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Soaps, shampoos and the luxury hotel

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Traditionally, luxury has been marketed through exclusivity, status, quality and excess – the latter of which implies "more," not "less."

This is what ran through my mind recently as I read a Reuters article, "Greetings trump giveaways at luxury hotels," about how luxury brand hotels are doing away with the fancy freebies – amenities such as shampoos, lotions, soaps – and replacing them with more "enhanced" service in the form of personalized greetings. Whatever that is, anyway...

In my mind, this is very misguided thinking on the part of luxury hotels.

Bar none

Speaking at the Reuters Global Luxury and Fashion Summit last month, Arne Sorenson, chief operating officer of Marriott, expressed the view that, as rates rise back to prerecession levels, customers will expect more.

"I think, as rates begin to go back up, which they have been doing since roughly midyear last year, you start to see customers expect more ... as they expect more, it will cause us, on balance, to increase service in most brands," Mr. Sorenson said at the Reuters event.

So, tell me, if consumers are expecting more, why do the soaps have to go?

The disconnect here is that while hotels admit that customers are expecting more with

increased rates, hotels are, in fact, giving them less by taking away amenities.

So, in place of this bundle of amenities – a staple of hotel luxury over the last few decades – hotels are expecting that "Hello, Mrs. Smith, welcome back!" is somehow going to excuse a lack of shampoo in the room?

How will hotels convey this message to Mrs. Smith, "Sorry, Ma'am, but instead of shampoo, we've memorized your dossier."

It sounds silly, as it is meant to, but it highlights an important point: luxury hotel guests like amenities, will expect amenities, and given the absence of amenities, will ask for them.

Are hotels ready to explain to Mrs. Smith that it is due to cost cutting, when she is paying a higher rate?

Is the front desk ready to tell Mrs. Smith that her shampoo was replaced by a smile and greeting as she entered the lobby just a few moments ago?

Won't wash

In working with travel brands and hotel companies, I understand the financial argument: replacing costly extras with enhanced personal service always looks better on the books.

However, luxury customers do not care much about the hotel's books.

Such customers are willing to pay more, to get more, in both service and amenities. And if they do not get what they want – or expect – they will simple go elsewhere.

Both amenity products and enhanced personal services are part of the "experiential" nature of luxury goods – something that we are going to see a lot more of from travel and hotel brands.

When Mrs. Smith buys a service, she purchases a set of intangible activities carried out on her behalf.

But when she buys an experience, Mrs. Smith pays to spend time enjoying a series of memorable events that a company stages to engage her in a personal way.

It could be argued that when luxury guests check-in, they are buying into such an experience from the hotel.

Personalized greetings, enhanced services, and superior products – products that are different than what they normally use – all combine to form the entertainment and escapism necessary to provide luxury consumers the experience that they are expecting.

Additionally, in luxury marketing, enhanced and personalized services are seen as "a special touch," or a unique way to make the customer feel even more exclusive.

Luxury consumers see such services as an added bonus – one that adds to the experience.

In no way are these services seen by the luxury guest as a replacement for a bundle of

physical products that the he or she has received and enjoyed for many years.

Suds, not duds

The only time that luxury brands should even consider getting rid of amenities is in a recessionary, low-rate period, since the customer might excuse the loss of amenities at the lower rate.

Never will the entering luxury customer "Mrs. Smith" reconcile with the fact that she does not get her fancy shampoo because the bellman was trained to remember her name.

Instead, Mrs. Smith reflects on the long day she has had, and what a nice surprise it was that the bellman remembered her, let alone her name.

Mrs. Smith opens the door to her room, prepares to shower away the stresses of the day, and then notices something missing from the bathroom.

"My gosh, I'm paying far too much money not to have any of that fancy shampoo or soap in my room! Since when did this hotel turn into a Travelodge?"

Luxury marketing in the hospitality industry does not lend itself to economizing tactics that take away products from customers who are accustomed to having those products. That is counter to everything that luxury hotels have spent so long developing.

So, for goodness sake, and poor old Mrs. Smith, leave the soap and shampoos alone.

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