



THE EXECUTIVE SUITE: BOUTIQUE BOOM

MOVERS AND SHAKERS OFFER
THEIR PROGNOSIS FOR THE
FUTURE OF BOUTIQUE HOTELS.

THERE'S MORE TO A PRETTY FACE, ESPECIALLY WHERE BOUTIQUE HOTELS ARE CONCERNED. DIG DEEPER AND YOU MAY FIND WIT, PERSONALITY, HUMOR AND SOPHISTICATION – DETAILS THAT CAN TURN IDLE CURIOSITY INTO TRUE LOVE.

By Gary H. Bedian. Interviews by Ray Wyman Jr.

Many boutique hotels have that fashionable coolness that provokes us with scintillating architectural designs and imaginative displays of art. Inside, they pamper with amenities and individualized service that are hard to come by in a big box hotel.

On the business side, what started as an experiment in original design and luxurious comfort has blossomed into one giant global business opportunity. As of now, the boutique hotel segment accounts for about 1% of the total supply of hotel rooms in the United States (less than that worldwide).

In conversations with my colleagues, the smart money is on boutiques increasing market share by more than 500% over the next five to 10 years. Much of that growth is due to changing tastes – and perhaps a touch of “brand fatigue” – of well-informed and well-heeled “global nomads” who are pushing growth even now.

I thought it would be interesting to poll the movers-and-shakers who are at the helm of the boutique hotels trend – to see if all share this perception.

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MICHAEL KELLY

Michael Kelly is the Chairman and CEO of Kelly Capital, a private investment group based in San Diego, California. Among the firm's holdings is Michael's dream "luxury urban resort." The Ivy Hotel, located in San Diego's historic Gaslamp Quarter District, opened to rave reviews in 2006.

Michael is as passionate about the future of boutique hotels as he is about the vision that created the Ivy Hotel. "Boutique hotels are the future of luxury travel. Guests all over the world are looking for unique and memorable experiences... intimate, service-focused hotels that will be able to provide them with the experiences they crave."

He expects boutique hotels will proliferate worldwide because discerning travelers are seeking out "individuality" in hotels they choose to patronize. These travelers are also attracted to "exceptional and innovative services" such as personal butler service, "trained by the very best, the Guild of Professional English Butlers - for every guest at the hotel."

Michael adds: "I foresee boutique hotels offering experiences and amenities that really impact their specific demographics, making each hotel stay appeal to the specific desires of their guests. I can also see boutique hotels offering exciting entertainment



and unique activities for guests. A hotel doesn't need to only be the place you put your head at night, but it can be the place you want to spend your whole day and night."

One clear advantage of boutique hotels "is that they are able to evolve quickly to stay fresh and unique. I see smaller hotels continuing to reinvent themselves to lure guests. I would also not be surprised to find more technology in boutique hotels. But more than anything, it's the personalization of the guest experience that sets boutique hotels apart from the rest. Exceptional service is how boutique hotels differ from chains and is what will perpetuate the long-lasting development of these specialized properties around the world."



THOMAS SCHOOS

Thomas Schoos, a German-born interior designer, currently works from his West Los Angeles, California design studio where he founded Thomas Schoos Design in 1996. Working in his own brand of lifestyle design, Schoos has created numerous notable works for hotels, restaurants and clubs throughout California, New York City and Las Vegas.

"I think the big challenge for boutique hotels is in how they are designed. If they begin to look like other hotels, then the guest will lose interest. But if they keep their freshness, keep the originality and uniqueness that has made them successful, then they will grow beyond the stage of novelty and curiosity. Nothing should be left to pretense - the 360-degree view must be strong."

On the growth of boutiques, Thomas expects that passionate, vision-driven risk-takers will be the key drivers. "Guests are tired of seeing the same design pattern everywhere. Growth is not

through mass production. If you are going to grow, then you must continue to take risks."

He asserts that even among the chain boutiques the challenge will be to stay fresh by blending unique concepts for each location. "You can do this by taking in the features of the surrounding culture, history and even the neighborhood. Keep the guest inside the context of the cultural setting of the location. The mass design formula is disruptive to the guest. If you use a standard design, you confuse them. They don't know if they are in Bangkok or New York."

Optimism is Thomas's word for the long-term future for boutiques. And more risk where design is concerned.

"There are six billion people in the world - one billion of them are travelers; think of the possibilities. There is no way you can hit everybody's taste. But you can hit their fantasies, and their imaginations will run wild. Even travelers who don't like risks will come to see what all the buzz is all about. You may not want to be there for 24 hours, every day, but you will want to see it and experience it often."