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Art and Design Innovation in the Luxury Hospitality Business

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Abstract

This dissertation investigates how innovation in art and design contributes to a competitive edge in the luxury hotel industry. Combining an online survey and semi-structured interviews, we analyzed the impact of aesthetics, cultural authenticity and artistic creation on customer experience, brand perception and Willingness-To-Pay a premium price.

Quantitative results show that almost 86% of participants considered design and artistic staging to be essential elements in their hotel experience. Moreover, 83% said they were willing to pay a premium for a unique artistic concept or design, underlining the strong correlation between visual innovation and price. Statistical analysis also revealed that integrating local cultural elements, sustainability and storytelling around design increases emotional satisfaction and brand attachment. Interviews with experts confirmed the strategic importance of thoughtful, inimitable design: the creation of immersive spaces and collaboration with renowned architects or artists help to differentiate establishments in an increasingly competitive market. The study also revealed a gap between the current enthusiasm for sustainability and the extent to which it is considered when choosing hotels. While professional players insisted on integrating eco-responsible materials, only 30% of customers deemed this essential.

Artistic and design innovation appeared to be a major lever for enriching the customer experience and justifying premium pricing. An authentic cultural approach, combined with meticulous aesthetics, coherent storytelling and premium hotel services and amenities, consolidates exclusivity and customer loyalty in luxury hotels.

Keywords: Luxury Hospitality, Art and Design Innovation, Design Driven, Boutique Hotel, Guest Experience, Brand Perception, Willingness-To-Pay, Authenticity, Competitive Advantage

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Sumário

Esta dissertação investiga como a inovação artística e de design impulsiona a competitividade na indústria hoteleira de luxo. Através de um inquérito online e de entrevistas semiestruturadas, analisámos o impacto de estética, autenticidade cultural e criação artística na experiência do cliente, na percepção de marca e na disposição para pagar um preço premium.

Resultados quantitativos mostram que 86% dos participantes consideram design e encenação artística essenciais na experiência hoteleira, enquanto 83% se declaram dispostos a pagar mais por um conceito único, sublinhando a forte correlação entre inovação visual e preço. Também se verificou que a integração de elementos culturais locais, sustentabilidade e storytelling reforça a satisfação emocional e o vínculo com a marca. As entrevistas corroboram a importância estratégica de um design cuidadoso e inimitável: criar espaços imersivos e colaborar com arquitetos ou artistas de renome diferencia os estabelecimentos num mercado cada vez mais competitivo. O estudo revela ainda uma lacuna entre o entusiasmo pela sustentabilidade e a sua relevância na escolha de hotéis, pois apenas 30% dos clientes a consideram essencial, face à ênfase profissional em materiais eco-responsáveis.

A inovação artística e de design surge como um fator-chave para enriquecer a experiência do cliente e justificar preços premium. Uma abordagem cultural autêntica, aliada a estética meticulosa, storytelling coerente e serviços de excelência, consolida exclusividade e fidelização no segmento de luxo.

Palavras-chave: Hotelaria de Luxo, Inovação em Arte e Design, Design Driven, Boutique Hotel, Experiência do Hóspede, Percepção da Marca, Disposição para Pagar, Autenticidade, Vantagem Competitiva

Título: Inovação em Arte e Design no Negócio da Hotelaria de Luxo

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Note:

This thesis used AI tools to save time, condense information, and improve writing quality. AI tools were used as a support rather than for idea generation.

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List of Abbreviations

ADR – Average Daily Rate

CI – Confidence Interval

DDI – Design-Driven Innovation

df – Degree of Freedom

DT – Design Thinking

F&B – Food and Beverage

NYC – New York City

RBV – Resource-Based View

STR – Smith Travel Research

UHNWI – Ultra-High-Net-Worth Individuals

WOM – Word-of-mouth

WTP – Willingness-To-Pay

WW – World War

1. Introduction

A recent report from *McKinsey & Company* (2018) highlighted the essential function of design-driven initiatives for enhancing business resilience across multiple sectors, including luxury travel and accommodation (Sheppard et al., 2018). Organizations that embed design innovation into their core operations have demonstrated superior performance and expedited faster recovery rates (Sheppard et al., 2018). This corresponds with the overarching trend of an increasingly experience-driven market, where consumers prioritize significance and authenticity over plain functionality.

Concurrently, the worldwide luxury hospitality sector has experienced a resurgence as travel restrictions relax, intensifying rivalry among hotels seeking to distinguish themselves. The demand for luxury lodgings is supported by rising numbers of Ultra-High-Net-Worth Individuals (UHNWIs), anticipated to increase by more than 28% worldwide by 2028 (Nahas, 2024). The growing demographic of wealthy travelers is driving an increase in luxury hotel accommodations, projected to surpass 2 million rooms worldwide by 2030 (Nahas, 2024). Robust post-pandemic recovery, attaining a peak growth rate of 15% CAGR for 2022 to 2023, highlights a transition towards experience-centric luxury consumption as shown in the *Bain & Company* (2024) graphic below (D'Arpizio et al., 2024):

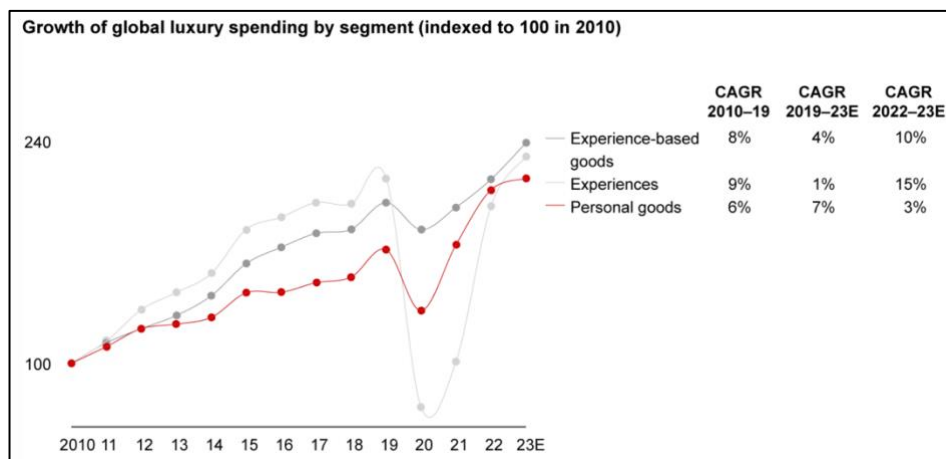


Figure 1: Growth of Global Luxury Spending by Segment (Bain & Company, 2024)¹

¹ Experience-based goods: fine art, luxury cars, private jets and yachts, fine wines and spirits, and gourmet food; Personal goods: high-end furniture/housewares & personal luxury goods; Experiences: luxury hospitality, cruises, and fine dining.

Although huge hotel chains dominate the market, representing approximately 72.8% of luxury hotel revenues, the independent sector has attracted considerable interest, valued at over USD 70 billion in 2022 (Wadhvani, 2023). Independent luxury hotels prioritize uniqueness, genuine design, and local immersion to capitalize on guests' yearning for intimate, customized experiences. They utilize art installations, avant-garde architecture, and locally inspired décor as strategic instruments for creating unforgettable stays. Revenue of the U.S. luxury hotel sector is projected to exceed USD 70 billion by 2032, indicating a wider consumer trend towards personalization and exclusivity in travel (Wadhvani, 2023).

However, few studies explore the mechanisms by which artistic and design innovations influence guest experiences and perceptions of a hotel's exclusivity. Addressing this gap can guide hospitality entities, both multinational chains and individual boutique hotels, in strategically investing to overcome the competition. Comprehending the relationship between creativity, brand identification, and premium pricing is essential for establishing a sustainable competitive advantage in this industry.

This project investigated design innovation as a catalyst for improving guest experiences and amplifying brand perception in luxury hotels. We employed a mixed-method approach, incorporating interviews with hoteliers, designers, and frequent visitors, alongside a quantitative survey of hospitality customers, to assess the impact of design on loyalty and Willingness-To-Pay.

The Research Question was: *How do Art and Design Innovations affect guest experiences and brand image in the Luxury Hospitality Sector?*

2. Literature Review

First, it is essential to clarify features of luxury services and the way they diverge from conventional market offerings. In traditional economics, services generally adhere to supply and demand, whereby increasing prices decreases demand. Interestingly, luxury services like exclusive hotel accommodations frequently demonstrate the Veblen effect where higher costs may drive demand given their link with exclusivity and status (Veblen, 1899). Luxury hotels intentionally use art and design to build a strong brand identity that conveys unique prestige. These design components become positional assets, appealing to guests by engendering social standing and prestige linked to staying in such places (Shammout et al., 2022; Dahm, 2018).

2.1 Design for innovation

Innovation implies new ideas, products, services, or processes that improve or expand upon current ones. It is essential for economic expansion, enhancing efficiency, and sustaining competitiveness across various industries (Abecassis-Moedas, 2019). According to Walsh et al. (2002) there are two main drivers of innovation: demand or market pull and technological push. The former appears when innovation is driven by market demands or desires, resulting in new products and services to meet demand. This innovation is reactive, with a focus on addressing market gaps or opportunities (Abecassis-Moedas, 2019; Walsh et al., 2002). On the other hand, technology push refers to innovation driven by advancements. Companies or innovators employ new or current technologies to develop innovative products, services or processes before there is clear market demand. This proactive strategy can alter consumer behaviors and open up new industries. Doğan et al. (2013) note that innovation has emerged as an imperative for organizations seeking to acquire new technology capabilities and explore innovative business processes. Innovation as a means of gaining a competitive advantage aligns with prominent management theorists and economists, like Drucker and Noel (1986) who perceive it as a methodical and intentional effort that transforms ideas into economic value. Schumpeter (1942) saw innovation as the driver for creative destruction in competitive capitalism. Porter (1985) claims that companies must perpetually innovate to stay ahead of the competition in fast-changing environments.

All these views highlight different angles pertaining to innovation. While both market pull and technology push are essential ways to support innovation, the processes by which innovations are actualized can differ significantly, especially through different design approaches.

