



DESIGN|INSIGHT|STRATEGY

Designing a New Class of Luxury

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Credit: Leo Manjarrez

An Intimate Look at the Dorchester Collection Hotel Group

Resting in the mountains of Yamanashi Prefecture, Japan, sits what many believe to be the world's oldest hotel – Nishiyama Onsen Keiunkan. Established in 705 AD on the banks of a natural hot spring, its foundational magnetism came from healing and relaxing baths that, over the centuries, attracted many notorious figures, including samurai, famed shoguns, and military men. While humble, it was a true luxury of the era, a place of escape. As time charged on, this flicker of repose remained relatively unchanged. Quiet. A place of generous hospitality, simplicity, and the promise of retreat. It is, to this day, still in operation, a family heirloom that has been passed down generations – 52 generations, to be precise.

It's a remarkable demonstration of longevity, upheld by the secrets of family trade, but it's an anomaly by today's measures of luxury. Where is the Michelin star restaurant? Where are the palatial suites? Where's the wifi-enhanced 24-hour fitness facility? While luxury seekers are looking for many of the same outcomes from their stays (such as escape and relaxation), there is no longer singularity in how this should be fulfilled. From the high-powered executive to the privacy-

seeking celebrity or the adventurous retired couple, there are multiple expectations of what encompasses a luxury hotel experience. And yet, in many big name hotels, there are limited expressions of luxury. Across brands, you'll find the same service practices, uniformity of amenities, and conformity to predictable luxury standards. While this results in consistent, homogenous value propositions, does this actually fit today's luxury consumers? More importantly, in all this sameness, how can luxury hotels cater to the individual when the system is designed for an assumed version of luxury en masse?

One hotel brand is taking a different approach to inspiring luxury experiences by centering around the individual (and what they define as luxury) rather than relying on the property and amenities to inform the experience. With iconic hotels in Europe and the US, Dorchester Collection is forging new ground in its customer-centric efforts, powered by insight and made real across the front line. The following brings to light three of Dorchester Collection's global initiatives ^[1]_[SEP] and how they're impacting the luxury traveler's experience.

Luxury Is How the Consumer Defines It

While it's easy to segment business from leisure travelers, it's a lot more challenging to know what an individual may desire and the kinds of experiences that they will equate with luxury. It may be a bother-free night of rest for the busy executive, anonymity for the discreet celebrity, or an unexpected surprise for the visiting couple. In these terms, luxury is not defined by a majestic entrance, grand salon, or a members-only room, but by how the hotel (and more importantly, the staff) responds to the guest. Despite the best intentions and carefully designed service patterns, if it's not couture by design – the right type of service interaction, at the right time, and for the right type of consumer – the service will miss its mark.

Context is what defines luxury service. Insight at an individual level enables deeper understanding, thereby informing how the hotel should act. To this extent, Dorchester Collection has incorporated empathy training into its learning and talent development academy. As part of the onboarding process for staff, training is enriched with personas that reflect a human-centered approach to staying at the hotel, rather than focusing on categories on a spreadsheet or broad standards of service necessitated by the industry (but not necessarily by the consumer). Going beyond classic business ^[1]_[SEP] vs. leisure distinctions, staff are trained to recognize, understand, and anticipate guest expectations on a more contextual level, from travelers like the female professional to the bucket-lister. Ultimate service delivery isn't benchmarked by traditional markers of luxury service – such as saying a

guest's name three times at every interaction or ensuring that bags are whisked away upon arrival – but rather on what is most suitable for the individual within the present context.

Furthermore, in the perpetual campaign to better understand different types of luxury consumers, it's important to draw the distinction between feedback and insight. While guest comments and feedback are critical to help sharpen services to razor precision, they will rarely point to service gaps. Insight comes from looking beyond what's reported and instead hunting for hidden meaning among the many pieces of data. For example, Dorchester Collection identified that across their hotels 80–90% of breakfast orders were modified, marking an overwhelming, unspoken indication that breakfast menus were dispensable. It is unlikely this insight would have ever come directly from a guest. As a result, Dorchester Collection has been experimenting with menu-less breakfasts, offering a “made to measure” experience where guests can order whatever they like.

