is that we can see how in today’s hospitality industry the customer is influenced by different types of experience from interactions between the employees, customers, servicescape and the image of the place. We have looked into theories regarding the servicescape, employees and atmospherics from other researchers such as Bitner, Kotler and Porter that supports what we consider is a way to differentiate a product. According to post-modern theories we have used in our theoretical framework, the customer of today is aware and spoiled with information, experiences and services, which make him/her an active part of the servicescape. All in all we find Mossberg’s model the most accurate way of explaining how hotels differentiate themselves with their unique concept.

4.5 Servicescape within the Hotel Product

4.5.1 The Hotel Product – Typology of Services

According to Bitner 1992, hotels have “interpersonal services” where both customers and employees are present and performing actions within the servicescape. The level of involvement from customers and employees

determines whose needs should be consulted in the design of the environment. Bitner also mentions for these services both organizational and marketing objectives that could potentially be targeted through careful design of the servicescape. Relationship building marketing goals (Crosby *et al*, 1990) could be influenced by the design of the physical setting.

Bitner's framework explores the role and physical environment in service organizations which suggest that a variety of objective environmental factors are perceived by both customers and employees, and both groups may respond cognitively, emotionally and physiologically to the environment.

4.5.2 Atmospherics

Kotler (1973-74) was probably one the first researchers trying to explain the importance of the place, where the product is bought or consumed, and how the atmosphere affects the costumer. The atmosphere is defined by Kotler (1973-74, p. 50) as the *“effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability”*, technically *“the air surrounding a sphere”*. Sometimes the atmosphere can influence the costumer more than the product itself. Kotler goes on to explain how some areas for many years have neglected the atmosphere as a marketing tool. He brings up the example of the businessmen, where the producers for many years thought of just two things, to be practical and functional. Kotler continues to argue that the atmosphere is a *“silent language”* in communication. A case in point is to describe the atmosphere of a restaurant, it can be a *“good”*, a *“busy”* or a *“depressing”* atmosphere. The atmosphere can be used as a marketing tool, especially when the products are aimed at a distinct social class or a life style costumer. Kotler tried to interpret how the atmosphere can influence the behaviour of the costumers. He found three effects that atmosphere can have on the costumers' purchase behaviour.

- *Attention-creating medium* – how the salesperson uses colour, noise and motion to make his products stand out compared to others.
- *Message-creating medium* – how the salesperson expresses his products, his establishment to the potential and actual costumers.
- *Affect-creating medium* – how the colour, sound and texture of the product or establishment affect the purchase in a favourable way.

Kotler (1973-74) concludes that costumers' wants and buying intentions change because of the atmosphere. He gives an example of a shoe retailing statement: "*the atmosphere is designed to give the buyer the feeling of being rich, important, special...*" It is important to take into consideration when to apply these theories and that every market is made up of individuals with a large variety of tastes, whose needs have to be met. (Kotler 1973-74, p. 61) suggests four different sequences of questions to be answered:

- Who is the target audience?
- What is the target audience seeking from the buying experience?
- What atmospheric variables can fortify the beliefs and emotional reactions the buyers are seeking?
- Will the resulting atmosphere compete effectively with competitors' atmospheres?

Many authors have tried to explain the importance of and to classify the surroundings for the customers purchase behaviour. According to Mossberg (2001), Bitner is one of the pioneers to use the concept of Servicescape. Bitner (1992) argues that servicescape is a conceptual framework where both the costumers and the employees in a service organisation are affected by where the service is produced or where it takes place. First, she defines it as a category of service organizations where the important variations in form and

usage of the servicescape are highlighted. Secondly she defines it as a conceptual framework, which is presented to explain the environment-user relationship in service organisations. Mossberg (2001) explains servicescape as the physical surroundings in which the service is produced, delivered and consumed.

Mossberg (2001) argues that a comfortable and attractive atmosphere can lead to higher consumption among customers and a higher satisfaction among employees. It is both exterior factors such as landscape, parking and accessibility as well as interior ones such as design, layout and technical equipment that play a large role in the servicescape.

4.5.3 Impact of Physical Surroundings

“The ability of the physical environment to influence behaviours and to create an image is particularly apparent for service business such as hotels, restaurants, retail stores, banks and hospitals” (Bitner 1992, p.57). Because of this premise the consumer is experiencing the total service within the firm’s physical facility. Rapoport (1982) argues that the physical environment is rich in cues that can be influential in communicating the firm’s image and purpose to its customers, and *“even before purchase, consumers commonly look for cues about the firm’s capabilities and quality”* (Berry and Clark 1986; Shostack 1977; cited in Bitner 1992, p.57). Bitner (1992) shows clearly with a model how physical settings can aid or hinder the accomplishment of both internal organizational goals and external marketing goals.

4.6 Behaviours in the Servicescape

Individual Behaviour

(Mehrabian and Russell (1974) cited in Bitner, 1992) suggest that individuals react to places with two general and opposite forms of behaviour: approach and avoidance. Approach behaviours include all positive ones directed at a particular place such as a desire to stay and explore for customers, or to work and affiliate for employees. Avoidance behaviours reflect the opposite such as a desire not to stay and explore for customers, or to work and affiliate for employees. Therefore each individual comes into a service organization, in our case a hotel, with a goal or purpose aided or hindered by the setting (Bitner, 1992).

Social Interaction

(Bennett and Bennett (1970) cited in Bitner 1992) state that the physical container in which it occurs affects all social interaction. A challenge to design environments in order to enhance individual approach behaviours and encourage appropriate social interaction is that the optimal design for one person may not be the optimal design for another (Baker, Berry and Parasuraman (1988) cited in Bitner 1992). Bitner (1992) concludes that a positive (negative) internal response to the servicescape enhances (detracts from) the quality of social interactions between and among customers and employees. The optimal design to encourage an employee's behaviour may be incompatible with the design required in meeting a customer's needs and facilitating their interaction.

Therefore the first step in the design of the servicescape is to identify desirable customer and employee behaviours and the strategic goals that the organization hopes to advance through its physical facility (Bitner 1992).

4.7 Internal Response to the Servicescape

Environment and Cognition

Particular environmental cues can serve as a shortcut device enabling customers to categorize and distinguish among different types. Because services are intangible (Shostack 1977 cited in Bitner 1992)), and many services are high in experience and credence attributes (Zeithaml (1981) cited in Bitner 1992), they generally afford fewer intrinsic cues. Therefore in such situations consumers and employees use extrinsic cues, such as physical surroundings to infer quality (Zeithaml (1988) cited in Bitner 1992).

Environment and Emotion

Bitner (1992) concludes from theories of other researchers that two dimensions, pleasure and arousal can capture customer and employee emotional responses to the servicescape. Pleasure increases approach behaviours and arousal, except when combined with unpleasantness, also increases approach behaviours. Bitner argues that perceptions of greater personal control in the servicescape increase pleasure and complexity in the servicescape increases emotional arousal, and finally the compatibility (presence of natural elements) in the servicescape enhances pleasure as well.

Environment and Physiology

The perceived servicescape may also affect people in purely physiological ways (Bitner 1992). Colour, thermal conditions, light intensity, sound and odours affect emotional reactions to sensory stimuli (Mehrabian and Russell (1974) cited in Bitner 1992) and can give positive or negative feelings of the belief associated with the organization, its people and its product (service).

Response Moderators

All behavioural relationships regarding the strength and direction of the relation between variables is moderated by personal and situational factors, which are referred to by Bitner (1992) as response moderators. Expectations vary among individuals regarding their past experiences of an environment or similar environments, as well as what they have read or heard about the place.

4.8 The Characteristics of the Post-modern Customers of Today

“Whereas modern marketing is predicated on the development of meaningful generalizations about consumers in the mass (or sizeable segments thereof), postmodernism emphasizes the uniqueness, diversity, plurality and idiosyncrasy of each and every individual” (Brown, 1993, p.26). Brown (1993) also argues postmodernism champions the artistic, with attributes of intuition, creativity, spontaneity, speculation, emotion and involvement. He describes in Table 5 the modern and the post-modern characteristics and dichotomies.

Table 5: Modern and Post-modern Characteristics and Dichotomies.

Modern / Modernity	Post-modern / Post modernity
Order / Control	Disorder / Chaos
Certainty / Determinacy	Ambiguity / Indeterminacy
Fordism / Factory	Post-Fordism / Office
Content / Depth	Style / Surface
Progress / Tomorrow	Static / Today
Homogeneity / Consensus	Heterogeneity / Plurality
Hierarchy / Adulthood	Equality / Youth
Existence / Reality	Performance / Imitation
Deliberate / Outer-directed	Playful / Self-centred
Contemplation / Metaphysics	Participation / Parody
Congruity / Design	Incongruity / Chance

Source: Brown, 1993 p.22 summarizes in his work post-modern preferences compared to modern. He adapts the information from Harvey, 1989 and Bouchet, 1993

“Postmodernism seems likely to make, and by some accounts is already making an impact on contemporary culture, generally, and consumer culture, specifically” (Gitlin 1989; Habermas 1983; Hutcheon 1988; Jameson 1992 cited in Firat and Shultz II 1997, p.183). Firat and Shultz II (1997) stated under the impact of postmodernism on institutions a belief that it will considerably affect the way marketing organizations need to conduct business in the next century. Therefore traditional marketing professionals will need to reconsider markets and strategies used to create competitive advantage and capture market share, post-modern era researchers suggest.

4.8.1 Modern Marketing

Firat and Shultz II (1997) discussed the realization of marketing organizations, and how they actualize economic value through their products. One reason for this is that marketing assumes that the value for the consumer, as materialized in the benefits of the product attributes being offered, is the value, which results in consumer satisfaction. The consumer at the centre of the modernist project is an individual with a mind that can be independent of the natural, sensational (emotional) limitations and weaknesses of the body (Rorty, (1979) cited in Firat and Shultz II, 1997). Consequently as modernists think (improving human lives by controlling nature through scientific technologies), consumers are self-conscious, and committed to a reasoned goal or end. These arguments of authenticity of self-concept, a sense of ones identity and character can and do exist. Firat and Shultz II (1997) describe in the foundation of modern marketing thoughts that the consumer is in search of the satisfaction of clearly identified needs suggesting stability in the consumer’s orientation and behaviour. These make segmentation into relatively homogeneous behaviour/needs of orientation groups (such as VALS types) possible and used in marketing principle theories.

4.8.2 Postmodernism in Marketing

Firat and Shultz II (1997) describe post-modern impacts in marketing as opposed to the knowing subject of modernity. Postmodernism concepts relate to the consumer as the communicating subject, one which actively communicates the social reality she or he prefers to live rather than to passively take over one constructed without his or her participation. Therefore they believe marketing in the post-modern culture has to be open to and tolerant of the non-traditional demands communicated by consumers. *“The deliberate practice of the market, marketing, then becomes the culture of contemporary life. For consumers to fulfil their desires, marketing organizations will need to empower the consumer to become marketers of self images of themselves”* (Firat and Shultz II 1997, p.194). *“In an environment where there is increasingly less commitment to anything, but only a momentary attachment, so long as the image is represented seductively –a continual reproduction, reformulation, repositioning and regeneration of images is necessitated”* (Firat and Shultz 1997, p.195). Therefore, successful markets provide consumers with products which help project their self-images. The experienced consumers experiment with their self-images in the successful market environment is what postmodernism considers a prototype of a post-modern space. Such an example is Las Vegas, Nevada, USA. A new all-American city constructed to be a city of themes in which the hotels play a big role with examples such as Ancient Egypt (Luxor Hotel), Roman Empire (Cesar’s palace Hotel), or pirate land (Treasure Island Hotel).

Table 6 displays a framework to discuss the meanings and domains of postmodernist discourse and culture developed by (Firat and Venkatesh (1993) with extensions offered by van Raaij (1993) and Brown (1993a, 1993b),

discussed in Firat and Shultz II, 1997). This framework distinguishes the connections and mutual influence between postmodernism and marketing.