Abecassis-Moedas (2019) outlines three: Design Thinking, Design-Driven Innovation, and Design Management which offer distinct strategies to foster creativity and innovation (Abecassis-Moedas, 2019).

Design Thinking is a problem-solving methodology influenced by user-centric solutions (Razzouk & Shute, 2012; Abecassis-Moedas, 2019). It has five iterative stages: empathizing with stakeholders to better understand their needs, clearly identifying the problem, generating solutions during ideation, developing prototypes to investigate solutions, and testing those to enhance and optimize the output, while implementing constant feedback loops (Dam, 2024). The process is highly adaptable to a variety of innovation and problem-solving environments. It also emphasizes innovation, teamwork, and a thorough grasp of people's wants, dreams, and behaviors. Design Thinking's empathic approach to framing problems, storytelling, prototyping, and experimentation enables breakthrough developments that are both efficient and meaningful (Abecassis-Moedas, 2019).

On the other hand, Design-Driven Innovation (DDI) is a push strategy that differs from simple technology-driven innovations in that it stresses the emotional and symbolic value of products, thereby helping to create completely new markets (Verganti, 2008). DDI changes how users perceive a product by investing in emotional value, thereby turning it into a desirable object that resonates with personal identity and status (Abecassis-Moedas, 2019). With this less user-centric approach, designers take on a visionary role, guiding changes of meaning rather than merely creating incremental improvements. Although expensive and difficult to adopt, DDI potentially transforms sectors by setting new standards. DDI is relevant for the luxury industry where emotional and symbolic value are key. Design-driven strategy thus improves customer experiences by shaping perceptions through creative aesthetic approaches.

Design Management, the third form of innovation, describes how coordinating design resources, processes, and tasks to foster innovation, improve performance and reinforce brand differentiation. It integrates design into areas such as product development, marketing, or manufacturing to ensure that design initiatives are congruent with overarching organizational objectives. Firms orient internal design teams towards operational effectiveness and use external designers to come up with original and innovative concepts. Design management promotes interdisciplinary cooperation, and establishes design as an essential element for

product differentiation and value generation. Ultimately, proficient design management fosters both commercial success and enduring competitive advantage (Abecassis-Moedas, 2019).



Figure 2: *The Sharaan Resort by Jean Nouvel, Al Ula, Saudi Arabia (Yellowtrace, 2021)*

2.2 Historical evolution of art and design in hospitality

The notion of hospitality originated in Ancient Greece with thermal bath accommodations, and later the Romans were the pioneers of leisure travel. The hotel sector attained an extensive commercial framework only in the 18th century (Jobs, 2021). Then, in the 19th century's golden age, the Grand Hotel emerged in Europe. These were lavish retreats exemplified by *The Savoy* in London and *Ritz* in Paris (Engel, 2021). Propelled by industrialization, the expansion of train travel, and the affluence of the upper classes, these establishments were characterized by opulent design and architecture, and impeccable service (Jobs, 2021). Jobs (2021) outlined that post WWII, the emergence of trans-Atlantic flights and intercontinental travel initiated substantial growth in the global hospitality industry, resulting in an entirely new period of expansion and innovation. Economic and travel activity escalated during this period, signifying the "Golden Age" of air travel in the 1960s. The increasing quantity of automobiles also stimulated tourism to recreational locales (Azzahra, 2023).

Hotel expansion flourished, with notable establishments such as the Sands Hotel & Casino in Las Vegas arising in prominent tourist destinations. At the same time, hotels were offering more premium amenities such as quality furniture or air conditioning, and food and beverages (F&B) were improved drastically (Azzahra, 2023). Moreover, following the Open-Door

Reforms and the liberalization of China in the late 1970s, hospitality multinationals such as Marriott, Hilton and Starwood entered the country to reach its extensive consumer base (Reid & Walsh, 2003; Wong & Wickham, 2015). Additionally, Lockwood et al. (2021) examine the progression of U.S. luxury hotels across three significant eras: the Grand Hotel era (1790s–1920s), the Chain Hotel era (1930s–mid-1990s), and the Lifestyle Hotel era (late 1990s–2015).

Meanwhile, looking at the design furniture market, Verganti (2006) found evidence that Lombardy emerged in the 80s as a creative hub for design. Prominent firms such as *Alessi*, *Flos*, *Artemide*, and *Kartell* played a key role in this ascent, adopting DDI, which emphasized the emotional and symbolic significance of design rather than mere functionality (Verganti, 2006; Abecassis-Moedas, 2019). In 2015, the entire design market was valued at €100 billion (Codignola, 2018). Designer furniture blurs the boundaries of art, benefiting from this status. In 2021, *Christie’s* achieved a record with EUR 1.1 million for a table signed by Jean Prouvé from 1956, now displayed in the *Vitra Museum* (Christie’s, 2021).

	Ten-Year Growth (1994–2003)	Revenue (2003, U.S. \$)
Alessi home furnishings	81%	\$104 million
Artemide lighting	59%	\$110 million
◆ B&B Italia furniture	54%	\$165 million
◆ Cappellini furniture	117%	\$29 million
◆ Cassina* furniture	60%	\$163 million
Flos lighting	106%	\$75 million
◆ Kartell furniture	211%	\$70 million
<small>* estimated on the basis of data for the years 2000–2003</small>		
TOTAL	76%¹	\$716 million

Furniture Industry Performance

	Ten-Year Growth (1994–2003)	Revenue (2003, U.S. \$)
EU	11%	\$78 billion
Italy	28%	\$21 billion
◆ Design Cluster 4	75% ¹	\$427 million

1. Average growth weighted by revenue

Figure 3: Financial Performance in the Lombardy Design Cluster by Verganti (2006)

Most literature indicates that boutique hotels originated in the early 1980s in London (Lim & Endean, 2009). Other authors claimed that Ian Schrager and Steve Rubell created the category by opening their respective boutique hotels in NYC (Ting, 2017; Lim & Endean, 2009). Boutique hotels were typically smaller in scale with more design elements (Quadri-Felitti et al., 2022). According to STR², boutique hotels are usually independent establishments with less than 200 rooms, characterized by higher rack rates and exceptional service, while others view them as fewer than 50 rooms, design-driven, and not affiliated with a consortium or large chain (50 Best, 2024). Boutique hotels frequently offer cultural and historical experiences, along with specialized client services. They attract guests for their unconventional amenities, room layouts and stand out for unique design (Lacalle, 2023). This is a niche market that has emerged in response to the excessive standardization of hotel chains (Lacalle, 2023). Despite their proliferation, experts consider that the definition of a "boutique hotel" is imprecise and tends to encompass "lifestyle hotels" (Quadri-Felitti et al., 2022). Although close to boutique hotels, the latter emphasizes living aspects and experiences (Quadri-Felitti et al., 2022). Cheng et al. (2016) add that lifestyle hotels use artistic and design elements to enhance guest experiences. Boutique and lifestyle hotels emerged during an extensive phase of expansion and standardization in branded hotels and address the demand for unique differentiated, experience-oriented accommodations (Quadri-Felitti et al., 2022). Major hotel companies incorporated lifestyle hotels into their portfolios for market segmentation and to serve increasing demand for personalized and distinctive experiences (Quadri-Felitti et al., 2021).

Lockwood et al. (2021) found that luxury hotels have implemented strategies including "social partitioning," which differentiates elite clientele, "oppositional appropriation," which integrates elements from non-luxury sectors while preserving exclusivity, and "temporal translation," which links historical prestige with modern values. These tactics exemplify the overarching trend of adjusting to societal and industry shifts to provide distinctive, enhanced experiences that appeal to more contemporary consumers. (Lockwood et al., 2021; Ciapponi, 2023).

Interestingly, Lee and Chhabra (2015) find that the distinction between cultural tourism and accommodation is challenging to delineate. A variant of lifestyle hotels that has also emerged

² STR (Smith Travel Research) is a data analytics service for the international hospitality sector. They are recognised for collecting and disseminating data on supply and demand, offering essential performance indicators such as occupancy rates, average daily rates (ADR), and revenue per available room (RevPAR).

is Art hotels. They serve customers seeking art and culture as a form of authenticity (Dujmović, 2015). Art hotels deliver a contemporary and engaged client experience that serves not only proclaimed needs and preferences but also more private aspirations (Addis et al., 2024). Addis et al. (2024) claim that consumers are becoming more interested in hotels with distinctive, sophisticated, and innovative attributes that correspond with their lifestyles. An art hotel can fulfill various functions: converting the space into a cultural hub, establishing aesthetically pleasing surroundings, boosting urban life, and fortifying both the corporate identity and the local community (Addis et al., 2024).

The hotel sector has increased from \$4,390.59 billion in 2022 to \$4,699.57 billion in 2023, with a compound annual growth rate (CAGR) of 7.0% (EHL Insights, 2024), this expansion illustrates the industry's resilience. Room demand is projected to attain a record in 2024, as indicated by STR study. Regarding the international hospitality market, Marriott International Inc. is the largest hotel brand with more than 18 million rooms, from luxury collections to economy, with a projected industry value of \$540 billion in 2024, surpassing Hilton Worldwide Holdings Inc., Intercontinental Hotels Group PLC, Wyndham Hotels & Resorts and Accor Hotels (EHL Insights, 2024).

2.3 Impact of Art and Design on Guest Experience:

Guest experiences combine the emotional, cognitive, and behavioral reactions of visitors during their engagement with a hotel, which affects satisfaction and loyalty (Shahid & Paul, 2022). Pine and Gilmore's "experience economy" idea posits that customers are not merely acquiring services but are in pursuit of immersive experiences (Sipe, 2018). Recent literature on luxury hospitality indicates that the guest experience is influenced by various characteristics, including the physical environment, tailored services, and sensory components that enhance an immersive and memorable stay (Shahid & Paul, 2022). Ilse Crawford³ said in a Netflix documentary called *Abstract: The Art of Design* (2017)⁴, that humans spend 87% of their time inside buildings and that design shapes the way they feel and behave. Cognitive elements, including visitors' perceptions of the hotel's architecture, affective dimensions such as emotional satisfaction and comfort, and behavioral results like word-of-mouth (WOM) endorsements and inclinations to return, are all crucial (Shahid & Paul, 2022).