Connect the Dots Across Data

From online review sites, travel blogs, Instagram snaps, comment cards, and Twitter posts, there is an exponential amount of data being generated about hotel experiences. Much of this data highlights what the hotel does incredibly well or mishaps that have been captured for all to see. Individually, these sources of data provide a one-sided story, an extreme brought to life, while the average experience is less likely to be reported as explicitly. Assembling the big picture requires aggregating all the pieces and uncovering the relationships that connect the data. This is no easy feat, with data coming in from multiple formats, from a myriad of sources, generated by the minute. Even for the most seasoned analysts, it's an inhuman challenge.

So don't leave it only to humans. This is the thinking behind Dorchester Collection's decision to integrate AI into their data mining strategy. Working with machine learning software Metis (from a San Francisco startup, of which Dorchester Collection is a founding first client), correlations can be extracted across words, images, and sentiments, from any number of sources. For example, in reviews for Dorchester Collection's Los Angeles location, Hotel Bel-Air, guests frequently spoke about the hotel's outdoor spaces and wood-burning fireplaces, using terms like “haven,” “secluded,” and “oasis.” Upon further investigation, it was discovered that Hotel Bel-Air is the only hotel in Los Angeles with wood-burning fireplaces, yet this is not a prominent selling point on the hotel's website. By rooting out these relational links and emotional bonds that guests are forming with

their experiences, it's possible to design better services and spaces that fit their desires rather than making assumptions about what guests need.

Build a Relationship Between CX and EX

While data can provide meaningful insight into consumers and inform directions to evolve the hotel experience, it ultimately relies on the people delivering the service. Many hotel brands have gone the route of standardized rulebooks for staff to adhere to, regardless of whether they are in London or Los Angeles, so that the guest experience is uniform across the board. While this can create a cohesive brand experience, it leaves little room to celebrate what's special about local cultures and customs. Furthermore, for some hotels, efforts to regulate brand are contributing to the brand's commoditization, as the hotel experience is symmetrical from city to city. Taking a counter position, Dorchester Collection has purposefully chosen to design and operate their hotels independently of one another. For example, the services and staff interactions (and even bed sheets) at Le Meurice reflect its unique Parisian flair and differ from Hotel Principe di Savoia in Milan or Coworth Park in Ascot. Autonomy has enabled each hotel to develop guiding service principles that reflect its character, culture, and locality.

Looking one step further, through analysis of employee feedback, Dorchester Collection has identified a high correlation between the employee experience and the guest experience. While it's not surprising these two go hand in hand, it creates a compelling argument that evolving the guest experience means evolving the employee experience in step. Dorchester Collection is experimenting with ways to foster this. For example, their Beverly Hills Hotel has recognized that the iconic red carpet that delights guests can have an equally positive impact on their staff, and has fitted the employee entrance with a replica. At the Dorchester in London, the staff canteen has been transformed into a restaurant, providing staff with their own bit of luxury. And while they may be seldom seen, mobile phones are becoming an increasingly important part of the job for cross-team communication and immediate response. While there are lots of charging plugs for guests, few hotels have infrastructure for their staff, leading Dorchester Collection to experiment with employee "juice bars" to ensure a dying battery is no longer a source of stress. As an organization, Dorchester Collection believes that their employees are the curators of the experience – the hotel is merely a building.

Enabling a New Class of Luxury

While personalized service done at scale seems like the silver bullet to combat standardization, commoditization, and devaluation of luxury experiences, it's no easy feat. It's not a matter that can be solved simply by implementing greater data

collection, increased marketing budgets, or better staff training. It's a far more complex, interconnected, systemic challenge that touches all parts of the business. The starting point for many organizations may be rewiring the metrics, measurements, and KPIs to align with what the consumer would measure, rather than the industry. Consumers generally aren't checking that they're being greeted within 30 seconds of arrival or evaluating the breadth of the wine catalogue; these are measures set out by regulators, ratings, and ranking agencies as markers of luxury (unless these things matter to that particular guest in that particular location).

Coveting stars has dominated what defines the luxury experience, to a point where many hotels are aligning strategy to meet checklist criteria rather than focusing on what's ultimately important to the consumer. But we're seeing signs that this may be evolving. The proliferation of formal and informal sharing channels is shifting the power balance. As this continues, the next class of luxury may not only be defined by surface-level standards, but instead be driven by incorporating what's most important to the individual and their own expectations of luxury – rather than relying on the industry alone to set the expectations. It will give a whole new meaning to earning those stars.