Table 6: Brief Description of Post-modern Conditions

Post-modern conditions	Brief descriptions	Scholars
Openness / tolerance	Acceptance of difference (different styles, ways of being and living) without prejudice or evaluation of superiority and inferiority.	Van Raaij ,1993
Hyperreality	Constitution of social reality through hype or simulation that is powerfully signified and represented.	Firat and Venkatesh ,1993
Perpetual present	Cultural propensity to experience everything (including the past and future) in the present, “here and now”.	Brown, 1993
Paradoxical juxtapositions	Cultural propensity to juxtapose anything with anything else, including oppositional, contradictory and essentially unrelated elements.	Firat and Venkatesh, 1993
Fragmentation	Omnipresence of disjointed and disconnected moments and experiences in life and sense of self- and the growing acceptance of the dynamism which leads to the fragmentation in markets.	Firat and Venkatesh, 1993
Loss of commitment	Growing cultural unwillingness to commit to any single idea, project or grand design.	Firat and Venkatesh, 1993
Decentring of the subject	Removal of the human being from the central importance she or he held in modern culture, and the increasing acceptance of the potential to objectify.	Firat and Venkatesh, 1993
Reversal of consumption and production	Cultural acknowledgement that value is created not in production but in consumption – and the subsequent growth of attention and importance given to consumption.	Firat and Venkatesh ,1993
Emphasis on form / style	Growing influence of form and style (as opposed to content) in determining meaning and life.	Brown,1993b
Acceptance of disorder/ chaos	Cultural acknowledgement that order rather than crisis and disequilibria are the common states of existence – and the subsequent acceptance and appreciation of this	Brown,1993a

Source: Adapted from Firat and Shultz II, (1997), pp.185-186.

4.8.3 Description of Post Modern Conditions by Their Scholars

Openness /tolerance

As described by Van Raaij (1993) cited in Firat and Shultz II, 1997, postmodernism is tolerant and open to all narratives, even including the modernist ones, as long as its own narratives are also tolerated. Since all social experience is founded on a storyline constructed by a social group about life, its conditions and requirements (their community and beliefs) transformed into the social reality it experiences, no narrative ought to have a privileged status, Firat and Shultz II (1997).

Hyper reality and perpetual present

According to Baudrillard 1983; Eco 1986; Postman 1985; cited in Firat and Shultz 1997) the most modern societies of the world seem to have eroded from the tendency of modernity into an increasing tendency and willingness on the part of the members of society to seek the “simulated reality” rather than an existing imposing reality. Thematization appears to be well integrated into work areas, park areas and wharf areas, etc. In this sense markets are reconstructed by thematizing marketers in conjunction with the consumers who seek the simulated experiences that enhance and re-enchant their present encounters within life (Firat and Shultz 1997). Therefore according to Brown (1993) cited in Firat and Shultz II, 1997; the post-modern consumer wants to experience the diversity of many themes, past and future, and not stay fixed in any single one. As an example Firat and Shultz II (1997), state the interest that consumers display for the IMAX Theatre at the Grand Canyon, Colorado, where they can really experience the place in all its grandeur without the trekking, the heat, the cold and the possibility of missing sights, which shows how consumers look for sensational experiences without the dangers involved.

Fragmentation and loss of commitment

“Postmodernism calls for fragmentation as a tolerance towards different ways of being, life styles and realities, and even encourages experiencing different ways of being instead of committing to a single one. Fragmentation seems to be omnipresent in the everyday lives of modern consumers, they dominate the media, the most important and universal mode of exposure to our universe in contemporary society” (Firat and Shultz II 1997, p.190). As an example Firat and Shultz II use a very well known brand, the *“Just do it”* from Nike advertisements, whose purpose is to leave a consumer not with a centred idea but with an overall image not linked to the fragmented images in the collage, but triggered by their impact on the senses.

Lacayo (1994) and Tully (1994) cited in Firat and Shultz II (1997) believes the market is constituted of individual consumers who express preferences for different styles simultaneously. In effect, as Cova (1995), cited in Cova (1997) states, the market may be constituted of tribes allowing greater freedom of movement within and among them than did any class, sub-culture or segment.

Paradoxical juxtapositions

Other sets of fragmentation such as the signifier from the signified, the object from the function, and the product from the need are reinforced by postmodernism. Firat and Shultz (1997) agree that as part of the post-modern analysis, the consumer acquires the product for the image that it represents, and this image is only partially, if at all, constructed on the basis of a functional need. Therefore single products can represent multiple images, as expressed by culture or by the marketing effort.

Not centred, consumption / production reversal

Kellner (1989) cited in Firat and Shultz II (1997) says that to seek a central, unified meaning and purpose for life are narratives of the modernist

imagination. *“On the contrary, post-modern consumers are said to be transcending these narratives, no longer seeking centred, unified characters, but increasingly seeking to feel good in separate, different moments by acquiring self-images that make them marketable, likeable, and desirable in each situation or moment”* (Firat and Shultz II 1997, p.193). Brown (1995) cited in Elliott (1997), describes the post-modern consumer as filled with emotion-laden experiences – irrational, incoherent and driven by unconscious desires: constrained by the market economy yet obtaining limited freedom through existential consumption and symbolic creativity. Lacan 1977, cited in Elliott (1997), explains desires as existing in the gap between language and the unconscious. *“Desire does not desire satisfaction. To the contrary desire desires desire. Hence, the reason images are so desirable is that they never satisfy”* (Taylor and Saarinen 1994 cited, in Elliott 1997, p. 288).

Emphasis on form/style

“The communicating post-modern consumers and the marketers rely on the form and style of their communicative messages to address and represent their content. Form becomes content in remaining the only way to represent it.” (Ewen (1988) cited in Firat and Shultz II 1997, p.194). Elliott (1993) cited in Firat and Shultz II (1997); explains how the markets can become image rather than brand markets, remaining loyal to brand names as long as they maintain fresh and up to date images. By this effect the markets are fluid, ready to switch and re-switch and try several images, brands and products. Firat and Shultz II (1997, pp.194) argue this is a senseless “try anything” movement where the image must be right – it must be the image thought – whether in terms of quality and value, or expressing the consumers own momentary image.

Acceptance of disorder / chaos

Firat and Shultz II (1997) argue that the ability to move from fragmented moments and experiences makes the contemporary consumer able to understand that no single order is present or necessary. The post-modern sensibility agrees that chaos and disorder are not to be feared but to be critically played with. Therefore it seems as if consumers have lost their trust in the industrial technological order which promised a brighter and improved future but largely failed to provide it for large majorities of the world's population. Hence, *“marketing strategies that will provide the possibilities for critical play with chaos and disorder will empower the contemporary consumers, give them greater control over the order they wish to see in their lives, and bring success to the marketing organization”*(Firat and Shultz II, 1997, p.195).

4.9 Post-modern Customer's Interaction with Others

4.9.1 Consumer Confusion in Consumption

Post-modern individualism according to Lipovetsky, 1983 cited in Cova, (1997) appears to be a powerful explanatory factor for the confused state of consumption. Cova also believes the consumer is unreliable, making it impossible to pin down his/her behaviour, upsetting all modern reference systems which have organized individuals into categories. The individual has never been as free in his or her private and public choices as today and never so alone and cut off from the spirit of community. Post modernity can therefore be understood as a period of severe social dissolution and extreme individualism. But according to sociological currents (Bauman 1992, Maffesoli 1988, 1990, 1992, 1993, cited in Cova 1997, p.300), *“Post modernity is not the triumph of individualism but also the beginning of its end with the emergence of a reverse movement of a desperate search for the social link”*. Cova (1997) argues post-

modern society, unlike modern – is conceived as a collection of social groups that look like a network of smaller groups in which individuals share a strong emotional link, a common sub-culture, a vision of life. This concept views the customer as an individual belonging to different groups with shared emotions, consumption practices, styles of life, senses of injustice, for example: (ballet dancers, musicians, Rasta's, style conscious youth, athletes, skinheads) in which he or she plays different roles, wearing different masks for each role. Cova continues to say that the fact of belonging to these tribes has become more important than belonging to modern social classes; making the attempt at classification impossible.

We believe the post-modern consumer adopts several different lifestyles in a day. The reason for this according to Cova (1997) is that the possibility for free choice is available, and the essential quality of products and services is the zero defects whose main virtue is to serve and satisfy the slightest needs in a personalized fashion. In fact the post-modern person's leitmotiv is: "*It is as I wish and when I wish*" (Cova 1997, p.304).

4.9.2 The Linking Value in Service Products

McCracken (1988) cited in Cova (1997) states that it is not the producer who declares that their product has a linking value; it is the person who uses it who gives it the meaning. Cova discusses how Bitner (1992) describes services marketing as the way of providing an ideal context for the concept of linking value, in which service places design oriented towards the fully maximization of space for the satisfaction of one user. Then Goodwin (1994) cited in Cova (1997) brings the post-modern perspective to service places as assuming the role of social support or communality (as was traditionally provided by pubs, the town square, the wash house) they would be perceived as favourite places of urban tribes becoming linking places. Today we can see examples in

shopping malls when teenagers use the place as a hangout area to connect and link with each other. As an example Cova (1997) uses the case of some hotel chains which are moving in this direction as they realize post-modern individuals are not seeking to remain cloistered in their rooms, instead they want to connect with an open, friendly atmosphere where new acquaintances can be made, (as for example see the Campanile chain in France).

Cova (1995) cited in Cova 1997, p.307 brings up the phrase “*the link is more important than the thing*” In other words, the post-modern individual values the social aspects of life at the cost of consumption and the use of goods and services. Those goods and services valued are mainly those which through their linking value support social interaction of the communal type. Aubert-Gamet and Cova (1999) discuss the physical environment or servicescape as being able to influence consumer behaviour and act as a facilitator factor to encourage ways to social interaction among customers in order to bring a linking value.

4.9.3 Post-modern Common Places

Gummeson (1993) cited in Aubert-Gamet and Cova (1999), argues that the physical environment as a whole is considered an instrument in customers’ assessment of the quality and level of service they can expect. Therefore we believe in the importance of the image, concept and uniqueness the hotel represents in order for it to be perceived as intended. Aubert-Gamet and Cova (1999) describe a non-place as those big hotel chains with identical rooms or supermarket chains all looking the same. In modern non-places, the individual finds neither the landmarks for a lost identity nor the conditions of an interaction or a dialogue with others, people are not necessarily unhappy but they are alone. On the other hand, they discuss how common places are making a comeback into postmodernism. In relation to the servicescape, managers

should think differently and work towards a linking value for the customer within the layout or physical evidence of the service sites. Aubert-Gamet and Cova express that the linking function of service places returns us to the historic importance of the marketplace as a meeting place, a site of communication and social exchange. They continue to argue that strategies for success in post modernity are more and more based on the communal quality of the service. We understand hotels are an excellent example of these common places, which aim to gather a group of people interested in their product, and within the servicescape can find the attributes expected through the message, and uniqueness they represent.

“It is necessary to break with standardized service for the customer - The best surprise is no surprise”, Aubert-Gamet and Cova (1999), p.42. This is a phrase used in many contexts which also fits into the meaning that delivering clear messages brings positive expectations.

4.10 Uniqueness Differentiates Hotels via Experiences

Pine and Gilmore (2002) use the hotel product to point out how themes can enhance an experience, and hence, increase memorability, which can be translated into, repeat business and better business. They argue that using a theme within a hotel automatically turns the service into an experience, plus being a good way of differentiating the product from such a commoditized industry. For example the type of hotels we will discuss from the Swedish market, all have a concept, which makes them unique. Some use design and style while others stick to a theme all around the hotel product. We believe that by the premise of Pine and Gilmore, these hotels have a certain quality above the ordinary, which makes them stand out and compete with stronger brands and known hotel chains. *“A critical component of any successful hotel company’s core capability is to have an Innovative experience design”* Pine

and Gilmore (2002). It goes hand in hand with the concept that pricing an experience is a fundamental value for the hospitality industry. They continue to discuss how a customer expects to pay for a special experience and even more if they deem it worthwhile to do so. As an example The Burj Al Arab in Dubai, the world's tallest hotel shaped like a gigantic sail, charges visitors not staying at the hotel about US\$27 to go across its private bridge into the Arabian Gulf that houses the hotel. Pine and Gilmore (2002) also believe that to use a theme in this manner provides a direct means for hotels to upgrade their offerings from ordinary services to extraordinary experiences, and *“those who seek to go beyond mere service excellence and work towards stating new experiences will take the lead in creating new value in the hospitality industry”* (p. 89).

5 Results and Analysis

After investigating how unique concept hotels differentiate themselves and keep their uniqueness we found it a difficult task to generalize answers. We understand how different people have different perspectives of the concept of their hotel. Our respondents gave us their own personal view according to their knowledge and experiences. The headings below will discuss each respondent's response to the interview questions and our analysis regarding their answers.