³ Ilse Crawford is a British designer, creative director, teacher and founder of Studioilse

⁴ Link to the full documentary: https://www.youtube.com/watch?v=5f7fHHEr_NA

Successful guest experiences are frequently influenced by factors such as escapism, hedonism, personalization, and convenience, which collectively foster an ambiance of exclusivity and contentment. Design improves comfort, operational efficiency, and aesthetic appeal, resulting in settings that guests appreciate and recall (Alonso & Ogle, 2008). Luxury hotels employ design as a means of differentiation, crafting distinctive and immersive experiences (Godfrey, 2024). For instance, *Aman Resorts Group Ltd.* epitomizes this through its minimalist, nature-integrated designs that harmonize with local culture and natural environments, providing experiences that competitors struggle to duplicate (Xie et al., 2022). Godfrey (2024) states that innovative concepts such as biophilic design, which incorporates natural elements into architecture, as *Aman* does, illustrate an industry-secular trend.



Figure 4: Amangiri Hotel - Canyon Point, Utah, USA (Aman, 2023)

Luxury hotels are integrating with their environments and providing tailored cultural experiences while creating visual storytelling essential for crafting memorable experiences (Nahas, 2024). By harmonizing innovation with enduring design, hospitality venues seek to maintain relevance and attractiveness without yielding to ephemeral trends (Alonso & Ogle, 2008). Zemke et al (2017) underline how there is a significant correlation between guest satisfaction and loyalty (The PKF Hospitality Research, 2012). According to the service-profit

chain concept of Heskett et al. (2008), loyalty subsequently affects profitability. Effective design also influences profitability and is on par with the quality of service and character (Doğan et al., 2013).

In the hotel sector, guest experience includes all interactions between customers and the physical environment, services, and personnel. Cognitive-Affective Behavioral Theory suggests that the guest's perception (cognitive factors), their emotional responses during the stay (affective factors), and their actions taken post-experience (behavioral responses) substantially influence the overall guest experience, making it long-lasting more than their stay (Shahid & Paul, 2022). Guests' emotions and behaviors, induce favorable WOM and inclinations to revisit. Gontur et al. (2022) indicate that positive WOM considerably influences the link between service quality and customer loyalty, suggesting that high service quality coupled with favorable guest feedback enhances positive loyalty.

Research indicates that stimulating many senses improves overall guest happiness and loyalty (Spence, 2022). Jensen and Bonde (2018) found that visual artistic engagement positively influences mental health and overall well-being, while Stuckey and Nobel (2010) improved the understanding of how art minimizes stress. Additionally, Nahas (2024) points out that luxury travelers are paying more attention to well-being, a trend since the pandemic. Bufquin et al. (2017) investigate how a postmodern luxury hotel built in a historic winery, influences customer feelings and behavior. Using *Hotel Marqués de Riscal* built by the starchitect Frank Gehry⁵ and belongs to *The Luxury Collection of Marriott*, the authors investigate the congruence between the hotel's design, the surroundings, visitors' self-image, and the winery's brand. Findings emphasize that congruence with the landscape and brand boosts both arousal and delight, leading to positive behavioral intentions, while alignment with self-image predominantly influences arousal.

⁵ Frank Gehry is a famous post-modernism architect. His works includes the Guggenheim Museum Bilbao, the Louis Vuitton Foundation in Paris, and the Beekman Tower in NYC.



Figure 5: Hotel Marques de Riscal by Frank Gehry, Elciego, Spain (Ferroval, 2024)

Kapferer (2014) states that art elevates individuals as a universal. It is an aristocratic language that transcends borders (Kapferer, 2014). Symbolic and aesthetic elements facilitate a stronger connection with consumer aspirations and expectations (Lash & Urry, 1994). The visual which integrates aesthetics, creativity, hedonism, and experience, emerges as a vital strategic element in value creation (Codignola, 2018). Art and design stimulate creativity, serving as a crucial component for improving satisfaction when combined with personal experience (Eisner, 2003). Art can embellish luxury with essential moral and aesthetic endorsement, noncommercial implications, and justify elevated pricing. Art and luxury have numerous similarities in practical terms, both are lavish productions designed for the cultural elite (Kapferer, 2014).

Dube et al. (2000) examine qualities influencing hotel purchase decisions. Participants identified physical characteristics and room design as the third and fourth factors in their decision-making process. Effective design influences intangible characteristics such as image, style, comfort, and atmosphere, in addition to measurable elements like operational efficiency, cost, safety, cleanability, ergonomics, noise, and spatial distribution (Doğan et al., 2013). Siguaw and Enz (1999) noted that the architectural style of a hotel influences its success after analyzing examples. They contended that hotels featuring distinctive architectural styles and designs elevate the ADR and enhance occupancy levels. The design quality of a hotel is one of several factors that affect a guest's experience, in addition to the internal environment, form

and materials, and character and innovation (Zemke et al., 2017). This underscores the importance of art and design for guest satisfaction (Shahid & Paul, 2022).

2.4 Brand Perception

Luxury brands are esteemed for their symbolic attributes such as exclusivity, status, and social recognition, which are intrinsically correlated to their elevated pricing. Luxury is acquired as a social marker of elite consumers through the payment of a premium price (Royo-Vela & Sánchez, 2022). Exclusivity and scarcity drive consumer purchases. The brand's perceived status significantly affects Willingness-To-Pay (WTP) (Siahtiri et al., 2022).

WTP in luxury hotels refers to the premium customers are prepared to pay for high-quality, unusual, or hard-to-obtain features, impacted by aesthetics, authenticity, and tangible indicators (Zhang et al., 2024; Heo & Hyun, 2015). Zhang et al. (2024) claim that visual design is the first point of contact, as "the consumers' visual aesthetics of the front desk with a non-thematic style exert a greater influence on their WTP a price premium than the thematic style" (Zhang et al., 2024). Front desk interactions are also significant and mediate the relationship between the physical beauty of employees and WTP (Zhang et al., 2024). Client perceptions of authenticity, uniqueness, and originality of premium services enhance readiness to spend a premium for luxury items (Ahn et al., 2022).

Tangible factors, such as room facilities, also influence WTP. The willingness of clients to spend is influenced by the provision of luxury brand room amenities (Heo & Hyun, 2015). The introduction of luxury facilities in the room enhanced consumers' assessment of the room fee and their readiness to pay for it. Heo and Hyun (2015) indicated that about 40% of respondents indicated a WTP premium for an upgrade to obtain luxury brand room amenities. Functional attributes are significant, as Wi-Fi emerged as the most beneficial hotel amenity, whereas the telephone was ranked the least essential (Heo & Hyun, 2015).

Royo-Vela and Sánchez (2022) add that downward price-based extensions can undermine the perceived brand value and diminish consumer purchase intention and brand loyalty. The available literature emphasizes that consumers seek congruence between a brand's image and

their personal identity. This alignment positively impacts brand loyalty and purchase behavior (Siahtiri et al., 2022; Royo-Vela & Sánchez, 2022).

The World's 50 Best Hotels 2024 ranking underscores the influence of customer-driven global benchmarks. Ranked No. 2, *Passalacqua* distinguishes itself as the smallest boutique hotel on the list. The predominant entries are of renowned chains such as *Four Seasons*, *Cheval Blanc*, *Six Senses*, *Rosewood*, *Raffles*, *Soneva* and *Aman*, indicating that powerful brand identities affect perception (50 Best, 2024).

Kim and Heo (2021) looked at the luxury retail store market and found evidence that consumers who recognize creative elements in a luxury store are more inclined to regard the store as unique and distinguishable from peers. Creative components enhanced brand image by linking the store with cultural and aesthetic values that buyers identified with quality and luxury. Moreover, customer happiness was enhanced when consumers perceived artistic design components as embodying a deliberate strategy toward branding and sustainability (Kim & Heo, 2021). Emotional responses, including curiosity, excitement, or comfort, serve as intermediaries between artistic design elements and consumer evaluations. According to Kapferer and Bastien (2009), art serves as the aesthetic and social guarantor of luxury, representing a true confluence between culture and luxury.

Luxury hospitality firms are employing art, architecture and design as signifiers of exclusivity, craftsmanship, and tradition. Joy et al. (2014) claim that consumers experience the Louis Vuitton flagship stores in Hong Kong as hybrid institutions that include characteristics of both art galleries and museums. Luxury firms that have established a robust brand are diversifying into the hospitality sector. These hotels function as flagship stores, providing guests not merely with accommodation but a comprehensive branded experience that embodies the company's culture (Luo, 2019). Dallabona (2015) notes that brands such as *Missoni* leverage their Italian heritage in hospitality to enhance brand associations and elevate prestige. In the *Byblos Palace Hotel* in St Tropez, the most expansive suite is the *Missoni Suite*, the only space designed by the brand. In the same vein, many brands have extended into luxury hospitality recently such as *Vista Alegre*, *Audemars Piguet*, *Armani*, *Bulgari*, *Fendi* and *Louis Vuitton*, while others have ventured into restaurants and exclusive experiences like *Tiffany & Co* or *Ralph Lauren*. This evolution signifies a more expansive approach to luxury experiences (Tovisi & Fuchs, 2024).



