

COMMERCE

Merino Hospitality offers Airbnb convenience with a hotel's luxury service

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Merino Hospitality Bloomsbury Pearl apartment

By FORREST CARDAMENIS

Merino Hospitality is offering London-bound travelers and transplants the best of both worlds.

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The company diverges from hotels in offering kitchens, other amenities and larger amounts of space sufficient for larger groups but, unlike Airbnb, does not sacrifice the advantages of a hotel's service and concierge. Changes in both consumers' travel patterns and mindsets are reshuffling the hospitality industry.

"Our properties have been curated, designed and furnished for travelers who are looking for the comfort of a fine hotel, the privacy and exclusivity of having their own address in town, the flexibility of self-catering accommodation and the friendliness and expertise that you would find in a local host who can help you make the most of your trip to London," said Caio Merino, co-founder and managing director of [Merino Hospitality](#). "As our customers have told us before, they find it very difficult to know who to trust when looking for accommodation online, be it with Airbnb or even One Fine Stay.

"Our primary target market are families or group of friends who want to be able to enjoy London at their own pace, create their own experience without necessarily feeling like a lost tourist," he said. "These are people who have experienced fine hotels throughout their travels but got tired of the impersonal and sterile atmosphere."

"Traveling with children can be a great challenge for families: with small children in a hotel room, there is no privacy and once the kids go to bed so do the parents. With older children, there is a very fine line between getting connecting rooms or letting the kids have their own separate room and our homes give families a nice balance between great family time together in the living room or resting in their comfy beds."

Best of both worlds

As with the best hotels, Merino Hospitality's apartments boast central location to ensure that guests see the most of the city. Prices vary based on property and booking date, but generally fall within 480 and 600 per night, or about \$684 to \$855 by current exchange rates.

More similar to Airbnb, however, the properties also boast more space than all but the best hotel suites, with two or three bedrooms, two full bathrooms, a living room and a fully equipped kitchen.



Best of Times unit

Beyond the extra space, sufficient for as many as six people, the units are equipped with WiFi and contain high-end audio and video equipment, helping it feel more like home. One unit, Orchid Way, also includes a children's play den, ideal for families or increasingly popular multigenerational travel ([see story](#)).

Each unit is no more than a couple of minutes from Russell Square, meaning the locations are close enough together for multigenerational vacationers or other large groups, who will be able to quickly walk between one another's residences.

Similar to a hotel, Merino also offers a concierge service. Office supplies, groceries, restaurant reservations, car rentals, tours and even private chefs and babysitters can be arranged for through the service.

In this way, the properties offer the space and convenience that drives some travelers Airbnb instead of hotels while also offering the best services and amenities of both.

"The vacation rental market has always been a force in the travel industry, but - for the most part - it remained independent of hotels," said Taylor Rains, managing partner at [Flugel Consulting](#), Charleston, SC. "Their relative scarcity and lack of amenities made them appealing for only one segment of the market.

"In essence, there were two distinct travelers: one looking for a hotel experience and one looking for more freedom and space," he said. In recent years, however, the vacation rental market has evolved in such a way that it directly competes with hotels and resorts.

"The new vacation rental industry now caters the traditional guest, offering services and amenities typical of a hotel. The result is the emergence of a new industry segment that looks for the space and freedom available through home sharing services without sacrificing luxury amenities and services. Companies like Merino have done a great job at capturing this new segment and will likely only continue to grow."



Orchid Street exterior

Those relocating to London will also benefit from Merino, which will refer them to local lawyers, accountants, experts on the UK education system and real estate agents to help a family find a place of its own.

Although Merino Hospitality only offers four properties, all of which are in London, a business model combining the convenience of Airbnb with the luxury of a high-end apartment is one that could catch on elsewhere.

"The Merino model seems to be well-suited for the London market, as the properties have the opportunity to capitalize on existing services that are pervasive in the city without having to develop all that infrastructure internally," Mr. Rains said. "For city's with similar offerings, major metropolitan areas around the world, the model would likely find comparable success.

"Outside of the city's infrastructure, local regulations would be the other major hurdle a home sharing service would have to consider when determining if this model is viable in a given city," he said. "Owing to their rapid rise, many cities have been behind in regulating these companies, leading to a free-for-all in the market; however, regulations

have grown more strict of late in a number of cities."

Consumers traveling in large groups, empowered by TripAdvisor, Chowhound and other such Web sites, are redefining what is expected from hospitality brands, often opting for home sharing accommodations rather than hotels to take advantage of extra space or because a hotel's service does not justify the added expense. Additionally, those visiting a close family member in London, such as a child in university, will more easily be able to convene under one roof in a Merino Hospitality.

Consumers who prefer the traits of Airbnb or One Fine Stay tend to skew young, meaning they are the luxury consumer of the future. As such, traditional hotels will need to find ways to impress that services such as Airbnb or Merino Hospitality could not.



Orchid Street interior

Capitalizing on the draw full-home accommodations have on millennials, Merino Hospitality's apartments feature solar heating systems and LED lights. Besides having a convenience- and value-driven idea of luxury, millennials tend to prefer businesses that share their values, with the environment being a particularly important one.

New concerns

One potential way for hotels to win over the young consumer is to cater to her understanding of luxury as an experience rather than a product with unique promotions that cannot be replicated.

Four Seasons Hotels & Resorts often centers their brand on unique experiences and is currently offering golf enthusiasts an experience they will never forget.

The brand's hotels in Miami, Nevis and Peninsula Papagayo, Costa Rica are partnering with Magellan Jets to offer an opportunity to play on three world-renowned championship courses, complete with the personalized service of Magellan and Four Seasons. The high-end attraction will thrill a select few, but news of it will extend to a broader consumer-base and showcase the hotel chain's creativity and dedication ([see story](#)).

Also, because traveling is an increasingly popular way for people to give back, with consumers planning volunteer work into their schedule, hotel brands must stay on top of the trend to maintain their status as the best in the business.

A [recent study](#) by Tours.com found that an astonishing 55 percent of America-based travelers partook in volunteer work during a vacation within the past two years, with almost three quarters calling their charitable donations or philanthropic endeavors "important," "very important" or "extremely important." As "voluntourism" becomes increasingly common, brands must show that they care equally and assist travelers in partaking in volunteer work or gifting to maintain status and image ([see story](#)).

"Hotels don't necessarily need to be worried, but they do need to be prepared," Mr. Rains said. "It is a challenging position for the hotel industry. A tangential industry has encroached on its market and the result is being felt in city's around the world.

"There are, and will continue to be, hotel loyalists: guests who would always choose a hotel room over a more spacious rental," he said. "It's the variable market, the guest who could go either way, that hotels will need to work to capture.

"Vacation rentals took something that had been unique to the hotel industry and applied it to their model. In order to compete, hotels are going to have to find another unique element to staying with them and capitalize on it - be it culinary offerings, packages, property amenities, provenance, etc."

However, the value proposition offered by home sharing has a heavy sway for many consumers.

"On platforms like Airbnb, it is a sure thing that it has led people to buy larger accommodation for considerably less

money, but that comes with a price that experienced travelers are not necessarily willing to compromise in terms of time, quality and reliability," Mr. Merino said. "Self-catering accommodation has always been associated with countryside retreats or beach houses and what we strive to do is to offer the same experience in the heart of the city, with great customer care, professional standards and yet a friendly, personable and private service."

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