5.1 Management Perspective of a Unique Concept Hotel

These types of hotels as we describe them have something more special than just the name, brand or chain they belong to. Their differentiator is an extra characteristic unique to the market area they compete in, or a way of portraying the owner's style and image. One of the hotels we looked into is the Lydmar Hotel. This is a hotel known for its uniqueness and profile as a music and art hotel. When we inquired about the importance of the hotel concept the Music Manager, Ingmari Pagenkemper discussed it as follows, *“the concept at the Lydmar is to offer our guests, both staying at the hotel and those coming for the entertainment at the bar/restaurant, a contemporary environment, where music, art, decoration and food constitute an unity”*. We could clearly feel what she meant from our previous research on the hotel's website. We could feel the concept from the first step into the lobby. The lobby of the hotel is disguised as a bar setting playing music continually, and the atmospherics easily describe a bar lounge. It has become one of the best souls, jazz and contemporary music scenes in Stockholm, and many know the Lydmar name by the association with the artists performing at the hotel lobby, according to Ingmari Pagenkemper.

Hotel J also has a unique concept completely different from the Lydmar Hotel or any other hotels we will discuss in our investigation. Hotel J's concept is to represent a contemporary marine style recalling the boathouses of New England in Newport, USA. A connection to the America's Cup history gives the place an atmosphere different from any other hotel in the archipelago of Stockholm. The owner and General Manager, Ralf Thalén, explained how the hotel was developed; *"we had Restaurant J in Nacka Strand and than we got the opportunity to buy the building to build a hotel suited for the guest with a higher level of expectation – higher experienced, looking to be comfortable and close to the city but away at the same time"*.

According to their website, the Nordic Light Hotel has a very well defined concept linked to the lifestyle of Sweden. When we met with the Hotel Manager, Mia Björklund and the Guest Experience Manager, Fredrik Ottosson our impression was that they are very well developed and are trying to be as unique as possible with the light concept. Mia Björklund states that the lobby of the hotel is a meeting place where the theme of the hotel is the main entertainment, *"We want the lobby to be a lounge for people to meet and talk, with soft music in the background playing with the lighting system the hotel is known for"*. This hotel uses lights as their unique concept, but they also change their image four times a year.

The next hotel in our research is Hasseludden Konferens & Yasuragi hotel, Japanese themed in its style with a spa product as a differentiator. Pine and Gilmore (2002) also mention how the spa is a typical example of a place within a place for which hotels explicitly charge admission, and it is one of the most successful attractions in the hospitality industry during the last decade. This hotel is situated outside Stockholm as a retreat, but close to the city in order to serve an international customer. Christer Råderström, General Manager states his hotel has a very special and unique concept in the market area, *"this type of*

hotel is very well liked by many customers of all ages, and the message is crystal clear". He believes the popularity with Japanese concepts in the last few years, has given the hotel experience very good reviews, the quality service is very high and people come here because they have an interest in Asian culture. We understand these types of hotels have the advantage of being clear to the customers mind, but the concept image must be consistent within the hotel product as well, in order to match customers' expectations. Christer Råderström continues to state, " *Everything evolves around the Japanese lifestyle, food, spa treatments and accommodation. The concept is everything, it is the core product of our hotel and place, and the uniqueness is the experience they come here to get*".

Carlo Mandini, the General Manager at the Elite Plaza Hotel, Göteborg, mentions the importance of representing the same level of lifestyle their guest is used to getting. " *We aim our focus on a VIP crowd, especially those with higher management positions or very well known people coming to Göteborg. They expect the level of service, the staff and the food to be the best possible. Elite Plaza has been the only five-star hotel in Göteborg for the last few years, and we use our uniqueness as our concept. We believe that the quality, the reputation, the image all go together and represent the brand*". We can see how Carlo Mandini, has made his hotel into a unique hotel, which stands out from its chain giving the hotel chain a better hotel product to compare with.

Another unique hotel which became part of our investigation is Stora Hotellet, Fjällbacka. This hotel was renovated in 1996 with a storytelling concept based on a sailor his ports, explorations and girls around the world. Stylt Trampoli AB, which made all the renovations, and interior design, developed the concept. The management of the hotel feels very satisfied with the concept as it is the foundation of their hotel product. Catrin Karlsson, Sales and Marketing Manager mention the importance of the location, " *Our uniqueness is the*

location combined with a personal hotel product that will give you a memorable experience”.

A very well known example of a hotel in Sweden with a special location for their unique concept is the Icehotel, Jukkasjärvi located in the region of Lapland in the far north of Sweden. Kerstin Nilsson, one of the owners and Hotel Director described their hotel concept in four words; *sensuous, pure, genuine, unique*. She mentions these words are part of everything they do, from the design of the hotel to the art and sculptures built every year for the season. Kerstin Nilsson discussed how the hotel concept was born, she states” *the Icehotel has a uniqueness of its own in all parts of the world”* The concept was developed in 1990 when the owners of a company based in tourism for the region of Jukkasjärvi needed to redevelop their product in order to attract tourists to their region during the extended winter season. The idea of the Icehotel was born after the CEO and founder Yngve Bergquist visited Japan and experienced their winter culture. The first building made completely of ice and snow was built in 1990 and since then the hotel has gained a reputation of its own and is recognized all over the world. Today the Icehotel is cooperating with others interested in having a similar hotel product in their country, and is exchanging knowledge to better develop the Icehotel concept, as an example is the Ice Hotel in Canada.

The last hotel we interviewed in our study is Park Inn Hotel, Värnamo. We had the chance to interview Kåre Johansson, the General Manager of the hotel who has been working for them since January 2004. The hotel belongs to the chain of hotels Park Inn, which is owned by Carlsson Hotels in consortium with Rezidor SAS. Kåre Johansson describes the uniqueness of his hotel as a design hotel in Värnamo considered as the best business hotel in the area. He also stated the importance of having a representation of the designers of the area within the hotel, which makes it differentiate itself through the close

relationship with some of the designers and companies in the area like *Svensson i Lammhult*, *Källemo* and *Bruno Mathson*. The hotel aims at gathering the international business guest coming to their market area, and giving the expected level of service, food and facilities they want for their ventures. We believe this is a hotel which works in a very traditional way but has an extra value in the location and the design which makes it different.

5.1.1 The Categories of Unique Hotel Concepts

After the opening presentation of our thesis we explained to the respondents how we understand that the hotel market has diffuse definitions for different unique concept hotels. We mentioned one of our reactions; when reading that the first boutique hotel in Stockholm had opened this year! We asked the question: *Is it possible to use a category to define hotels with a unique concept and how do you classifies your unique concept hotel?* One of the main reasons why we decided to include this question in our survey was to find out if the different hotel managers knew how to define their concept.

We described to the respondents that we had come up with six different categories: *Unique Boutique*, *Unique Design*, *Unique Lifestyle*, *Unique Theme*, *Unique Co-branded* and *Unique Service Quality*. We explained the literary sources of these categories. Each hotel category was given a short definition, to provide the respondents with a hint of the classification of the different hotels. As an outcome of the interviews, the respondents placed their hotels in more than one category. We believe that only one “concept” does not make a hotel unique in any way. But the combination of two or more is what defines the uniqueness of a concept hotel.

Ingmari Pagenkemper, at Lydmar Hotel defined the hotel as both, *unique boutique* and *unique lifestyle*. The Lydmar Hotel is a small, boutique hotel with only 62 designed rooms. Ingmari Pagenkemper states that she believes that the

music, the art and the creativeness is the lifestyle of today. She thinks people get together in the bar of the hotel, to get the experience of being in a place where they can listen to unique music, have a glass of wine or beer and just be together in a unique atmosphere.

Ralf Thalén at Hotel J placed his hotel as *a unique boutique, unique design and unique theme hotel*. Hotel J has only 45 rooms, which makes it a boutique hotel, according to PWC (2003). Their concept is their theme, which is based on the feeling of the boat houses in New England, Newport - Rhode Island, USA. The theme and the design is an excellent combination, it is a unique concept based on warmth and friendliness.

Fredrik Ottosson and Mia Björklund at the Nordic Light Hotel placed their hotel as a *unique design, unique theme, and a unique lifestyle hotel*. The theme of the hotel is their overall experience of light, the actual northern light. The hotel changes themes five times a year, which according to the respondents can create: *“a new extra ordinary experience, every time the guest returns”*. The light is their theme; the furniture and interior design will also create the unique design of the hotel concept, according to the respondents. We believe this combination of a unique theme and unique design can create a unique lifestyle of the hotel concept. The Nordic Hotels have tried to create a lifestyle hotel for their customer. Through the Nordic Light Hotel they have achieved different lifestyle themes, with various emotions. We feel that today's post-modern customer experience is an experience of the diversity of many themes, present, past and future, without getting fixed in any single one, as Brown (2001) cited in Firat and Shultz II, 1997) states.

Christer Råderström at Hasseludden K & Y defines the hotel with a very *unique theme* and a *unique lifestyle*. The unique theme of Hasseludden K & Y is an Asian, Japanese style with a spa culture, which attracts a certain kind of

people. The customers who are attracted to his hotel are customers with a certain lifestyle or as he states it, customers who are attracted by the spa trend, and who like to take care of themselves.

Carlo Mandini at the Elite Plaza Hotel defined the hotel as having a *unique service quality, unique design and unique lifestyle*. The Elite Plaza Hotel has quality as their unique concept, as Carlo Mandini states “*everything is quality, quality, quality*”. He continues to define his hotel concept during the interview as “*the lifestyle is everything, because you can drive a quality car, you can drink a quality wine, you can wear certain brands and it is all your lifestyle, and hopefully that will match with the quality of the hotel. This is what the customer wants, nothing less!*”

According to Kåre Johansson, at Park Inn, Värnamo the hotel has a *unique theme, unique design and unique service quality*. The hotel offers most of the themes which can be found at the venue, such as the typical food, clothes, fabrics and furniture. Kåre Johansson defines Park Inn, Värnamo as; “*an ordinary hotel with a unique theme*”. He also finds his hotel concept to have a, *unique design* referring to the designed furniture throughout the hotel. He continues to state the importance of the service quality. It is not enough only to have designed furniture. Park Inn, Värnamo is the only hotel with a unique theme and unique design in Värnamo; he therefore defines Park Inn as having a *unique service quality* in Värnamo.

Stora Hotellet has a very strong and *unique theme*. A unique theme that is based on a sailor Captain his women and his trips all around the world. A concept based on storytelling, according to Mossberg, 2003. The hotel has 23 individually *uniquely designed* rooms. According to Catrin Karlsson, the hotel has a *unique service quality* as well. She believes it is important that the

personnel knows the customers staying at the hotel. Their goal is to provide the guest staying at Stora Hotellet with a VIP-feeling.

We find the Icehotel to have the most unique concept in Sweden. According to Kerstin Nilsson the hotel has a *unique design* created by artists from all around the world. They want to provide the guest with the ultimate feeling of beautiful art, made of water and ice. Kerstin Nilsson describes the stay at the Icehotel as “*a fairytale for adults*”. The Icehotel does also have a very *unique theme*, the water, the ice and the cold.

We believe there is a trend to have a combination of categories to define the hotel concept. With this question a lot of interesting discussions came up during the interviews regarding unique concepts within the hotel market. We believe our discussions made the respondents look at the industry in a new way, but also made them aware of where to place themselves and other hotels. When investigating all these different unique concept hotels we have realized that the line between the categories is very thin and diffuse or as Brown (2001, p: 39) stated, “*The line between these specific groups and the difference is sometimes hard to distinguish*”. A unique theme hotel can be as the hotel respondents stated, a unique design as well; just as the unique design hotel can be a unique lifestyle hotel. Examples of hotels in our study who defined themselves with strong and unique themes are, the Icehotel, Stora Hotellet, Fjällbacka, Nordic Light Hotel, Hasseludden K &Y, and Park Inn, Värnamo. The Nordic Light Hotel and the Icehotel also define themselves as having a unique design within their hotel. There are no clear-cut definitions between the hotels, since each hotel chooses more than one of the categories when defining their unique hotel concept. One of the more important factors, as Pine and Gilmore (2000) argue is the uniqueness that gives the customer a memorable stay; providing the customer with an extraordinary experience. We find the combinations of the categories to be the most important factor to determine

their concept, as this is how the managers are defining their hotel product. The table below shows the respondents' answers and how they place their hotel in a combination of categories.