Figure 6: Montebelo Vista Alegre Ilavo Hotel, Portugal
(Vista Alegre, 2023)



Figure 7: Hotel des Horlogers by Audemars Piguet,
Switzerland (Urlaubsarchitektur, 2022)

Hotels with a strong visual aesthetic and brand image are also diversifying, expanding into soft luxury goods (Girardin et al., 2023). Aman has launched skincare products, leather goods and recently, ultra-designed and rare furniture under the brand's creative line (Remsen, 2023). The Sirenuse, a luxury boutique hotel, has also extended its portfolio into clothing, homeware, and fragrances, reflecting the visual codes and atmosphere of the Italian hotel. Additionally, the industry of "branded residences" has grown by over 230% (Tovisi & Fuchs, 2024). This hybrid strategy is attracting luxury brands as a logical commercial extension; by venturing into residences, brands showcase spaces that embody their own design and unique products (Tovisi & Fuchs, 2024). These "branded residences" attract affluent purchasers given to their prominent locations, proximity to luxury hotel services, and high resale value (Godinho, 2023). Examples are *Four Seasons* private residences, *Six Senses* residences, *Marriott* residences, *Bentley* residences, *Armani* and *Fendi's* private residences. McLaughlin (2024) notes the sale of the \$135 million penthouse located within the *Aman* New York Hotel, making it the priciest transaction of 2024 in NYC.

Marketing partnerships between hotels and designers and artists can serve as a more comprehensive method to elevate brand image. The opportunities to establish novel conceptual areas that embody a brand identity enable design hotels to differentiate their interior aesthetics (Codignola, 2018). In the competitive luxury industry, many collaborations have already been successful such as Philippe Starck for *Le Royal Monceau Raffles Paris*, Christian Liaigre and Jacques Garcia for *Costes*, Tadao Ando for *Setouchi Aonagi Hotel*, Karl Lagerfeld's design at the *Hôtel de Crillon* and upcoming Vincent Van Duysen's work at *JNcQUOI* in Comporta. As Hussain et al (2020) point out, the shades, materials, and arrangement of a hotel's communal and private areas reflect the brand's philosophy and function as a non-verbal communication mechanism that strengthens brand identity. These examples illustrate how luxury hotels can enhance brand perception by immersing guests in a designer's artistic vision that is difficult to

replicate (Dion & Arnould, 2011). These collaborations not only increase the visual allure of hotels but also associate the brand with the designer's prestige and timelessness.

2.5 Art and Design as a Differentiator:

"Artification" denotes the process of converting non-art into art, leading to a transformation of individuals, objects, places and behaviors (Shapiro, 2019). Businesses have increasingly adopted artification to market their brands and products as artworks to attain credibility and exclusivity toward consumers (Addis et al., 2024). Kapferer (2014) claims that the value of art increases over time due to its complete independence from functionality, as "function creates temporality and built-in obsolescence." The artification of hospitality has increasingly been a tactic for hoteliers to differentiate themselves from competition and appeal to a younger and more educated demographic (Addis et al., 2024). Although this process has been ongoing for some decades, the artification of hospitality has not been explicitly examined (Addis et al., 2024).

Hotels that have effectively incorporated art and innovative design to differentiate themselves in a crowded market may be related to the Dynamic Capabilities Framework, originally established by Teece et al. (1997) and subsequently expanded by Barreto (2010). Teece's original definition focuses on sensing, seizing, and reconfiguring opportunities, whereas Barreto expands this perspective by adding further dimensions. The capacity to identify opportunities and dangers, as well as to make prompt, market-driven decisions and to efficiently reallocate resources across many contexts clearly pertains to hospitality firms. Luxury hotels elevate guest experiences and maintain relevance by including bespoke artwork, locally inspired aesthetics, and flexible design elements, promoting innovation. The intentional use of art and design in boutique establishments promotes the essential qualities of personalization and authenticity (Ruiz-Fernández et al., 2024).

Numerous hotels include remarkable art collections, and some serve as both lodgings and independent museums, becoming essential components of an art-centric itinerary (Addis et al., 2024). Michael Porter's differentiation strategy posits that organizations can achieve competitive advantages by providing distinctive features that are not easily imitated by rivals (Islami et al., 2020). Architectural design is exemplified in the luxury lodging industry. Hotels with distinctive architectural characteristics, particularly those conceived by prominent

architects, can set themselves apart from rivals, elevating their structures into monuments or destinations in their own right.

For instance, the Benesse House Museum in Naoshima (Japan), is designed as a destination itself. The property showcases art pieces and art installations around the island from David Hockney, Nicki de Saint Phalle and Yayoi Kusama (Abrams, 2015). The museum on an art-filled island is also a luxury hotel designed by Tadao Ando, blending art, architecture, and nature. Benesse House exemplifies artification in the hospitality sector through the fusion of Ando's minimalist architecture with art exposition, creating an environment where art and design are essential to the guest experience (Addis et al., 2024). Benesse House's enduring competitive advantage can be elucidated through Barney's Resource-Based View (RBV) and the VRIN framework (Barney, 1991). The hotel provides a valuable and uncommon experience that few rivals can replicate. The site-specific art installations and minimalist design are unparalleled because of the inability for rivals to replicate the cultural and natural context. Ultimately, these attributes are irreplaceable, rendering Benesse House a unique entity within the luxury hospitality sector. The distinctiveness of architectural design guarantees a non-substitutable and exclusive experience, offering a persuasive incentive for customers to select these hotels (López-Gamero et al., 2022).



Figure 8: Tadao Ando's work for Benesse House in Benesse Art Site, Naoshima, Japan (ArchEyes, 2020)

Hotels are always striving to differentiate themselves and maintain rates of occupancy. A potent method for accomplishing this is the Blue Ocean Strategy of W. Chan Kim and Renée Mauborgne. Instead of intense rivalry in saturated markets, referred to as "red oceans," firms

must establish wholly new, uncontested market space, termed "blue oceans"(Kim & Mauborgne, 2005). For example, fifteen of the Aman hotels are situated near UNESCO-protected sites, with a focus on conservation and local community development as a primary priority (Aman Website, 2024).

Unique designs enhance the allure of these properties, fostering an atmosphere of intrigue and exclusivity that appeals to affluent clientele (Yang & Mattila, 2013). This method fortifies a hotel's market position by elevating its status and enabling it to command premium prices. The Amanzoe resort in Greece features art installations by James Turrell, merging his work into private villa to provide an immersive experience of art and architecture. This distinctive selling concept appeals to wealthy patrons desiring not just opulent lodging but also a cultural and sensory experience.



Figure 9: Sky Plain by James Turrell, Villa 31, Amanzoe Hotel, Greece (Architectural Digest, 2017)

Hotel chain affiliation plays a role in driving innovation (Ruiz-Fernández et al., 2024). Chain-affiliated hotels benefit from greater access to resources, allowing for more impactful art and design projects. They can also leverage advanced technologies and best practices to streamline design innovation. Furthermore, established brand standards ensure consistent quality, while

still allowing for localized artistic expressions. By strategically incorporating art and design, hotels seek to differentiate themselves, improving guest experiences through ongoing innovation (Ruiz-Fernández et al., 2024).

Moreover, properties that adopt green technologies can decrease operational costs while improving their reputations as socially responsible enterprises. The dual benefits of cost reduction and brand reputational improvement enable sustainable hotels to outshine competitors not committed to sustainability (Walsh & Dodds, 2017).



Figure 10: Le Royal Monceau Raffles Paris designed by Philippe Starck, France (AD Magazine, 2023)

3. Methodology

This chapter outlines the research methodology.

3.1 Research Design

This research employed a mixed-method methodology, integrating qualitative and quantitative methodologies to investigate the impact of art and design innovation within the luxury hospitality industry. The methodology is described in Table 1.

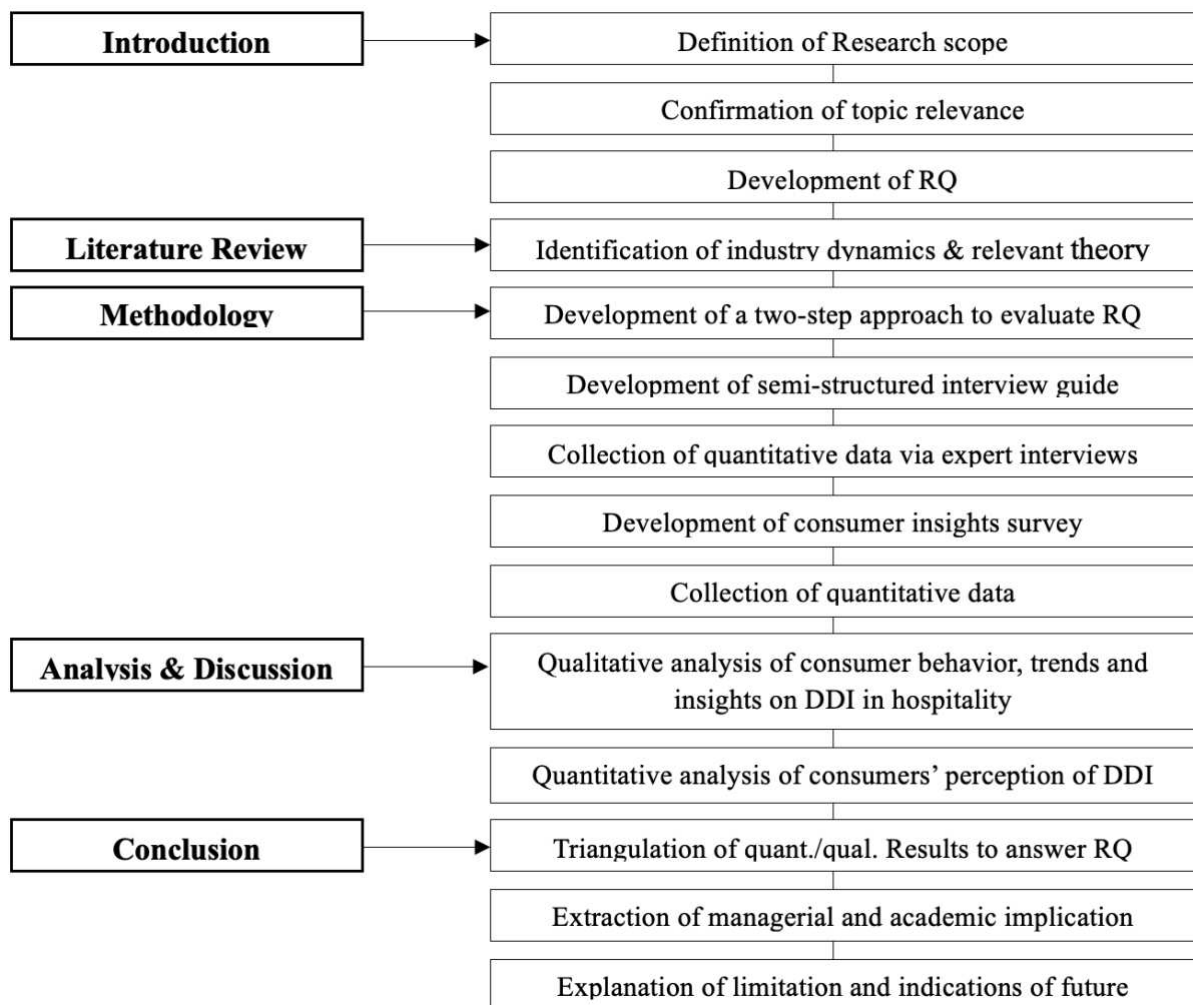


Table 1: Research Design

Mixed methodology, integrating quantitative and qualitative methods, allowed us to interrogate the Research Question. This approach triangulated results, employing quantitative data to identify overarching patterns and qualitative insights to investigate deeper processes and meanings (Bryman and Bell, 2007).

