

TRAVEL AND HOSPITALITY

Luxury hotels may have the upper hand when travel returns

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The Ritz-Carlton hopes to empower employees to provide personalized service to guests. Image credit: The Ritz-Carlton Bali

By DIANNA DILWORTH

The travel and tourism business has been hit hard this winter and spring as lockdowns and border closures to curb the COVID-19 outbreak are keeping consumers from leaving their homes.

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But when luxury hotels and resorts reopen, there could be a new opportunity to claw back the affluent clientele that turned to Airbnb rentals in recent years. Luxury hotels can offer a higher-hygiene, standardized cleaning process with consistency across properties in a key differentiation that might be lacking at typical Airbnb rentals a post-coronavirus asset.

"They will have a more consistent long-term communication, addressing the concerns that travelers will have after this crisis is over," said [Ana Andjelic](#), New York-based brand strategist and former chief brand officer of Rebecca Minkoff.

"They also have a centralized customer service to answer any post-crisis inquiries," she said. "Finally, they already have logistics and operations in place to ensure sanitization of all premises."

For now, though, the travel and tourism business has been the hardest-hit luxury sector, along with retail. Layoffs and furloughs are commonplace across all brands, including Marriott International, the world's largest hotel and resort chain with brands such as the Ritz-Carlton, St. Regis, Luxury Collection and Bulgari Hotels ([see story](#)).



Airbnb Luxe private home offering. Image credit: Airbnb

Airbnb shaped experiences

Even before the COVID-19 pandemic, hotels and resorts had a bugbear that was turning into an existential threat. Airbnb has innovated in the travel space over the last several years and steadily siphoned business from luxury hotels.

Responding to consumer demand for luxury home rentals, the home-share platform has been offering affluent consumers Luxury Retreats in upscale properties. The offering has attracted demand from users who are interested in an easy experience in renting luxury homes for vacation or business stays ([see story](#)).

Beyond by Airbnb is another luxury tier offered to affluent consumers who are looking for custom-designed trips, including personalized experiences along with high-end rentals ([see story](#)).

Luxury hotels have responded to this competition by offering unique experiences of their own that are designed by the location.

For example, Marriott International's The Ritz Carlton is establishing a presence in the Balkans with a planned hotel and residences in Montenegro set to open in 2024. The hotel has been promoting the mixed-use development on the coast of the Adriatic Sea as a luxury travel destination for adventurous affluents seeking out areas that are off the beaten path ([see story](#)).

Four Seasons Hotels and Resorts has been tailoring its strategy to appeal to affluent travelers who are looking for experiences when they travel. The hotel chain's data found that 95 percent of travelers think a person should step outside of their comfort zone on a trip ([see story](#)).

And hospitality group Rosewood Hotels & Resorts is promoting immersive experiences designed to take family vacations to new heights as more affluent millennials are traveling with their children ([see story](#)).

While consumers may be more hesitant to push themselves in new ways in post-coronavirus travel, luxury hotels will have the upper hand to offer a standardized experience.

"While the home rentals such as Airbnb will also be doing their part to ensure cleanliness and safe places to stay to their guests, most travelers are clearly going to be more comfortable making reservations with their luxury hotel property of choice, knowing that the property is doing everything above and beyond their legal obligations to win-back their guests," said Damon M. Banks, editor and managing partner at LuxeGetaways.

"And they will make sure to have the staff to make this happen," he said.



Four Seasons Anguilla. Image credit: Four Seasons Instagram

Marketing will be key

Hotel brands will need to communicate their advantage to consumers if they are to win out when consumers start traveling again. This includes highlighting their protocols and cross-property consistency.

"They should do it through their strengths in logistics and operations, consistency of implementation, and making corporate leadership visible and available to their customers," Ms. Andjelica said. "Corporate strategy should be clear and clearly and widely communicated, and customers should always be put first. This is the time for brand actions, not words.

"I can see them coming back with a higher awareness of proper travel hygiene and staying safe and free from germs, asking the right questions and demanding from hospitality companies to put their safety first," she said.

"Humans are adaptable, but unfortunately have short memories. Old habits die hard. It's up to brands to enforce a more safe and more responsible world of travel and hospitality, and to inspire and mobilize consumers to adopt these new values. Scare tactics won't work."

While no one knows how brands will come through this current coronavirus situation and what is next, those that offer a personal connection to consumers through these uncertain times will likely succeed at winning trust.

"The travel and hospitality industries still do not have a clear picture of the world beyond the coronavirus pandemic, but there will be a major focus given to connecting to their guests to make them feel comfortable when booking their next stay," Mr. Banks said.



The Ritz-Carlton, Montenegro is scheduled to open in 2024. Image credit: Marriott International

Post-coronavirus world

If marketers can learn anything from 9/11, it is that consumers are still willing to travel even with the scary risks associated with such activity.

Terrorism is different from a global pandemic, but once the virus is dealt with, consumers may want to return to their way of life. albeit with slight alteration.

"While we still do not know when we will be able to freely travel again post-coronavirus, we do know that it will certainly look a lot different after this eye-opening pandemic," Mr. Banks said.

"There is a lot of truth in the efforts now from everyone associated with the travel and hospitality industries who are

encouraging everyone to continue planning future travel," he said.

"This shall pass, and the global community will come together to support personal and business travel since it brings so much to all of us, both personally and professionally."

Exquisite Rituals, Exquisitely Presented: Exploring the rituals and traditions of St. Regis Hotels & Resorts in association with Vogue

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