Table 7: Categories used by unique concept hotels according to each

	Unique Service Quality	Unique Boutique	Unique Co-Brand	Unique Design	Unique Lifestyle	Unique Theme
Lydmar Hotel, Stockholm						
Hotel J, Nacka Strand						
Nordic Light Hotel, Stockholm						
Hasseludden K & Y, Saltsjö-Boo						
Elite Plaza Hotel, Göteborg						
Park Inn, Värnamo						
Stora Hotellet, Fjällbacka						
Icehotel, Jukkasjärvi						

respondent

Source: Information taken from the interviews with the respondents, see bibliography.

5.1.2 Characteristics of a Unique Concept Hotel

We aim with this investigation to find out which of these variables differentiates their hotel concept as unique. As part of our secondary data we made a table to place variables such as *location, size, concept, uniqueness, atmosphere, hi-tech, and entertainment* filled with the description as explained on the hotels' respective websites (see table 2, p.31). We are curious to discuss with each of these hotels; *which variables they find to be the most important to represent their hotel product and why?* We believe this is the basis for their uniqueness and an important factor for the concept of the hotel.

The Lydmar Hotel's answer to our question was focused on variables such as *location, atmosphere, and entertainment*. The variables they chose match the uniqueness of their concept. "*A firm differentiates itself from its competitors if it can be unique at something that is valuable to the buyer*" (Porter, 1985 p. 119). The music manager describes the use of music at Lydmar Hotel as distinguishing itself with the duality in the way they work with it. "*We utilize music both to underline the already existing ambiance and mood and at the same time as an attempt for creating something new since the atmosphere at Lydmar Hotel define itself by being innovative and artistic*".

In the case of Hotel J we found their variables to be a bit different to what we had in mind. Ralf Thalén, believes their *uniqueness* and *atmosphere* are the most important variables. The uniqueness of their concept is important because within the archipelago of Stockholm or nearby there is no other hotel with similar qualities. The atmosphere is very important as well, because they need to present the feeling of their concept, so they pay a lot of attention to the design, colour and furniture they have chosen to represent a stereotype of a marine style. He also states the location is a good variable for their concept, but also restricts them to be more accessible. Ralf Thalén also mentioned their biggest advantage "*In competition the biggest advantage is to feel comfortable with what you do and to have people working for you that live and represent your concept*".

The management at the Nordic Light Hotel is very proud of their *concept*. Mia Björklund and Fredrik Ottosson agreed that the most important variables of the hotel are the *concept, uniqueness* and *atmosphere*. They state that "*The concept is the heart of the hotel; we sell the experience of the Nordic light. We want it to be as unique as possible, not just in Sweden but around the world. The atmosphere with the light is our competitive advantage*". Kotler (1997, p. 282)

defines differentiation as, “*the act of designing a set of meaningful differences to distinguish the company’s offering from competitors’ offerings*”.

According to Christer Råderström, at the Hasseludden K & Y their *concept, uniqueness and atmosphere* are the most important variables representing their hotel product. They base their ideals on the wellbeing of the guest by offering a hotel with a unique spa product within a Japanese theme. The hotel concept is very well understood in the customers’ minds before they arrive at the spa, which is why it is essential for the management team to match those expectations and give the most attention to the atmosphere of the hotel and their concept. Kotler (1997) states the importance of distinguishing between the identity and the image. Kotler continues to define the *identity* as the way a company aims at identifying itself or positioning its product; compared to the *image* which is the way the public perceives the company or its product. We believe the identity and the image must match in order to deliver a clear message about the hotel product. This hotel has a well-defined identity connected with the spa product and the image the public receives is clear. They also have the advantage of having a different product from any other hotel in their market area. Christer Råderström states: “*It is easier to stand out when you have something unique such as our hotel and spa, compared to other hotels with a spa in the area*”. We believe the competitive advantage is higher in these cases, but their message to the public must be very clear.

The Elite Plaza Hotel, Göteborg as we mentioned before belongs to a chain of hotels in Sweden. The hotel is located in a special property for the chain, as it is using one of the oldest and most beautiful buildings in Göteborg. Carlo Mandini discussed; the most important variables of their hotel product are the *uniqueness and the atmosphere*, which need to match the concept. “*We aim to give the same lifestyle our guests are used to getting in other places. The high service quality is our uniqueness and the atmosphere of the place with the*

design, furniture and personnel, needs to be at the same level". Their unique quality makes them be the only five-star hotel in Göteborg. The location is great, and the building has a lot of history giving the hotel a background to be remembered. According to Carlo Mandini, the service quality is very high and that is their strongest differentiator to compete in the local market.

Stora Hotellet, Fjällbacka is located on the west coast of Sweden, a place where the location is its reason for being there. The hotel utilizes the municipality of Fjällbacka and the surrounding areas to give the tourists a chance to stay and enjoy a wonderful experience in tune with the village and its history. The most important variables of the hotel according to Catrin Karlsson, at the hotel are; *location, concept and food.*" The location is the reason the concept exists and as part of the concept and the location, the cuisine is an advantage they have and use to attract the guest. *"We give a lot of importance to our kitchen, restaurant and menu, most of the packages include accommodation and food, and people are looking for that"*.

The Icehotel, Jukkasjärvi is a unique concept known by many around the world. We believe their location is a big part of their concept, and is their strongest differentiator. Kerstin Nilsson, owner and Hotel Director has been working with the hotel since it all started back in 1986. The most important variables according to her are *the location, concept, uniqueness and atmosphere.* The location is important for them as it is essential to have the pure water from the river Torne and the cold climate to support the building and the sculptures made of ice. She also mentions that their concept is everything, *"the hotel name and idea is based on the concept of pure water, and ice in beautiful nature being genuine and unique."* Another important variable is their uniqueness. The owners believe that to be the first hotel made of ice creates a unique value that needs to be updated from year to year. That is why the hotel is never built the same way, every year something new happens,

some new sculpture is made, and the art is always changing, but still keeping the same atmosphere. The other variables discussed in the interview which were not as essential but still important were the one of hi-tech and entertainment. Nowadays we have seen that the majority of hotels have a certain level of hi-tech within their facilities. The hotel also attracts some conference guests looking for an experience. This is why the Ice hotel needs to offer rooms for meetings, and presentations in order to combine their unique product with a conventional hotel product. The Icehotel has half of its facilities in warm cabins which are used when the ice has melted and during the winter season for those not ready to sleep in the cold rooms.

The Park Inn Hotel, Värnamo is another hotel which also thrives in their *location*. Their building has been a hotel for the past 145 years. It has always been known as the hotel in Värnamo within the furniture district of Sweden. In 1999, the previous owners decided to take advantage of the location and created a concept using the area as an association factor. Kåre Johansson, believes the most important variables for the hotel today are *location, atmosphere and Hi-tech*. The interesting factor we find different today is that the hotel is a business hotel; member of a big hotel chain and using design to differentiate their hotel product. He argues the atmosphere of the hotel is one of the most important variables because for a businessman there are certain expectations, and needs that have to be met. *“Our hotel has 85% business guests and a very low percentage of people are coming for the design, concept and uniqueness the hotel offer today”*.

We are not surprised to see that almost all hotels except Stora Hotellet, Fjällbacka selected *atmosphere* as one of the most important variables for their hotel concept. We believe there is an association between the defined categories of the hotel and the most important variables for the hotel concept. Since the atmosphere will create a feeling within the customers, and each

person/ each manager creates their own view of the atmosphere, we can see how both the concept definition and the description with the display of the physical surroundings must match in order to deliver a clear message to their customers. The second most important variable was the *uniqueness*. We also noticed it does not necessarily means it is because they are special and unique; it could also be the lack of competition in their market area, which gives them the privilege of having a differentiator as an advantage. The table below presents the results of the most important variables that each respondent believes is needed at their hotel.

Table 8: Important Variables according to the respondents of the Unique Concept Hotels

	Location	Size	Concept	Atmosphere	Uniqueness	Hi-tech	Entertainment	Others
Lydmar Hotel, Stockholm								
Hotel J, Nacka Strand								
Nordic Light Hotel, Stockholm								
Hasseludden K & Y, Saltsjö-Boo								
Elite Plaza Hotel, Göteborg								
Park Inn, Värnamo								
Stora Hotellet, Fjällbacka								
Ice Hotel, Jukkasjärvi								

Source: Taken from the results of the interviews with the respondents

5.1.3 How Unique Concepts Hotels Market Themselves

According to Firat and Shultz (1997) the successful marketers are those who provide costumers with a positive self-image projected through their products.

We find the marketing factor to be important when looking at the different unique concept hotels. The marketing factor profiles the hotel to the customers and also enables the customers to identify themselves with the hotel. For a unique concept hotel we find it extremely important to know where and how to market your hotel. We therefore asked the respondents about *their marketing strategies, their cooperation with any consortium and if they find it positive or negative with new unique concept hotels opening in their market area?*

The overall view of the hotels marketing strategies is that most of them try not to use a large part of their budget on their marketing. We have noticed a difference if the hotels are attached to a hotel chain or another hotel or if the hotel is small and independent. Most of the hotels being part of a chain have a larger marketing budget, and will also be marketed through the hotel chain. Hotels like the Elite Plaza Hotel and Park Inn, Värnamo are both part of hotel chains.

Elite Plaza is unique with their prestigious five-stars and Carlo Mandini, has a marketing philosophy of not wanting or needing any advertisement in the media or having corporate flags at the building to promote sales at the hotel. According to him, Carlo Mandini makes his philosophy work; the hotel has not had any large advertising campaigns since they opened in 2000. Today there are some corporate flags outside the building, but they are minimal. Carlo Mandini refers to guests expecting a certain quality when it comes to service, standard, location, and staying at a five star hotel, which is no less than expected. This is the unique concept of Elite Plaza Hotel, to provide the guest with the highest service quality expected.

Park Inn, Värnamo makes most of their marketing through the chain Park Inn. According to Kåre Johansson, they differentiate themselves through their close relationship with some of the designers and companies in the area like

Svensson i Lammhult, Källemo and Bruno Mathson. Park Inn Värnamo also had a campaign with all the gas stations in the area, to market the hotel.

According to Laurence Raymond, the owner of the Artus Hotel today's hotel market is more fashion and character oriented, which can bring more spirit into the hotels (design hotelsTM, 2003). This is related to the marketing strategies and the concept of the Nordic Light Hotel. When discussing the marketing strategies for the Nordic Light Hotel with Mia Björklund and Fredrik Ottosson, their hotel is offering feelings and emotions together with design and fashion and considering this it is almost impossible to transfer a feeling or emotion through travel agencies. They have therefore chosen a more individual marketing strategy, through their website; salespersons with an individual style and through the consortium design hotelsTM, a consortium which they find have the same philosophy as their hotel concept. Fredrik Ottosson, indicates the PR as another important factor for the hotel marketing. He finds the PR a way to market the hotels unique concept through journalistic articles in lifestyle, design and fashion magazines. PR through magazines is an excellent way of making public and marketing their hotels at a low cost.

Ralf Thalén does not place any marketing advertisements in newspapers or magazines for Hotel J. Ralf Thalén finds it too expensive and also difficult to predetermine how much additional business the advertisement campaign will bring. He continues to state that Hotel J has one advantage which is that their location and their design concept has for many years been a very popular destination for interior design, fashion and lifestyle magazines. One other advantage is that the clothing brand Gant has moved their head office to the same area as Hotel J. Gant has a similar design concept as Hotel J. Gant and the hotel cooperate; Hotel J using Gant bed-linen and many Gant customers being referred to Hotel J.

When Pelle Lydmar opened the Hotel Lydmar in 1995, he had the philosophy that they would not make any hotel marketing according to Ingmari Pagenkamper. She continues to state that the Lydmar Hotel was only supposed to be marketed through word-of-mouth and “*Pelle Lydmar the word-of-mouth, for the Lydmar Hotel*”. Ingmari Pagenkemper, was not even supposed to send the music list by email to regular guests of the hotel, the Lydmar Hotel should not do any marketing. Today the Lydmar Hotel is owned by the family business; Tage Hotels AB, and the marketing strategies are different which is seen as an important change for the Lydmar Hotel. Still today the Lydmar hotel is working on their “anti-trend”, which means that they do not want to represent anything that has to do with trends. If a music-group or song gets popular – they will not continue to play it.