We conducted semi-structured interviews with hoteliers, designers, and regular luxury hotel guests, facilitating a comprehensive examination of brand perceptions and client preferences. Quantitative data was gathered via an online survey aimed at prospective customers of boutique and luxury hotels, yielding measurable insights into brand attractiveness, design inclinations, and WTP a premium (De Mesquita & Fowler, 2021). Surveys offer a systematic and scalable method for gathering data from extensive groups, rendering them essential for recognizing patterns and extrapolating results to wider populations. An effectively constructed survey reduces ambiguity and guarantees that each question corresponds with the research objectives, diminishing the likelihood of misinterpretation (De Mesquita & Fowler, 2021).

3.2 Data Collection

3.2.1 Quantitative Data Collection

An online poll was disseminated online to current and potential luxury and boutique hotel customers. The survey encompassed factors regarding demographics, awareness of luxury and boutique hotel brands, design inclinations, and WTP a premium for distinctive hotel aesthetics, utilizing metrics from prior research on brand perception and consumer WTP (Schoemaker, 1995; Bryman & Bell, 2007). The survey was pre-tested to reveal latent biases in question formulation, thereby assuring that the acquired data was both precise and actionable (De Mesquita & Fowler, 2021). Clarity and simplicity in the phrasing were essential to this survey design as De Mesquita and Fowler (2021) mentioned, “*ambiguous questions lead to ambiguous answers.*”

Data from 86 heterogeneous participants yielded quantitative information regarding the perceived value of design innovation. 2 people who didn't fill out the whole form were taken out of the data set, leaving a final set of 84 observations.

3.2.2 Quantitative Data Analysis

The initial section of the survey concentrated on demographic details. Further inquiry examined prior experiences with luxury and boutique hotels, facilitating the segmentation of respondents according to their knowledge. Each variable was subjected to descriptive analysis, evaluating metrics to comprehend the central patterns and distributions of the demographic data. The

questions can be found in Appendix II. A k-means cluster analysis was performed on factors associated with brand perception, aesthetic preferences, and the perceived value of design features in hotels to enhance our understanding of consumer categories. This clustering method facilitated identifying discrete user segments, each reflecting varying views and preferences about luxury hotels. The ideal number of clusters was established by the elbow approach, guaranteeing that each cluster represented significant variance while preventing overfitting (Shi et al., 2020).

To address inquiries on guest experience preferences and brand perception, we computed the mean, median, and standard deviation to include responses to Likert scale questions. A t-test was used on responses to important Likert-scale questions to ascertain whether distinct groups, such as regular travelers or individuals who have previously been in boutique hotels, possessed significantly divergent opinions. A paired t-test was utilized to evaluate the statistical significance of differences in responses to comparative questions (e.g., preference between boutique and luxury chain hotels), testing the hypothesis that boutique hotels provide unique value compared to traditional luxury hotels.

A regression analysis was conducted to examine factors affecting participants' propensity to pay a premium for hotels featuring distinctive DDI characteristics. The dependent variable was the reported premium (% willing to pay over regular rates), whereas the independent factors comprised age, past experience with hotels, perceived significance of design, and brand perception. This analysis determined the demographic or perceptual elements that most significantly correlated with an increased WTP, offering insights into the economic value assigned to design innovation in luxury hotels.

During the analysis, null and alternative hypotheses were evaluated to determine the significance of the observed discrepancies. All hypothesis tests were performed at a significance level of 0.05, guaranteeing stringent statistical validation for our conclusions.

3.2.3 Qualitative Data Collection

The semi-structured interview framework established by Kallio et al. (2016) to design and implement qualitative data collection, which guaranteed rigor and alignment with research objectives was adopted in the methodology. This framework consisted of a five-step process: (1) assessing the suitability of semi-structured interviews for the research aims, (2)

performing a literature review to establish a robust knowledge foundation, (3) creating a preliminary interview guide, (4) pilot-testing the guide to enhance questions, and (5) delivering the finalized interview guide for data collection.

The interview guide, built from a comprehensive literature analysis, presented questions designed to extract insights into topics such as brand positioning, design innovation, customer engagement and WTP. Likert-scale questions were incorporated to collect ordinal data and quantify experts' perceptions (Bishop & Herron, 2015; Joshi et al., 2015). Interviews examined views on the role of art and design in brand distinctiveness and their impact on the guest experience. Interviewees selected were hoteliers, hospitality teachers and specialists, designers and frequent luxury hotel guests with pertinent knowledge, offering an extensive viewpoint on the industry. Live, phone call and Zoom call interviews were conducted between November and December 2024 with the following individuals:

Interview ID	Current Position	Reason for Interview
Interview A	Founder of a Luxury Conciergerie and Travel Agency	Understand how design influences luxury travel experiences and high-end customer service expectations.
Interview B	Co-founder of an Architecture Studio	Explore the architectural perspective on creating spaces for guests.
Interview C	General Manager of a Boutique Hotel (Portugal)	Gain operational insights into managing boutique hotels and how design impacts guest satisfaction.
Interview D	Associate Professor of Marketing & Hospitality Luxury Brand Management	Expert of luxury hospitality industry and did many funded research projects on the topic.
Interview E	Architect	Analyze the role of architectural design in shaping guest perceptions and creating unique hospitality spaces.
Interview F	Retired Banker	Gather insights from a frequent luxury traveler on design's impact on loyalty and guest preferences
Interview G	Guest Relation Manager in Boutique Hotel (Italy)	Understand how guest relations and design intersect to influence customer satisfaction and loyalty.
Interview H	Product Designer	Examine how interior product design contributes to the overall luxury hotel experience.
Interview I	Architect	Gain how space and design innovations impact guest impressions in hospitality.
Interview J	General and Owner of Boutique Hotel (Italy)	Explore the operational challenges and benefits of incorporating unique art and design elements in boutique hotels.
Interview K	Senior Lawyer	Capture the perspective of a frequent luxury hotel guest on the importance of design in decision-making.
Interview L	Senior Lecture of Rooms Division Management and Former Mystery Guest	The interviewee was a mystery guest for luxury and boutique hotel for many years.

Table 2: Interviewees for semi-structured Interviews

Interview summaries are available from Appendices III to XIV.

3.2.4 Qualitative Data Analysis

The open-ended answers were examined comparatively with existing literature on the subject to discern themes, similarities, and significant variances. This method facilitated a detailed comprehension of participants' viewpoints concerning established study outcomes, emphasizing both similarities and distinct insights. Responses to survey questions that corresponded directly with those from prior research were further illustrated using graphs and plots, offering a clearer representation of participant trends and facilitating direct comparisons with earlier findings. This integrated method of qualitative and quantitative evaluation enabled a more profound interpretation of the data, enhancing the entire study.

4. Analysis & Discussion

In *Chapter 4*, insights from expert interviews are analyzed simultaneously as survey outcomes. By doing a triangulation of both, primary and secondary data (*see Chapter 2*), it is then evaluated whether Art and Design Innovation influence guest experience and brand perception in *Chapter 5*.

4.1 Demographic Profile of Respondents

4.1.1 Survey Respondents

The gender distribution of the survey participants revealed an almost equal division, with males representing 48.8% and females constituting 51.2%. This fair distribution guaranteed that the opinions collected represented thoughts from both genders nearly equally, enhancing the analysis with a comprehensive approach.

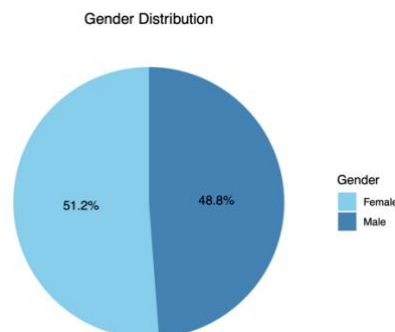


Figure 11: Gender Distribution (n = 84)

The survey participants' ages varied from 23 to 68 years, encompassing a wide array of life stages and experiences. A notable concentration of participants belonged to the 25-30 age group, suggesting a younger generation with contemporary preferences and expectations in luxury hospitality. This varied age spectrum facilitated thorough comprehension of customer preferences throughout generations, from youthful exuberance to experienced viewpoints.

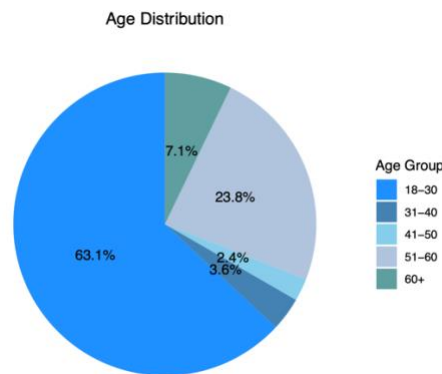


Figure 12: Age Distribution (n = 84)

The respondents' nationalities illustrate significant cultural variation. More than half of the competitors were Swiss nationals, constituting 63.1%. Subsequently, smaller still significant groupings are shown below (Figure 13). A category labeled "Others" further diversified the composition, incorporating perspectives from diverse global contexts like USA, Indonesia, Portugal and Spain.

