

TRAVEL AND HOSPITALITY

Four Seasons follows consumer interest, invests further into residencies, new markets

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Four Seasons opens Resort Seychelles Desroches Island as it expands. Image credit: FourSeason.

By BRIELLE JAEKEL

In line with the overall forward momentum in the hospitality industry, Four Seasons Hotels and Resorts is ramping up its expansion strategy via new property openings in popular and emerging tourist destinations.

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As affluent travelers' values change and shift toward experiencing new things rather than returning to the same locations, luxury hospitality brands are branching out. Four Seasons is the latest hotel brand to announce a global expansion plan, in which it will enter new markets as well as build up its residential business.

"The planned Four Seasons expansion, along with similar moves by other major players in the market, suggests an interesting shift in the behavior of the typical luxury hotel guest," said Taylor Rains, managing partner at **Flugel Consulting**, Charleston, SC. "For many years, the luxury hotel industry worked to build property-specific affinity with guests in the hopes of creating a pattern of stay. For many brands, that strategy proved effective.

"It was not unheard of for hotel guests to return year after year to the same property," he said. "But the nature of luxury travel has seen a major shift in the last decade, with guests looking for an experience more and more.

"While repeat visits are still likely and an important market to tap, luxury hotel brands have been forced to adapt to meet the growing experiential segment, essentially building equity in their brand and services rather than an individual property. Expansion into new markets and applying those trademark services to new properties, as Four Seasons is doing, is an excellent way to grow the brand's footprint and help generate brand affinity across properties."

Mr. Rains is not affiliated with Four Seasons, but agreed to comment as an industry expert. **Four Seasons** was reached for comment.

Evolving interests

Four Season's growth is reflective of the shift in consumer behavior, as luxury travelers want to explore unique

territories and residential occupancies in hotels become more appealing to affluents.

The hospitality brand opened seven new locations last year and will continue this momentum with numerous new locations in 2018.

While Four Seasons has not said exactly how many new hotels it will open, the brand will make a big impact by returning to Philadelphia. The brand plans to open a new property, in partnership with cable provider Comcast, that will become Philadelphia's tallest building.

A second hotel in India and a second resort in Seychelles in East Africa on Desroches Island will also be a part of its 2018 strategy. A hotel in Kuala Lumpur, Malaysia will also open next to the city's iconic Petronas Towers.

Four Seasons opened its first location in Tunisia in North Africa in 2017. The hospitality brand also took over the iconic Paradise Island Ocean Club in the Bahamas.



Four Seasons new resort in Athens. Image credit: Four Seasons

Many hotel brands are looking to expansion rather than building up their existing locations now that affluent travelers are spreading out.

Marriott International also continued its growth in the luxury hotel sector by announcing 40 new luxury hotels that will open over the course of this year.

The Ritz-Carlton, Luxury Collection and St. Regis are among Marriott's hotel properties that will all get new locations over the next year, with 25 new countries joining the Marriott family. This move is consistent with the larger shift towards more luxury properties that Marriott has taken since its acquisition of Starwood in 2015 ([see more](#)).

Residency in hotels

Four Seasons is also investing significantly in the future of residency.

Hotel residences are growing in demand due to the popularity of sought-after locations where hoteliers are usually located, along with the allure of an array of amenities affluent consumers seek for everyday living.

Travel and hospitality brands have been investing further in building residences to capitalize on the affluent's growing interest in living in hotels. The appeal of an amenity filled residence paired with coveted locations make it easy for these brands to appeal to realtors and clients ([see more](#)).

The hotel brand is working on more than 30 current projects related to its residential business, as well as appointing a new president, Paul White, for this department.

Four Seasons Private Residences has a presence in more than 17 countries with 38 properties. The brand claims this number will double by 2023.



Four Seasons' 20 Grosvenor Square residences. Image credit: Four Seasons.

Private residences will open in Bengaluru, India this year as well as So Paulo, Brazil. Resorts and residences are opening in Jeju Island, South Korea, Dalian, China, Mecca, Saudi Arabia and a second property in Vietnam.

"Expansions, especially ones of this size, can be challenging," Flugel Consulting's Mr. Rains said. "Four Seasons has to marry the localness' of each property with their trademark level of service.

"Luckily, it's a formula that Four Season has pretty well established, so I have no doubt the brand will do so fluidly," he said. "After the initial expansion, Four Season will likely work to establish interest in the new properties among existing brand loyalists.

"I would expect to see cross-property promotion and features highlighting the new acquisitions and incentivizing guests to stay."

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