Hasseludden K & Y has the same advantage as Hotel J; they have a very unique concept, which makes the surroundings perfect for advertisements for fashion, interior design and lifestyle magazines. Another advantage is that there is a spa trend and Hasseludden K & Y’s concept is really unique which results in a lot of articles about them and the spa, according to Christer Råderström. The articles will attract both private and conference guests.

Stora Hotellet, Fjällbacka has a close relationship with the West Sweden Tourist Board, which also helps them with their marketing. They are trying to present the hotel at different trade fairs in Scandinavia and they are cooperating with a network in Norway. Norway is an important market for them, since they are located only two hours by car from Oslo and there are also a number of ferries running to locations close to Fjällbacka.

According to Kerstin Nilsson at the Icehotel, marketing is an extremely important factor for their hotel. The Icehotel is marketing their hotel internationally, nationally and locally. Kerstin Nilsson, continues to state that

the important tool when it comes to marketing is to network to attract more and new guests to the hotel. The Icehotel has a business relation with the company Absolut Vodka, and together they have created the brand, the Absolut Icebar, a bar where everything is made of ice including the glasses. There is one Absolute Icebar in Stockholm at the Nordic Sea Hotel and one at the Townhouse hotel in Milan. We find this is an excellent way to market your hotel and to differentiate your hotel from other hotels, but then on the other hand which hotel is more unique than the Icehotel in Jukkasjärvi.

We believe the consortia can be an important factor for the marketing strategies for all the unique concept hotels, both larger and smaller. The Elite Plaza is one of the three hotels in this investigation which is a member of the international consortium design hotelsTM. The other two hotels are Hotel J and Nordic Light Hotel. Carlo Mandini states the importance of being part of “*a consortium, a larger group since it will make business for the guest*”. Wolchuk and Scoviak (design hotelsTM, 2003) stated that Charles Perk, the COO of Destination Hotel & Resorts finds some consortia as a choice for owners in the branding vs. the non-branding decisions, since if the hotel is a commodity it might need to be franchised, but “*if the property is unique it can be marketed as its own brand*” (design hotelsTM, 2003, p.38). Wolchuk and Scoviak continue to state that “*The success of the consortia is finally reawakening an interest in independent hotels*” (design hotelsTM, 2003, p.38) and to be part of a consortium can also be a way to compete with other brands.

As mentioned earlier the Nordic Light Hotel is a member of the design hotelsTM, which is an important organisation for their hotel. The Nordic Light Hotel is part of the engagement and the trade fair held by the design hotelsTM, which helps them reach their target group of customers. Mia Björklund and Fredrik Ottosson see the consortium as a certification of excellent quality. They have also chosen to be part of some global electronic marketing, where they

can choose the countries (like the USA and England) and the cities (like London and New York) where they would like to market themselves.

One of the most unique hotels; Stora Hotellet, Fjällbacka is part of newly developed consortium, which only consists of five hotels in Sweden, called the Castle, Ocean and Manor-houses (Slott, hav och herrgård, developed by the West Sweden Tourist Board). Another more independent consortium is the Swedish Spa Association (Svenska Spa Föreningen), where Hasseludden K & Y is a member. The association or consortium is a place where some of the spas in Sweden work together and exchange ideas according to Christer Råderström at Hasseludden K & Y.

We find these types of consortia an excellent way of expressing a unique hotel concept and attracting the preferred target group of customers, but it can also be a way to reach out to a larger group of customers. One exception is the Lydmar Hotel who is part of the consortium World Hotels, a large consortium, operating all over the world with an online reservation system. For a hotel like Lydmar, we do not find this a consortium to reach their type of customers, since the World Hotels include all kinds of hotels and the Lydmar hotel is a hotel that stands for its design, music theme and anti-trend. Park Inn, Värnamo is another hotel which is a member of a large consortium; the Rezidor SAS. The Rezidor SAS is a consortium with over 1570 hotels world wide. We believe that consortia like the World Hotels and Rezidor SAS, with an online reservation system, may not attract the target group of customer for these two hotels. For a more traditional hotel like Park Inn, Värnamo the specific consortium may not be of large importance, but for a hotel like Lydmar Hotel, which has a very strong unique hotel concept we do believe it can lead to unsatisfied customers. Tage hotels AB, which can be seen as a type of a consortium, consists of five hotels in Sweden, and own Lydmar Hotel. The

hotels included in the Tage hotels AB are unique, but we find them very different compared to Lydmar Hotel.

The Icehotel is not part of a consortium, but they work as mentioned earlier closely with a large number of companies. Absolut, the Swedish Vodka is the partner for the bar at the Icehotel – the Absolut Icebar. The Icebar can, as also mentioned earlier, be experienced as a permanent Absolut Icebar at the Nordic Sea Hotel (one of the three Nordic Hotels, Stockholm) and at the Townhouse, Milan. The Absolut Icebar is a concept and a franchise the owners of the Icehotel plan to develop within large cities, all around the world. The Icehotel is trying to cooperate with companies or hotels with the same business philosophy as they have. We believe the Icehotel is already creating a way of developing their own network of hotels just as consortia do, but in their case through the concept of the Icebar.

When inquiring whether it is positive or negative that more hotels with unique concepts are opening in their market area, we only received positive answers. There was not one of the unique concept hotels that found it negative; they only found competition something positive. An important aspect on the competition is as Kerstin Nilsson at the Icehotel states; *“if a hotel opens offering almost the same hotel product it is important that the new hotel keeps the same quality and safety standards, otherwise it might lead to a bad reputation”*. Catrin Karlsson, Stora Hotellet, Fjällbacka stated during the interview, *“Competition is only positive. You have to improve what you are performing; otherwise you will end up fat and unhappy!”*

During our interviews we have found that the smaller hotels, do not advertise with standard advertisements in different magazines & newspapers. This is mainly due to rather limited budgets, and the difficulty in measuring the impact of an ad-campaign with such limited resources. Instead they use the unique

concept as a tool to get lifestyle magazines as well as industry press to write articles about the hotels, thus using editorial text as their promotion. However, when they are members of a consortium they tend to market themselves heavily through the consortium, just as the consortium is using the concept hotel to get guests to their other hotels, therefore belonging to a consortium is very useful if not to say important. When asking if it is positive or negative that new hotels with unique concepts are opening within their market area, we found the respondents thinking of it only as positive, since the competition incites the hotels to provide the customers with the best hotel product.

5.2 Differentiation of a Unique Concept Hotel

The second part of the interview relates to the sub aim B, differentiation of unique concept hotels. We introduced this part to the respondents with theories of servicescape explaining the different interactions within the customer's experience. Mossberg (2003) uses in her model a framework that is built upon the customer's interactions between the physical surroundings (servicescape), the employees and the other customers. We aim with our research to understand how these hotels try to be different and stay different in order to gain competitive advantage.

5.2.1 The Personnel as Differentiation

Kotler (1997) discusses what characteristics a well trained personnel should have in order to give a level of service expected in the hotel product. These are; *Competence, Courtesy, Credibility, Reliability, Responsiveness, and Communication*. Cova (1997) argues that post-modern society, unlike modern – is conceived as a collection of social groups that look like a network of smaller groups in which individuals share a strong emotional link, a common sub-culture and a vision of life. We believe these two visions of social groups and

personnel are clearly seen within the hotels we have included in our investigation. We have noticed that the less traditional the hotel, the more post-modern its characteristics. The personnel's experience and interaction with the customer is essential for any hotel, and we have observed through our study how most unique concept hotels give a lot of emphasis to the type of personnel that works at the hotel. They all must have a special quality which makes them fit the concept. The interviewed Managers at all the hotels we looked into agree that their personnel are different to those with just hotel experience. Some unique concept hotels, such as Lydmar Hotel and Nordic Light Hotel have different positions for their personnel. As an example Lydmar Hotel has had a soul manager, an art manager, and is still run mainly by the music manager. They strongly believe in positions with specific tasks in relation to the concept of the hotel, not only regarding the operations of the hotel. Some hotels nowadays have a guest manager, someone with the task of working only for the guest needs as a filter into the other operations of the hotel. In our group of hotels, the Nordic Light Hotel actively uses a guest experience manager, whose main task is to work with every department of the hotel and to deliver the perfect product for the guest to experience. He also works with the guests and the front desk personnel to make sure all fits the concept and the way it is meant to be.

Brown (1993) also argues that postmodernism champions the artistic, with attributes of intuition, creativity, spontaneity, speculation, emotion and involvement. We can clearly see how these hotels have a post-modern attitude in the way they work with their personnel and the way customers expect them to be. The Lydmar Hotel also wants to have personnel that look like part of the concept. Ingmari Pagenkemper believes their personnel should understand about music, the concept the hotel lives for and they should have the same lifestyle. They should also feel proud to be working for the Lydmar Hotel. She

continues to state that: " *Yes we want people to be tailor made for our concept, but it is not a requirement to have worked with service before*". On the other hand the Elite Plaza Hotel needs to have a high service level as a five-star hotel with their personnel. They do require experience in the hospitality sector, and they naturally have to show it. As mentioned by Carlo Mandini " *To be service minded comes from within, the people working here have to show it and know how and when to use it in a professional way and according to the guest*".

Another hotel with similar ideas about the personnel is Hasseludden K & Y, which hires goal oriented personnel who believes in the ideals and concept of the hotel. Christer Råderström, states that " *They can learn by doing, but need to show a level of commitment higher than average. The personnel at the front desk are very important; they decide and drive the business forward.*"

Ralf Thalén at Hotel J believes their personnel should have experience within the service industry but social skills are more important. He points out that to be part of the hotel family is also important. " *We hire personnel that love the concept of the hotel and feel familiar working here; to learn by doing is also good, both ways are as good for us.*" We could see similarities with the personnel working for the Icehotel. Kerstin Nilsson discussed the personnel as one of the most important elements of the Icehotel. One of the main goals of the Icehotel is to make the personnel feel proud of working at the Icehotel. " *We are proud of our personnel, the environment and buildings in the area are important, but in an adventure business, the most important asset is always the employees*" The Icehotel recognizes the importance of the personnel relationship with the customer, and because of the customer's high expectations, the hotel strives to have well trained personnel with a customer-oriented and a highly service-minded approach. Kerstin Nilsson also discussed that the attitude and experience to work in the Icehotel is very unique. She believes the most important element to have a good service product is that her

personnel express wanting to work in the Icehotel by giving their best at work. She is proud to say that this year 60% of their personnel will come back for the season.

Cova (1997) states that post-modern individuals are not seeking to remain cloistered in their rooms; instead they want to connect with an open, friendly atmosphere where new acquaintances can be made. The Nordic Light Hotel embraces this notion and really wants the personnel to dare challenge the guest. Their personnel should be personal with the guest in order to create that memorable experience.

In the case of Stora Hotellet, Fjällbacka the personnel changes every year for the summer months. It just so happens that the hotel can function with a lot fewer personnel the rest of the year but need extras during the high season June to September. Catrin Karlsson believes that " *the personnel for the hotel is very important; they need to have a good chemistry with the concept and the other personnel who work the whole year round.* Stora Hotellet is small and personal; the personnel need to have the ability to be very personal with the customer. Since they change personnel often a thorough introduction, training and planning meetings have to be performed before every summer season. This way the management stays updated with the concept in order to keep developing in the same way.

We believe that most of the managers of these hotels have high expectations on their personnel. We can therefore perceive from the management perspective that in order to work in a unique concept hotel, it is enough to believe in the concept and fit in as part of the family, rather than just having hotel experience. We noticed that at these hotels training programs for the personnel are not frequented or scheduled, and we encounter only two hotels, the Nordic Light Hotel, and Park Inn who have a periodic plan for training programs for their

personnel. It seems to be enough to feel as one with the concept, as Nordic Light Hotel and Lydmar Hotel expresses it and to have the necessary understanding of how to work with the customer, as Hasseludden K & Y discussed. All in all we got the impression that the personnel are more empowered than in a traditional hotel setting. Most of the managers we interviewed also assured that customers are aware that their hotels are not part of the typical chains of hotels, and that they might feel more at ease with the relationship with the personnel during the service encounter.

5.2.2 The Servicescape as Differentiation

The next questions are about the unique hotels' servicescape; their physical surroundings and how it will influence the hotels image and concept. We also investigated the most important changes the hotels have experienced and how these hotels differentiate their hotel product.