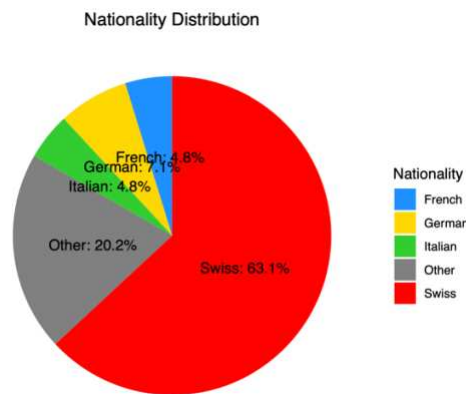


Figure 13: Nationality Breakdown (n = 84)

This distribution highlighted a primarily Swiss viewpoint while also incorporating global perspectives, providing a comprehensive insight into luxury hospitality tastes. The combination of local and global sources enriched the survey's findings, illuminating both cultural subtleties and universal themes within the luxury hospitality industry.

4.1.2 Interviewee Profiles

Twelve expert interviews were performed with professionals and regular visitors possessing substantial experience in the luxury hospitality sector. The participants were equally allocated into three groups: frequent visitors (4), designers (4), and hoteliers (4). This combination guaranteed varied perspectives across guest experience, design, and operations. The gender distribution was quite equitable, comprising 66.7% male (8 individuals) and 33.3% female (4 individuals). The participants' ages varied from 26 to 68 years, with an average of 47 years, merging extensive experience with novel viewpoints.

Frequent guests articulated their expectations and experiences, designers presented unique perspectives on luxury hotel aesthetics, and hoteliers contributed for operational and strategic knowledge. Participants of both genders encompassed diverse roles such as architects, general managers, and guest relations managers, so enriching the breadth of perspectives. The group's diverse international origins fostered a worldwide perspective on luxury hospitality. The equilibrium of perspectives encompassing operational, design, and experiential facets yielded a thorough comprehension of the industry's fundamental components: outstanding service, inventive design, and unforgettable guest experiences. The following table (*Table 3*) provides detailed information on the interviewees' demographic and professional profiles, illustrating their diverse backgrounds and roles within the luxury hospitality industry. (*See Table 2 for the reason why they were interviewed*).

<i>Interviewee</i>	<i>Gender</i>	<i>Nationality</i>	<i>Age</i>	<i>Profession</i>	<i>Category</i>
<i>Interview A</i>	Male	Morocco & France	45	CEO of Travel Agency	Frequent Guest
<i>Interview B</i>	Female	Swiss & Italian	52	Co-founder of Architecture Studio	Designer
<i>Interview C</i>	Male	Portuguese	38	General Manager of Boutique Hotel	Hotelier
<i>Interview D</i>	Male	Switzerland	46	Senior Lecturer in Luxury Hospitality	Hotelier
<i>Interview E</i>	Female	Switzerland	61	Architect	Designer
<i>Interview F</i>	Male	Switzerland	68	Retired Banker	Frequent Guest
<i>Interview G</i>	Male	Italy	39	Guest Relation Manager	Hotelier
<i>Interview H</i>	Male	UK	37	Product Designer	Designer
<i>Interview I</i>	Male	Japan	41	Architect	Designer
<i>Interview J</i>	Female	Switzerland	26	General Manager of Boutique Hotel	Hotelier
<i>Interview K</i>	Male	Switzerland	55	Senior Lawyer	Frequent Guest
<i>Interview L</i>	Female	France	52	Former Mystery Guest	Hotelier

Table 3: Demographics Summary of Interviewees

4.1.3 Travel Frequency and Experience

The survey findings indicated that respondents were regular travelers, with approximately 46.4% undertaking 2-3 trips within a three-month span, and an additional 25% traveling once within the same period. This signified a highly engaged travel demographic, presumably familiar with diverse accommodation kinds, including luxury alternatives.

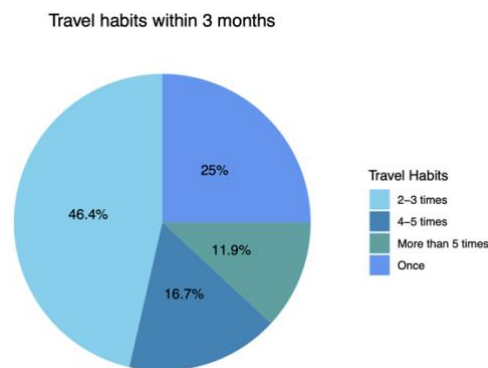


Figure 14: Travel Frequency (n = 84)

Furthermore, a significant majority (84.5%) of participants previously stayed in a premium boutique hotel. This indicated that the majority of participants had direct, firsthand experiences

in the luxury hospitality sector, rendering their perspectives helpful for comprehending preferences and expectations regarding this field.

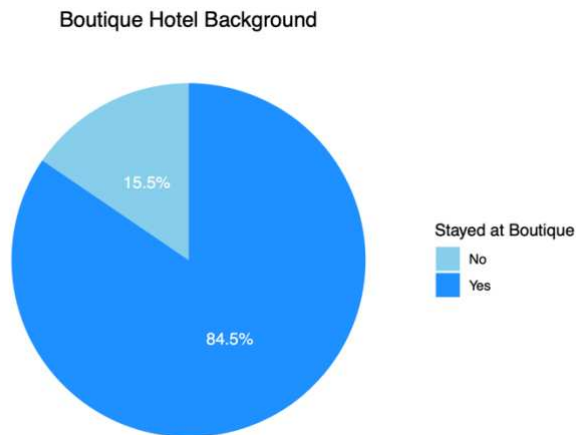


Figure 15: Familiarity with Boutique Hotel (n = 84)

4.2 Analysis of Key Themes

4.2.1 Impact of Art and Design on Guest Experience

The study's findings demonstrate that visual design significantly influenced the overall guest experience in premium hotels. *Figure 16* illustrates that a significant majority of respondents (85.7%) regarded a hotel's aesthetic design as either "Extremely important" (44%) or "Very important" (41.7%) to their stay, with all participants categorizing design as at least "Important." These findings highlighted the considerable importance guests attribute to the visual and experiential aspects that characterize luxury hotels.

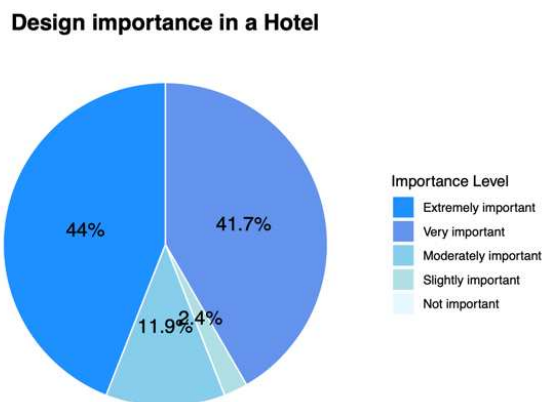


Figure 16: Importance of Aesthetic Design in Overall Experience (n = 84)

The research examined how art exhibitions and unique design elements affect customers' choices of luxury hotels, in addition to general aesthetics. *Figure 17* indicates that 63.1% of respondents rated the significance of art installations and distinctive design features as 4 or 5 on a 5-point scale (1 denoting "Unimportant"). Specifically, 50% chose 4, and 13.1% chose 5 ("Major role"), but 6.0% perceived these factors as having "No role" in their decision-making. This suggested that for the majority of tourists, well-selected art and design components significantly influenced their selection of a luxury residence.

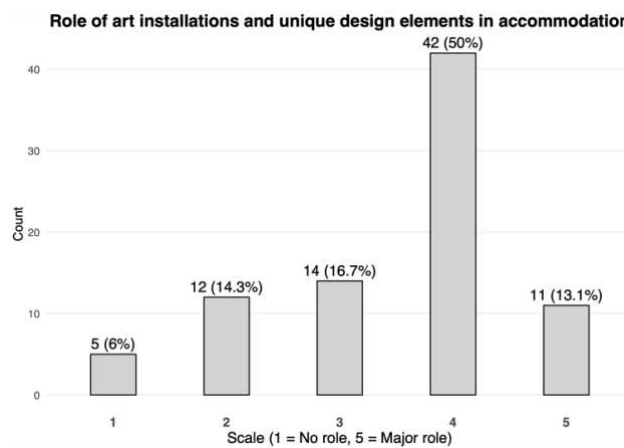


Figure 17: Role of Artistic and Design Elements (n = 84)

Upon inquiry regarding the emotional impact of residing in a well-designed hotel environment, approximately 47.6% of respondents indicated feeling "Uplifted and inspired," whilst 39.3% characterized the experience as "Relaxing and comforting." A minimal minority reported neutral or negative emotional consequences. *Figure 18* demonstrates that these emotional responses underscored the capacity of design to influence guests' moods and foster a positive, memorable experience.

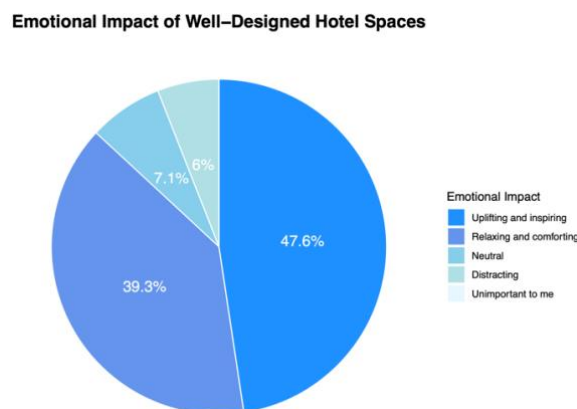


Figure 18: Emotional Impact of Hotel Design (n = 84)

A regression study reinforced the significance of design, indicating a positive correlation between visitors' appreciation of design and their conviction that creative design improves their experience. As the perceived significance of design (x-axis) escalated, the belief that innovative design enhances the guest experience (y-axis) also intensified. The ascending regression line indicated that those who placed a high value on design were more inclined to see it as enhancing their experience, establishing design as a crucial distinction in the competitive luxury hospitality sector.