In order to introduce this part of the interview we explained Mossberg's model (2003) to the respondents. The servicescape also known as the physical surroundings has a large impact on the hotel and the customers. Here is where the very first to the very last impression of a hotel is given. Here is also where the customers' interactions with other customers and the interaction between the customers and the personnel take place. We therefore believe the servicescape has a large influence on the atmosphere. These interactions are important for all kinds of hotels, but we find it extremely important for a hotel with a unique concept to focus their effort on their atmosphere. When a customer stays at a traditional hotel we believe the main reason is the need of the bed. When customers stay at a unique concept hotel we suppose they will stay there primarily for the uniqueness. The customer will therefore spend more time in the servicescape / the physical surroundings and this is why we believe the atmosphere is more important at these hotels.

The first performed interview was at the Lydmar Hotel. This hotel has an atmosphere similar to a bar or a nightclub. The atmosphere is filled with the scents, the interior design, the music, the other customers, and the personnel of a bar/night club. One element, which has to be taken into consideration when it comes to the Lydmar Hotel, is the time of arrival; we arrived during the day, which we believe has a large impact on the atmosphere. Later in the evening we passed by the hotel and peaked into the lobby-bar, and it felt more like their stated concept. We noticed the change in the atmosphere, even if it was still a nightclub and bar within the lobby, cool lightening and music was playing. Now the Lydmar Hotel felt like a really hip and trendy hotel. Ingmari Pagenkemper does not want the hotel to follow any trends; she wants the hotel to be “anti-trend”, to be unique. With this in mind we could call the Lydmar Hotel a cool and hip hotel. She states that the most important components of the Lydmar Hotel servicescape is to deliver their concept most effectively through their music and art, and she believes their concept is so unique that the customers will; “*love it or hate it*”. The music they play is mainly soul, jazz, Rn’B or as she calls it: “*black music*” and the art is varied through different art exhibitions. Ingmari Pagenkemper believes their concept needs to be stronger and more stable to keep their customers, this is more important than to make large changes with the concept. We find this to be important, in view of Bitner’s (1992) argument about how the perceived servicescape may affect people in purely physiological ways. Colour, thermal conditions, light intensity, sound and odour produce emotional reactions to sensory stimuli (Mehrabian and Russell (1974) cited in Bitner 1992), and can give both positive and negative feelings of the belief associated with the organization, its people and its product or service.

Today there are many hotels with the same concept as the Lydmar Hotel; therefore we find it even more important for the Lydmar Hotel to make their

concept stronger to attract the right type of customers. Bitner (1992) argues that the first step in the design of the servicescape is to identify desirable customer and employee behaviours and the strategic goals that the organization hopes to advance through its physical facility. The largest change the Lydmar Hotel has experienced was the change of ownership in 2000. From being privately owned by the entrepreneur and concept developer Pelle Lydmar it is today owned by Tage Hotels AB, a smaller consortium of five hotels.

We believe the location of the hotel affects the servicescape / the physical surroundings. We interviewed Ralf Thalén, over a cup of coffee in a beautiful, Newport inspired “living room” with fresh cut flowers in vases and J-yacht models standing in the windows. Hotel J is located on the waterfront. We believe these elements are really strengthening their unique concept. The hotel has a close relationship with the Swedish interior company R.O.O.M and the clothing company Gant. We find these companies to have the same design and philosophy as Hotel J. The hotel has not been going through any large changes within their concept, they will not redevelop their hotel concept or as Ralf Thalén states, “we will only redefine our concept”. They find themselves having a theme that will never go out of style; it only needs to be updated. Kotler (1973-74) argues that the atmospherics can be used as marketing tools, especially when the products are aimed at a distinct social class or a life style customer; this is how we believe the Hotel J uses the unique hotel concept.

Nordic Light Hotel is located next to the central station in Stockholm, a very busy area with cars, people, and busses running by, but once you step inside their doors the atmosphere changes. You can immediately sense and feel the atmosphere of the hotel. The furniture is designed, there is a light buzz of people and soft music, the front desk personnel is dressed in black designed T-shirts, and the hotel shows its unique atmosphere. The atmosphere is like the introduction statement on their website: “*Cool as ice*”. As mentioned earlier

the concept of Nordic Light Hotel is based on lights. Mia Björklund and Fredrik Ottosson argue that one of the most unique characteristics of light is its ability to affect a person's emotion very easily. The Nordic Light Hotel has a concept, which we believe can really affect the customer. Kotler (1973-74, p: 50) defines the atmosphere as the "*effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability*", technically "*the air surrounding a sphere*". Kotler continues to state that the atmosphere can some times affect the customer more than just the product. This is what we believe that the Nordic Light Hotel is doing with their lights. The hotel is redeveloping their concept all the time, but within the frames, just as Mia Björklund states; "*we are redeveloping the concept every day, but never the core product*". The most important change the hotel has experienced is when they decided to have two different concepts between the Nordic Light and the Nordic Sea, but also the change of general manager. Mia Björklund and Fredrik Ottosson believe the new General Manager, Anders Johansson is more open-minded and he dares to try more with the hotel.

The physical building of Hasseludden K & Y is interesting; with its very strict and formal architecture. The building was built for the Swedish Trade Union Confederation, in the 1980's and today it has been developed to a super modern Asian spa. This is also one of the major changes Hasseludden K & Y has been through. We believe most people react to the architecture of the building, but when entering it feels like coming to another part of the world, to Asia. At Hasseludden K & Y you can really feel the unique atmosphere through the way the customers and the personnel are dressed in their yukata (a Japanese bathrobe) and slippers, which will automatically make you, feel the unstressed and calm atmosphere. We believe this is a place where the atmosphere plays a large role on the unique hotel concept and most customers stay there for their unique concept.

According to Bitner (1992) hotels have “*interpersonal services*” this is where both customers and employees are present and performing actions within the servicescape. Therefore, the level of involvement of customers and employees determines whose needs should be consulted in the design of the environment. Consequently the first step in the design of the servicescape is to identify desirable customer and employee behaviours and the strategic goals that the organization hopes to advance through its physical facility (Bitner 1992). To make the guest feel safe and secure the employees will inform the guests about the Japanese bathing ritual, and also that most guests prefer to wear their yukata during their entire stay, even when having dinner at the restaurants. The guests at Hasseludden K & Y will receive with their stay the yukata, slippers and bathing suites or trunks; which they can keep after their visit. The Yukata is similar to the dress worn by the employees, which we believe can affect the atmosphere positively, because the distance between guest and employee is reduced. According to Christer Råderström all this is to provide the guest with the extraordinary experience.

According to Christer Råderström, the atmosphere at the Hasseludden K & Y is one of the most important factors for the physical surroundings, which can be compared to how Kotler (1973-74) states that when it comes to the atmosphere at a location the atmosphere is the silent language. Christer Råderström continues to indicate this by stating the importance of the hard values like the environment of the spa, the light, the scent, the interior design, but also the soft values like the service quality and the feelings which will provide the guest with the extraordinary experience. What has to be taken into consideration here is as Shostack (1977, cited in Bitner 1992) argues that since services are intangible and many services are high in experience and credence attributes (Zeithaml, 1981 cited in Bitner, 1992), they generally afford fewer intrinsic cues. Therefore in such situations consumers and employees use extrinsic cues,

such as physical surroundings to infer quality (Zeithaml, 1988 cited in Bitner, 1992).

When it comes to the unique concept of Hasseludden K & Y, Christer Råderström points out that the Japanese and the Asian style is a trend today, which is really benefiting their business. He continues to indicate how popular it is here in Sweden to travel to Thailand, how trendy sushi-bars are and he also points out that the Asian style of orderliness is hard to reach in Sweden. This is why Hasseludden K & Y is as popular as it is according to Christer Råderström. But there is always a need to be better at what they do; they will always redevelop their hotel/spa product at Hasseludden K & Y.

Elite Plaza Hotel is located in Göteborg, in the centre of the city. When we first visited the Elite plaza, we were struck by the very elegant and luxurious yet personal atmosphere. The Elite Plaza hotel has a large number of beautiful paintings on the walls and the furniture is designed which really contributes to the unique atmosphere. The personnel including the General Manager Carlo Mandini are also important factors for the atmosphere. According to Carlo Mandini the most important factors to being able to deliver the unique concept are the quality, the employees and the equipment, which can help you deliver it most effectively. These factors will also influence the uniqueness of the physical surroundings in the hotel. Bitner stated (1992, p.57) *“The ability of the physical environment to influence behaviours and to create an image is particularly apparent for service business such as hotels, restaurants, retail stores, banks and hospitals”*. This is why we believe the unique concept; of the physical surroundings the servicescape is really important, as it can influence the guests. Carlo Mandini wants the hotel bar to be trendier; he wants it to more like in the south of Europe where both locals and hotel guests meet at the hotel bar. We believe this could be a way to differentiate the Elite Plaza Hotel product compared to many other hotels in Göteborg. Carlo Mandini always

looks into new trends, he admits that there are many things that could be changed at the hotel, and one example is the restaurant. The hotel will always look into what needs to be redeveloped within the hotel. Carlo Mandini states that there is always a need to look into the product development of the hotel product to be able to serve the guest the extraordinary service quality. When it comes to the servicescape of the Elite Plaza, it is easy to draw parallels with Kotler (1973-74) when he argues that customers' wants and needs can be changed through the atmosphere. Kotler continues to give an example stating: *"the atmospherics of a place is designed to give the buyer the feeling of being rich, important and special"*

Stora Hotellet is located in Fjällbacka, a small picturesque village on the West Coast of Sweden. The hotel is located in the centre of the village, with a view over the sea. The couple, Ulla-Lena Bogensjö and Lars-Erik Persson, privately owns the hotel. We made the interview in the middle of November; this is when the hotel still has the lobster package. The Lobster package is when the guest will go out with Lars- Erik Persson, fishing Lobster and then have his own catch for dinner.

When it comes to the servicescape of Stora Hotellet, we the authors have been to Fjällbacka previously and had therefore some preconceived ideas of the hotel. We had an impression that the hotel would be more worn down than it is today. When arriving at Stora Hotellet, Catrin Karlsson met with us outside the building. We sat down in their dining hall, a nice room with a view over the village and the sea. Catrin has only worked at the hotel since August this year, but she seemed really involved with the unique hotel concept. According to Catrin Karlsson the surrounding, the feelings of the rooms and the restaurant are the most important factors when it comes to the servicescape of the hotel. She continues to state that it is important to look after what they have, to make the best experience for the guest within the servicescape, which she believes is

the personnel as well. For a small hotel like Stora Hotellet, the personnel will have a large impact, since the interaction between the guest and the personnel is really close. The only factors, which can limit the experience for the guests, are the weather and the wind. To be able provide the best experience for the guest Stora Hotellet does have alternatives for the guests, if the weather and the wind are really bad. Some of the alternatives are wine tasting, ancient monuments in the area or walking-tours of Fjällbacka. The servicescape at the Stora Hotellet is really unique, and every part of the hotel concept is planned in detail. Catrin Karlsson believes the hotel is as well kept as it is; because the guests are careful of the interior design of the hotel.

According to Catrin Karlsson they do not plan to redevelop their concept, but they are planning to redevelop some of the parts of the hotel. For the summer they will reconstruct the hotel patio, with an outside barbeque and bar and for the fall they are planning to change one of the bars in the hotel into a cigar-room. The largest change the hotel has experienced was in 1996-97, when the owners of the hotel contacted Stylt Trampoli AB, to develop a brand new concept for the hotel, "Around the world in 23 rooms". Since the reopening in 1997, Stora Hotellet has been constantly developing their product, with conferences, lobster fishing, and with events like weddings and parties. Catrin Karlsson states that the most important is to have a strong foundation for the concept, which will make it easier to continue to work. She explains the foundation of the concept and its development as an avalanche; starts little, and then it increases more and more.

Stora Hotellet will continue to keep their concept. They will according to Catrin Karlsson keep redeveloping their concept, but they will try to stay within the frames. There are always things to get better at, which is why it is so important to ask the guests about their experience and to get help from concept companies like Stylt Trampoli AB

When it comes to the servicescape of the two last hotels, we did not have the possibility to go there in person; we therefore have to base this section on the website of the hotels and on the management perspectives from the telephone interviews.

Park Inn, Värnamo is located in Småland, in the south of Sweden which is well known for its furniture designers. Stylt Trampoli AB, renovated and changed the concept of the hotel in 1999, then called Hotel Winn. We had a phone interview with Kåre Johansson, who for the last 10 months has been working as General Manager of the hotel. When we asked him about the hotel concept and the servicescape, he explained the design of the hotel and how the personnel affect it. He meant that it is really important that the personnel are well informed about the concept in order to be able to provide the best possible service to the customers. As an example he continues to state how important it is to know the designers of the furniture and the art in the hotel. Kåre Johansson considers the hotel *“a traditional hotel, with a unique theme”*. His future plans to differentiate Park Inn from other hotels are to make it into a hotel based on the province of Småland, with local partners and businesses from the area. He would like the furniture designers, the food producers, the art performers and the glass designers from the area to be part of his hotel.

The Icehotel is probably the most unique hotel in our investigation. The hotel is reconstructed from scratch every year and by the beginning of December the main building is almost finished and the interior design starts. The hotel is almost finished in January and by the end of late April the sun's rays begin to melt the buildings. Most of the hotel is left to melt into the river Torne.

As mentioned in their website, *“from the river came the ice, and to the river it shall return; all that will remain are memories”* When it comes to the servicescape of the Icehotel, we have to base it on their website. It feels in one

way that to look at the picture and to read about the hotel, gives us the feeling of something so unique that you cannot describe or imagine it without being there to personally experience it. During the telephone interview with Kerstin Nilsson, she stated that they have surveys for the customers, in which the most common answers are the good quality of the personnel working at the hotel and that the atmosphere of the hotel is like a dream, “*a fairy tale for adults*”. The personal factor of the servicescape is essential for their concept. She believes it is important to treat the customers at a personnel level, and the level of the personnel needs to be really high. The Icehotel charges customers wanting to see the hotels physical surroundings a fee of 120 SEK. This is a way for them to share the experience of the hotel with those who would like to see the hotel without staying there. We find this a good way of attracting a large number of people, which can be used as their word-of.-mouth marketing strategy. According to Pine and Gilmore (2002) companies can sell an experience if they charge an admission fee and customers won’t pay such a fee unless they deem it worth-while to do so.

One of the most important changes for the Icehotel which enhanced their uniqueness worldwide was when some of the scenes for the famous Swedish film; *Fröken Smillas känsla för snö* were filmed at the Icehotel. Another project which gave them a lot of publicity was the photo shoot in cooperation with Swedish Absolut Vodka, the fashion designer Versace and the famous photographer Herb Ritts, using some of the most well known super models in the world. These photos and an article were presented in the American lifestyle magazine *Vogue* in 1997. Kerstin Nilsson explains that the Icehotel needs to follow the trends within the hotel industry, they have to have the latest hi-tech, and they have to have the warm cabins, but as she states: “*The Icehotel is the Icehotel!*” The hotel is changed from year to year, but there are four words that

explain the servicescape and summarize the concept, which are: *sensuous, pure, genuine, and unique*.

Aubert-Gamet and Cova (1999) discuss the physical environment or servicescape as being able to influence consumer behaviour and act as a facilitator factor to encourage ways to social interaction among customers in order to bring a linking value. During the investigation and interview we have realized how important the servicescape, the physical surroundings are for the customers staying at a hotel. It is within the servicescape all the experiences take place and every little detail affects the customer, everything from the smell, the music, and the smiles of the personnel to the interior design of the hotel. Here is also where the interaction between the customer and the personnel takes place and where the customers interact with other customers. It has been interesting to watch how these components interact with each other and how they contribute to the atmosphere of the hotel. The interaction between the different elements within the servicescape is unique, and many times it is difficult to put the feeling or the emotion into words. We think the feelings and the emotions are different for all people. This is also one reason why we find it more difficult to describe the servicescape at the Icehotel and Park Inn. The servicescape of these hotels is really important according to their managers, since it is within the servicescape the hotel differentiates the hotel product. We therefore believe the uniqueness of a hotel concept is developed within the servicescape.

5.2.3 The Customer as Differentiation

Bitner (1992) concludes that a positive (negative) internal response to the servicescape enhances (detracts from) the quality of social interactions between and among customers and employees. The Nordic Light hotel has been working to gather the right mix of customers from the beginning. Today, after

working better with their concept development and personnel they have managed to attract the right mix of guests, which supports the concept. The hotel has become a meeting place for people from the design and fashion industry. A simple and minimalist design has worked very well for the Nordic Light hotel, which is so appealing to the customers of today, looking for purity and clarity in designs instead of opulence and baroque traditional styles. Regarding the Elite Plaza hotel in Göteborg, their concept has attracted the perfect customer mix since they opened in 2000. Carlo Mandini believes they got the perfect match from day one. The hotel has been working towards keeping the same image and making the concept memorable in order to continue with the good outcome. They still have to deal with the chain marketing deals and packages which sometimes do not fit with their intended target group, but this is a must that every hotel working within the same name has to endure. *“Even though in Göteborg we are the only Elite Hotel, we have managed to create an image which makes us succeed in our market area and at the same time is beneficial for other Elite hotels in Sweden”*.

Customers looking for a spa hotel are easily drawn to Hasseludden, because the concept is clear and known, it is a theme well liked by many and used in many stereotypes of wellbeing concepts and feeling good. The Japanese theme comes with its history, and the customer group understands it from the beginning. Hasseludden hotel has a well-defined concept, understood by the customers and personnel who give them an advantage when working, and the relationship between customers and employees. Christer Råderström, the General Manager at Hasseludden K & Y mentions in the interview, *“is as easy as the concept, you are what you eat. The customer-mix we get at Hasseludden, regardless if it is the same customer as those at traditional hotels, come to get the same thing – our hotel product”*. According to Brown (1993) cited in Firat and Shultz II, 1997; the post-modern consumer wants to experience the diversity of many

themes, past and future, not get fixed in any single one. This also reveals that many customers choose by liking more and more, and are not fixed with a single type of hotel. Hotel J experiences a similar customer-mix, in which a customer not only matches perfectly with the concept but, they look the same as any kind of customer but with a higher expectation from the hotel product. Ralf Thalén at Hotel J mentions how these customers have a higher level of expectations and are looking for a memorable experience. They get curious about the marine style and the sailing lifestyle, but not necessarily have to belong to the same lifestyle. Pine and Gilmore (2002) argue that by using a theme within a hotel it automatically turns the service into an experience, plus it is a good way to differentiate the product in such a commoditized industry.

Stora Hotellet in Fjällbacka is a small hotel with a very special theme. Their customer is everyone, but everyone that comes remembers the place very positively and spreads the knowledge of the place to friends and family. The relationship between the personnel and the customer is very personal and individual just as the rooms are all decorated differently and with a theme. One thing they understand about their guests is that they enjoy life; they come because they dare try something new and want an extraordinary experience such as had by those who recommended it. Mossberg (2003) argues that within the servicescape the other customers can be for better or worse. Many times the customer experiences something together with other customers, and the social bonding plays a vital role. As in the case with Stora Hotellet, Fjällbacka with only 23 rooms and a maximum capacity of 60 people, the hotel customer interacts in a personal manner with others at the hotel; they all share the same place which has a life different from other hotels. Customers share positive experiences and if they happen to be negative they are also easily spread.

We mention within the theoretical framework how postmodernism calls for fragmentation as a tolerance towards different ways of being, lifestyles and

realities, and even encourages experiencing different ways of being instead of committing to a single one. We can clearly see how the customers staying at unique concept hotels have a higher level of tolerance and understanding of different ways of representing the hotel product, but at the same time expecting the best and more out of it. According to many authors including Mossberg, 2003, other customers can both strengthen and reduce the service quality and satisfaction of a product. On the other hand the Lydmar hotel has always had some difficulties to attract the right mix of customers. Their concept is very strong and their thinking is anti-trend. They believe in their concept and lifestyle, which evolves around music, but the location of the hotel and its name, has always been very popular. These two aspects together can bring misconceptions about the hotel product as that of a city hotel, mainly used as a place to meet artists and people in music, live performers of soul, jazz and black music. Ingmari Pagenkemper, the Music Manager discussed during the interview that today they have managed to get the real creative sector, *“70% of the customer-mix are journalists, musicians, creative directors, and those looking for a music experience more than just the hotel”*.

A prototype of the post-modern space is when the experienced consumers experiment with their self-images in the successful market environment. Two hotels, which have a concept most appealing to the post-modern customer, are the Nordic Light Hotel and the Lydmar Hotel. In our study they seem to have the most non-traditional product trying to be as contemporary as possible with a strong image offering a different hotel product. They care more about the concept of the hotel combined with the service, personnel and customer mix. But without the concept their product would attract the same type of customers as any other hotel in the city centre.

Martin and Pranter (1989), stated in Mossberg, (2003) argue that a so-called *“compatibility management”* is important to create a good mix of customers, to

be able to develop good customer relations. The unique concept hotels can create a feeling of belonging for the customers. Råderström stated that the customers at Hasseludden K & Y can have a feeling of belonging with the other customers, being there for the same reason, but also the fact that they wear the same clothes is an important way for the customers to feel they belong.

According to Cova (1997) a concept place makes the customer feel as an individual belonging to different groups with shared emotions, consumption practices, styles of life or senses of injustice, for example in which he or she plays different roles, wearing different masks for each role. Cova continues to say that the fact of belonging to these tribes has become more important than belonging to modern social classes; making the attempt at classification impossible. Marder (1997) mentions that to offer exactly what the customer wants is not enough. By this premise we believe the unique concept hotels need to offer their customers something they really want or something the customers think they need to have. Ralf Thalén discussed that Hotel J is always looking to satisfy its customers' needs but to enhance their experience in order to make them feel like they want to have a similar feeling at home. We find this to be the way a stay can become memorable.

The relationship of the customer with the Icehotel is very different from that of any other hotel in our investigation. The customer has already high expectations because of the popularity and uniqueness of this hotel. At the same time as discussed by Kerstin Nilsson, the customer is curious and afraid, most of them do not know how to behave or what to expect. She explains how this aspect gives them an opportunity to give the customers that extra attention to make them feel secure making their stay even more memorable. After her discussions about the customers we conclude that the Icehotel customers are not only people interested in ice, or just customers passing by for a room to

stay at. They are traditional customers looking for that particular experience. It is not a lifestyle they belong to, but rather a curiosity they are eager to satisfy. To the other extreme we have also studied the Park Inn Hotel in Värnamo, where the customers are traditional business travellers staying at the hotel because of the location and type of hotel it is. Even though Park Inn hotel developed its concept towards a design hotel with a business customer flow, the hotel has not been able to take advantage of this differentiator. Kåre Johansson explains how the hotel keeps getting customers interested in the hotel because it satisfies their needs as a business hotel; the fact that it is nicely designed and represents the designers of the area seems not to play a big role within the business today. The intentions are to take advantage of their design rooms and servicescape and to try to attract more customers interested in those aspects of their hotel concept.

During our interview we realized that the respondents try to provide the customers with what they believe their customers want, need and expect. Marder (1997) mentions that what the customer wants are not enough. That is why we believe these hotels offer what the customer thinks he/she really wants or an unexpected experience. We assume the customer of today follows more or less the postmodern characteristics, as it is expressed through other industries targeting their customers in such ways.

6 Conclusion

This investigation is based on eight hotels and nine respondents. It is important to keep in mind that the results only represent their own management perspective. Through the investigation we have chosen to highlight some areas within today's hotel product and those we find to have a unique concept. Due to the limited research population the interpretation of the results should be carefully taken into consideration.

We began to look into the importance of the descriptions of these hotels as a way to differentiate their product. We thought that by defining each hotel with a category, the hotel's concept would be easier to understand. Geldner (2004) explained in one of the speed shops held by the Overlook Hospitality Management AB that for the last 20 years there has not been any standard vocabulary for the different hotel types, but just a variety of expressions used to define the different hotel types. Since the marketing of the hotels is directed at the customer, and these concepts need to be understood for their uniqueness to be differentiating, our first intention was to define them through the management perspective. As mentioned within the first chapter, Marder (1997) argues that what you need is the right marketing concept in order to induce people to choose. Marketing is the combination of moves that makes the marketer, brand, customer and choice work together for a purpose.