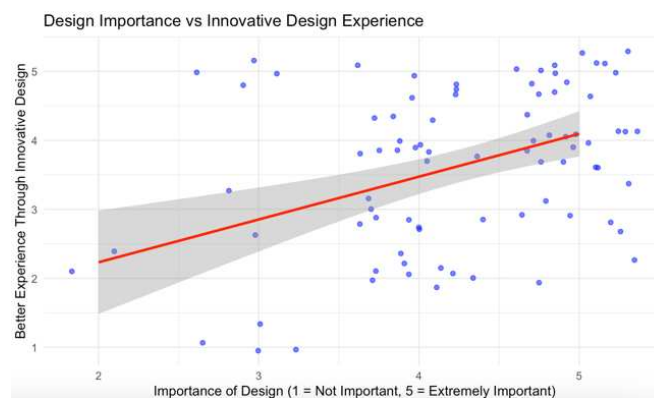


Figure 19: Relationship Between Design Importance and Innovative Design Experience

The research utilized K-means clustering analysis to categorize respondents according to their views on design significance, brand equity, and readiness to invest in distinctive designs. The Elbow Method revealed three ideal clusters (see Figure 35). The clusters illustrated in the following radar charts and heatmaps (see Figure 34) emphasize unique guest profiles:

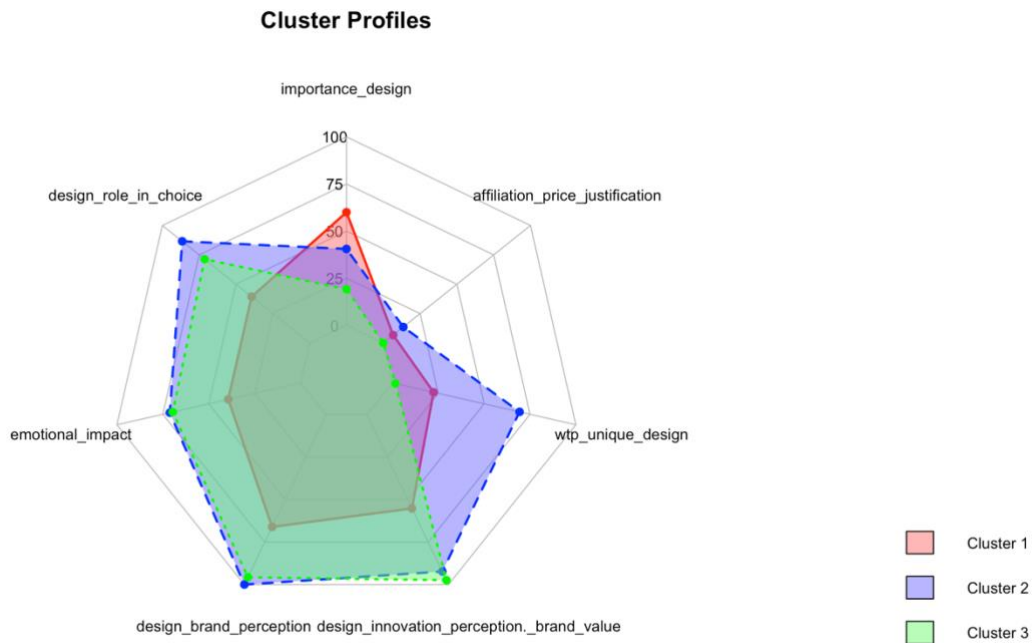


Figure 20: Cluster Profiles

- Cluster 1: Profound appreciation for DDI, coupled with a significant readiness to invest in distinctive characteristics.
- Cluster 2: Preferences are moderately balanced across all variables.
- Cluster 3: Minimally involved with design elements.

Cluster 1 from *Figure 20* exhibited elevated scores on factors such as `wtp_unique_design` and `affiliation_price_justification`, signifying that these guests perceive design as a significant value determinant. These data supported the premise that distinctive design components can markedly improve guest experiences and purchase behavior.

Alongside the survey data, expert interviews underscored the significance of design. Interviewees universally recognized that unique design and creativity were crucial in crafting memorable luxury hotel experiences. Interviewee H asserted, "*We prioritize environments that evoke emotional responses in guests. Design and art elevate hotels from simple lodgings to immersive spaces that foster a connection between guests and their surroundings.*"

Interviewee A emphasized the transformational potential of design, stating that "*the design of a hotel can transform a mundane stay into a lasting memory.*" They underscored the significance of the hotel entry, referring to it as "the preeminent public space" that establishes

the tone for guests' initial perceptions. Interviewee F observed that a meticulously designed lobby conveys sophistication and tranquility, highlighting the psychological effects of deliberate design decisions. Interviewee K recounted their experience at *Cuixmala*⁶ in Mexico, illustrating how meticulously crafted spaces foster calm and enhance client happiness. Interviewee L stated that "*guests retain the emotional impact of a space long after their departure,*" showcasing that intentional design decisions possess lasting psychological effects.

Experts analyzed properties that leveraged design to improve the guest experience. Interviewee A commended the Royal Monceau Raffles Paris for its spaces that foster a homelike ambiance filled with art. Interviewee F referenced the Amangiri in Utah as a location "*where you want to remain indefinitely, where time appears to stop,*" attributing its stunning views and granite-framed pool to the establishment of a unique, indelible atmosphere." Experts D added: "*Interior design is practically 50% of a hotel's success. So it's really essential to have a renowned architect who will not only think about interior design but also the choice of materials, upholstery, furniture etc... Everything must have style, as this is something that will have a major impact on the guest's experience.*"

4.2.2 Cultural Integration and Authenticity

Participants placed importance on the integration of local culture into hotel design. The poll indicated that 65.5% of participants regarded cultural components as the most attractive design feature. Architectural design and classic/elegant aesthetics were closely aligned, each endorsed by 54.7% and 55.9% of respondents. In comparison, merely 14.3% regarded large-scale art installations as the most appealing attribute.

⁶ Luxury eco-resort located in the Coastline of Mexico. For more see [mohttps://cuixmala.com/about-cuixmala/](https://cuixmala.com/about-cuixmala/)

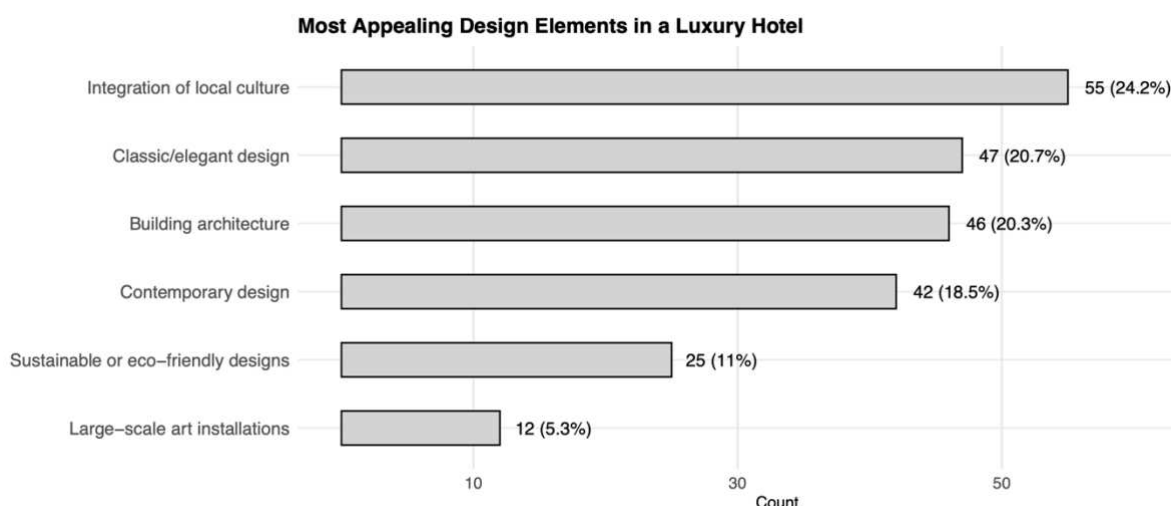


Figure 21: Favored Design Aspects (n = 84)

Experts emphasized the need to integrate local culture into a hotel's design. Interviewee A likened hotels to “*a window into the country they inhabit,*” implying that cultural integration promotes a sense of support and curation for the local population. He stated that in Marrakech, customers were unlikely to select a luxury hotel featuring Louis XVI French décor; rather, they preferred authenticity associated with the locale found in Riads. Interviewee I, an architect, articulated that local culture and legacy formed the foundation of their design technique, incorporating native customs, resources, and craftsmanship. Interviewee E, another architect, concurred, stating, “*It (cultural integration) adds more significance; it is imperative to undertake it, otherwise, I perceive it as a lack of comprehension.*” Numerous interviewers emphasized the innovative application of local materials and skills. Interviewee B recounted an occasion when “*we collaborated with a local tile artist to transform the pool into a masterpiece. It is the component most preferred by guests*”. Similarly, Interviewee J, a general manager of a boutique hotel, articulated how they “*incorporated Tuscan traditions, such as terracotta tiles and artisanal textiles, to reflect the region’s heritage.*” These examples highlighted a concrete connection between design features and the cultural story of respective regions.

4.2.3 Service and Design Alignment

Survey respondents prioritized unique design and creative elements in their selection of premium boutique hotels. These aspects, identified by 75% of respondents, emerged as the

primary factors affecting guests' decisions. While great personalized care and precise attention to detail were deemed essential by 51.2% of respondents, they were secondary to the influence of distinctive aesthetics.