After investigating these hotels we realized that the line between the categories is very thin and diffuse or as Brown (2001, p: 39) states *“the line between these specific groups and the difference is sometimes hard to distinguish”*. A unique theme hotel can be as the hotel respondents stated, a unique design as well; just as the unique design hotel can be a unique lifestyle hotel. Examples of hotels in our study that defined themselves with strong and unique themes are, the Icehotel, Stora Hotellet, Fjällbacka, Nordic Light Hotel, Hasseludden K &Y,

and Park Inn, Värnamo. The Nordic Light Hotel and the Icehotel also define themselves as having a unique design within their hotel. There are no clear-cut definitions between the hotels, since each hotel chose to select more than one of the categories when defining their unique concept. One of the more important factors, as Pine and Gilmore (2000) argue, is the uniqueness that gives the customer a memorable stay; this can be performed by providing the customer with an extraordinary experience. We find the combinations of the categories to be the most important factor to determine their concept, as this is how the managers are defining their hotel product. We have also noticed that there seems to be a trend to have a combination of categories to define the hotel concept. Our conclusions for the first part are that the categories may not play a large role when it comes to the definitions of the hotel; the more important fact is the combination of the categories, which can be a way to define the unique concept of the unique hotel.

The overall view of their marketing strategies is that most of them try not to use a large part of their budget on their marketing. We have noticed a difference if the hotel is attached to a hotel chain, or if they are a small independent hotel. Most of the hotels that are part of a chain have a larger marketing budget, and will also be marketed through the hotel chain. During our interviews we have found that the smaller hotels do not advertise themselves with standard advertisements. This is mainly due to rather limited budgets, and the difficulty in measuring the impact of an ad-campaign. Instead they use their concept as a tool to get lifestyle magazines, as well as industry press to write articles about them, thus using editorial text as their promotion. However, when they are members of a consortium they tend to market themselves through the consortium, just as the consortium is using the concept hotel to attract other customers to their list of hotels. We believe that to belong to a consortium is very useful if not to say important. When asking if it is positive or negative

with new concepts hotels opening in their market area, the respondents found it positive, since the competition makes the hotel provide their best to their customers. As the marketing and sales manager at Stora Hotellet, Fjällbacka stated during the interview, “*Competition is only positive. You have to improve what you are performing; otherwise you will end up fat and unhappy!*”

We believe the uniqueness of the concept is their differentiator, and having different categories would be a way for a hotel concept to keep their uniqueness. We believe this is important, but at the same time we cannot tell if the industry would be easier to understand if the definitions were less diffuse.

When discussing the variables and their importance to the hotel concept, there are certain characteristics we suppose are more important than others. It is as Porter (1985 p. 119) mentions, “*A firm differentiates itself from its competitors if it can be unique at something that is valuable to the buyer*”. We were curious to know how these chosen variables could differentiate their concept, and which ones are more important to enhance the hotel. Almost all hotels except Stora Hotellet, Fjällbacka selected *atmosphere* as one of the most important variables (see Table 8 p.76). We believe there is an association between the defined categories for each hotel and the most important variables for the hotel concept. Since the atmosphere will create a feeling for the customers, and each person creates his/her own view of the atmosphere, we can see how both the concept definition and the description and display of the physical surroundings must match in order to deliver a clear message. We also assume that the atmosphere may also affect the customer’s stay, if the customer will return and if the customer will recommend the hotel to other customers.

The second part of our investigation was related to looking into how the personnel, the servicescape and other customers influence the unique concept hotels in order to differentiate and keep their uniqueness. It has been interesting

to watch through the investigation how these components interact with each other, and how they contribute to the atmosphere of the hotel. In relation to the personnel, we noticed that the less traditional the hotel is the more postmodern characteristics the personnel have. The personnel's interaction with the customer is essential for any hotel, and we have observed through our investigation how these hotels give a lot of emphasis to the type of personnel they employ. They all must have a special quality which makes them fit the hotel's unique concept. The respondents discussed during the interviews that their personnel are different, and have more than just hotel experience. We understood that most of the managers of these hotels have high expectations on their personnel. We can perceive from the respondents that in order to work in a unique concept hotel, it is important to believe in the concept and fit in as part of the hotel family. Training programs are not frequented or scheduled, and we encounter only two hotels, the Nordic Light Hotel and Park Inn with a periodic plan for training programs for their personnel. It seems to be enough to belong with the concept, as Hotel J, Icehotel and Lydmar Hotel say and to have the necessary understanding of how to work with the customer, just as Hasseludden K & Y, and Elite Plaza Hotel discussed. All in all, we got the impression that the personnel are more empowered than in traditional setting hotels. Some of the respondents discussed that the customer appreciates the personal ways of the personnel, which makes their stay more memorable.

It is within the servicescape all the experiences take place and every little detail such as the smell, the music, the smiles of the personnel and the interior design of the hotel affects the customer. The analysis of this made us understand how all the different variables of Mossberg's model (2003) will affect the hotel's concept. The interaction between the different elements within the servicescape is unique, and many times it is difficult to put the feeling or the emotion into words, taking into consideration how feelings and emotions are different for all

people. All the respondents agree that the servicescape of their hotels is really important; since it is within the servicescape the hotel differentiates their hotel product. We therefore believe the uniqueness of a hotel concept is developed within the servicescape. We also discussed during the interviews the importance of the room rate, since it attracts a certain group of customers which are expecting to get an experience. We believe the higher rates create higher expectations from the customers. According to Pine and Gilmore (2002) today's customers are willing to pay high rates in order to get a memorable experience. They also state that companies can sell an experience if they charge an admission fee and customers won't pay such a fee unless they deem it worth-while to do so. For example, the Icehotel charges the customers wanting to see the hotel's physical surroundings a fee of 120 SEK. This is a way for them of sharing the experience of the hotel with those who would like to see it without staying there. We find this to be a good way of attracting a large number of people, which can be used as their word-of-mouth marketing strategy.

We have understood that the respondents try to provide the customers with what they believe their customers want, need and expect. Marder (1997) mentions that what the customer wants are not enough. That is why we believe these hotels offer what the customer thinks he/she really wants or an unexpected experience. As we have mentioned in our limitations the customer perspective of unique concept hotels was not investigated. We would find it interesting to further research into the subject, and follow up with an investigation to discuss how customers understand the unique concept hotels. We assume today's customer follows more or less the postmodern characteristics, as it is expressed through other industries targeting their customers in such ways. As Brown (1993) also argues postmodernism champions the artistic, with attributes of intuition, creativity, spontaneity,

speculation, emotion and involvement. *“In an environment where there is increasingly less commitment to anything, but only a momentary attachment, so long as the image is represented seductively –a continual reproduction, reformulation, repositioning and regeneration of images is necessitated”* (Firat and Shultz 1997, p.195). We believe the post-modern consumer adopts several different lifestyles in a day. The reason for this according to Cova (1997) is that the possibility for free choice is available, and the essential quality of products and services is the zero defects whose main virtue is to serve and satisfy the slightest needs in a personalized fashion. In fact the post-modern person’s leitmotiv is: *“It is as I wish and when I wish”* (Cova 1997, p.304).

Our assumptions in relation to the investigation for this topic are that hotel managers at these unique concept hotels believe their customers to have higher expectations. Customers’ expectations have therefore changed the hotel product. The hotel managers seem to be giving their attention to values such as the design of the hotel, the concept it represents, the personnel who makes you feel special, and the actual physical surroundings which express what the hotel wants the customer to see, experience and feel.

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Interviews

1. Ingmari Pagenkemper- Music Manager

Place: Lydmar Hotel, Stockholm, 2004-10-25

Time: 15:00 – 17:00

2. Ralf Thalén – Owner and General Manager

Place: Hotel J, Nacka Strand, Stockholm 2004-10-26

Time: 10:00 – 12:00

3. Mia Björklund – General Manager & Fredrik Ottosson – Guest Experience Manager

Place: Nordic Light Hotel, Stockholm, 2004-11-02

Time: 10:00 - 12:00

4. Christer Råderström – General Manager

Place: Hasseludden Konferens & Yasuragi, Saltsjö-Boo, Stockholm,
2004-11-02

Time: 14:00 – 15:00

5. Carlo Mandini – General Manager

Place: Elite Plaza Hotel, Göteborg, 2004-11-09

Time: 15:00 – 17:00

6. Catrin Knutsson – Sales and Marketing Manager

Place: Stora Hotellet, Fjällbacka, 2004-11-16

Time: 10:00 – 12:00

7. Kerstin Nilsson – Owner and Hotel Director

Place: Phone interview, 2004-11-22

Time: 11:00 – 12:30

8. Kåre Johansson – General Manager

Place: Phone interview, 2004-11-23

Time: 09:00 – 10:15

APPENDIX

Interview Questions Part 1

Subaim A: Description of unique concept hotels

1. What is your unique concept?

Unique Design

Unique Boutique

Unique Lifestyle

Unique Theme

Unique Co-branded

Unique Service Quality

2. Which variables are important in regards to the hotel concept, and why are they important?

Location: _____

Size: _____

Concept: _____

Uniqueness: _____

Atmosphere: _____

Hi-Tech: _____

Entertainment: _____

Others... _____

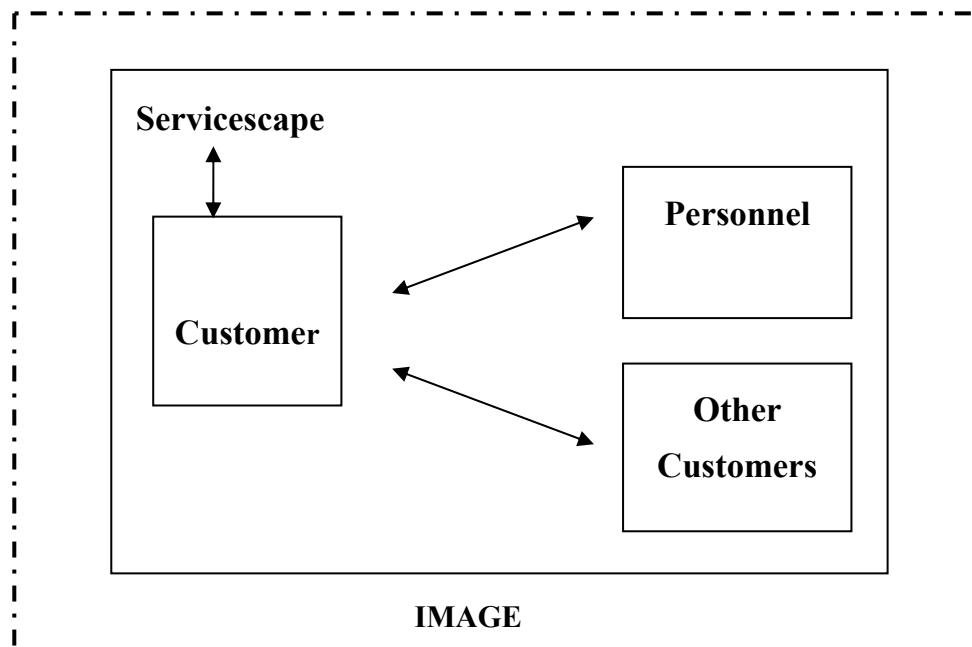
3. How do you market your hotel?

- How do you market your unique concept hotel?
- Do you work with any association or consortium (groups of hotels) with similar ideals?
- Is it positive or negative that more hotels with unique concepts are opening in your market area?
- What influences the hotel to re-develop your unique concept? Do you follow any trends?

Interview Questions Part 2

Subaim B: Differentiation of unique concept hotels

To describe the hotel product and differentiate your hotel as unique we will use the Servicescape model by Lena Mossberg, 2003. We want to learn from your hotel how each part is affected by the unique concept and image. Also, what role each part plays in order to differentiate them from other hotels and gather competitive advantage to keep the uniqueness of the hotel.



Source: Mossberg (2003) an overall picture of the factors that influence different types of experiences between customers, employees, other customers within the image of the Servicescape.

Personnel

1. How is the personnel attached to the hotel concept, and what role do they play?
2. Do you consider the personnel to have different qualifications compared to those working in traditional hotels? Give examples and explain why?
3. Do you have training programs, and how often you get them? Describe them.

Servicescape

1. Everything in the physical surrounding influence your hotel image and concept, what are the most important things you focus on in order to deliver your concept effectively?
2. Which are the most important changes the hotel has experienced?
3. Does the hotel thinks of redeveloping the concept, or do you believe your concept will always follow the trends?

Customers

1. Do you think your customers fit with the hotel concept? Do they represent your image as well as the hotel does?
2. Do you think your customers are different than traditional hotel concepts?
3. Can you see a change in the customer group since the hotel opened?