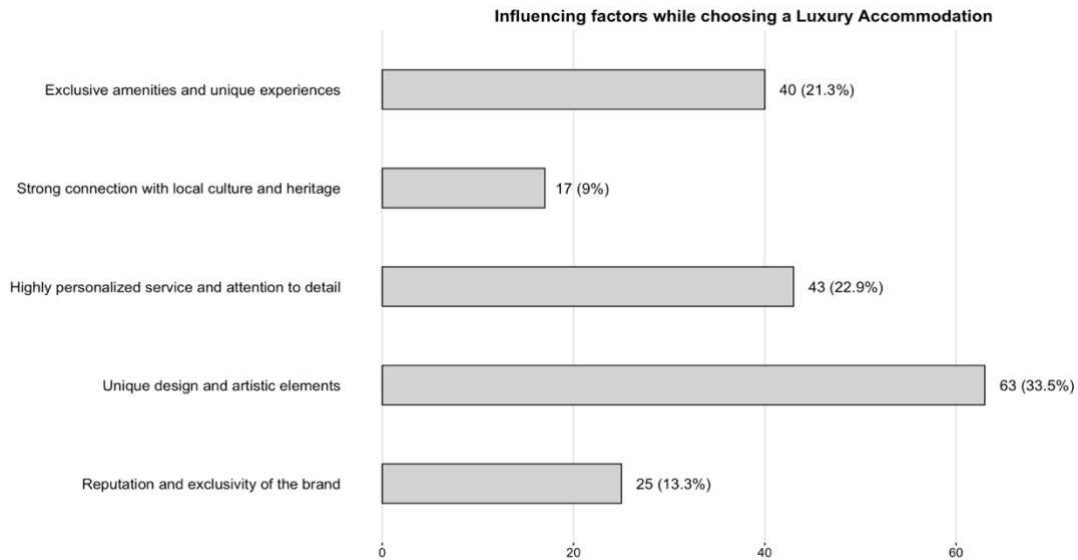


Figure 22: Key Influencing Factors When Choosing a Luxury Accommodation (n = 84)

Experts emphasized the necessity of aligning service quality with a hotel's architectural vision. Interviewee L claimed that “*service is fundamental, yet its integration with the environment delineates luxury.*” They exemplified this concept by depicting a property whose minimalist design was augmented by unobtrusive, astute staff, illustrating how considerate service can elevate the desired atmosphere. Interviewee K stated that “*good service is non-negotiable; it is the cornerstone of any luxury experience,*” emphasizing its essential role in ensuring client happiness. Nonetheless, they stressed that this service must be seamlessly interwoven with the property's architectural identity. Contrarily, Interviewee A highlighted a changing dynamic in the luxury sector, asserting that although a hotel’s architecture often represents its most unique characteristic, “*service has become less of a differentiator as it has been standardized in luxury accommodations.*”

4.2.4 Willingness-to-Pay for Exceptional Design

Unlike more generic accommodations, differentiated luxury hotel environments inspired respondents to pay more for design-driven experiences. Survey data indicated that approximately 83% of participants were inclined to pay a premium for a hotel that had a unique artistic or design idea. In this cohort, 4.8% expressed a willingness to spend “*significantly*

more," 26.2% would pay "moderately more," and a majority of 52.4% consented to pay "a little more." Merely 16.7% opposed the idea of incurring any additional cost.

Willingness to pay for a hotel that offers a unique or design experience

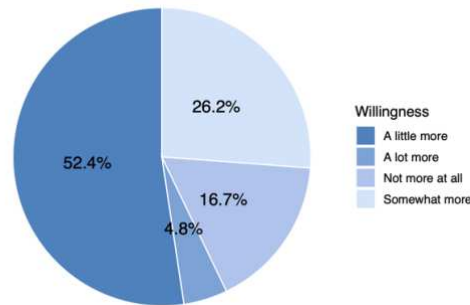


Figure 23: Willingness-To-Pay (n = 84)

When requested to quantify these premiums, 47.6% indicated a readiness to pay "up to 10% more," while an additional 31% accepted a 10–25% rise, affirming that effectively implemented design aspects can warrant elevated price points.

Willingness to pay quantitative

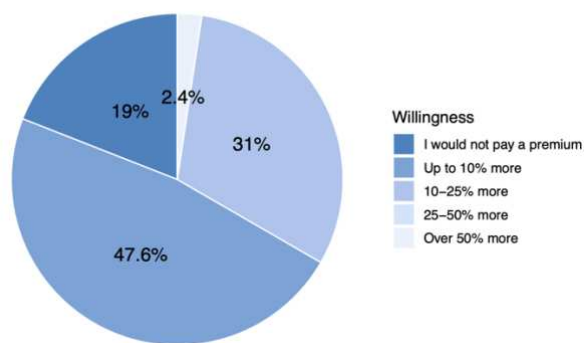


Figure 24: Willingness-To-Pay - Quantity (n = 84)

A regression analysis supported these findings, (see Table 5) indicating that participants who prioritized design innovation showed a stronger readiness to pay for unique environments. The statistics revealed that as age climbed, so did the inclination to pay a premium for distinctive design. Guests who placed a high premium on design in boutique hotels showed a notable WTP a premium, as indicated by an estimate of 0.323 (p = 0.051) for individuals with previous boutique experiences. The conviction that brand connection warranted higher prices notably influenced the WTP ($\beta = 0.656, p < 0.001$), underscoring the impact of brand perception and design innovation on pricing tolerance. Despite the (R²) value attaining 0.628 and an adjusted (R²) of 0.582, these statistics retained significance in a domain where human behavior is

influenced by multiple variables. According to Newman and Newman (2000), lower (R^2) values are prevalent and conclusion can remain significant in social science research. Explaining approximately 63% of the diversity in WTP constitutes a meaningful relationship. Notable predictors, such as previous boutique stay experience ($p = 0.051$) and brand affiliation ($p < 0.001$), further substantiated the validity of these correlations.

The use of interaction terms, exemplified by the statistically significant relationship between age and Willingness-To-Pay ($\beta = 0.032$, $p < 0.01$), enhanced the analysis's depth. Older individuals, particularly those who prioritize design-oriented attributes, showed a greater WTP a premium. Although the model did not consider all behavioral factors, its findings were substantial, consistent with the practical applicability of regression analysis even with moderate (R^2) values.

Age-related variations in WTP indicated that the 31-40 age cohort had the least propensity to invest in design, potentially due to financial limitations or changing priorities. Post-age 40, WTP increased consistently, reaching its zenith among individuals aged 51 to 60, while the 60+ demographic sustained robust values. These trends indicated that older clients exhibited superior financial stability and a heightened appreciation for quality, whereas younger cohorts prioritized affordability

Guests with boutique hotel experience showed consistently elevated WTP, as illustrated in the boxplot (*see Figure 36*). This trend suggested that boutique stays created lasting good impressions, enhancing the long-term desire to invest in design-oriented accommodations. An independent samples t-test (*see Table 6*) validated these results, indicating that boutique hotel patrons assigned a substantially greater significance to design ($M = 4.44$) compared to those lacking boutique experiences ($M = 3.38$). The difference was statistically significant $t = 5.2239$, $df = 82$, $p < 0.001$ with a 95% CI of 0.651 to 1.452.

These findings corresponded with expert opinions. Interviewee C, a general manager, observed that "*guests are predisposed to pay a premium when they perceive the environment as unique and immersive,*" highlighting the monetary advantages of design differentiation. Interviewee B, a co-founder of an architecture studio, noted that "*design differentiation provides a competitive advantage that justifies higher fees,*" whereas Interviewee G remarked that "*art*

and design are essential in positioning our hotel as a premium property, directly influencing our ADR". Expert D further indicated that enhanced design aspects function as strategic instruments for revenue enhancement. These insights illustrate that art and design not only improved guest experiences but also operate as strategic instruments for revenue enhancement and attaining enduring financial success.

4.2.5 Competitive Advantage through Design

A significant majority of respondents (84.5%) favored boutique hotels over prominent luxury chains, highlighting a clear preference for the distinctive, personalized experiences offered by smaller businesses (see Figure 25).



Figure 25: Accommodation Preference (n = 84)



Figure 26: Experience Ratings by Hotel Type (n = 84)

The boxplot of Figure 26 compared experiences of individuals who had previously been in boutique hotels with those who had not, indicated a significant difference in perception. Participants acquainted with boutique lodgings indicated elevated average experience ratings, with median values approaching 4, reflecting predominantly positive perceptions. Their scores exhibited less variability, indicating consistently favorable experiences. Nonetheless, a significant outlier in this cohort achieved a rating close to 2, indicating that despite the prevailing trend, isolated bad experiences persisted. Interior design has become a crucial element affecting guest loyalty and recommendation behavior, with 95.2% of respondents recognizing its influence. Of the participants, 47.6% indicated strong agreement, underscoring the essential role of design components in facilitating visitor happiness.

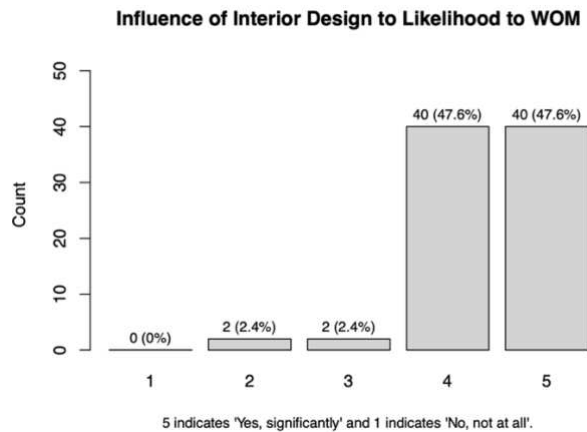


Figure 27: Impact of Interior Design on Loyalty and Referrals (n = 84)

Subsequent investigation, employing a scatter plot (see Figure 37), revealed a distinct positive link between design creativity and allegiance to innovative brands. As design innovation scores improved, guest loyalty correspondingly increased, as demonstrated by the rising trend. This indicated that distinctive and innovative aesthetics fostered both initial attraction and continued patronage.

A paired t-test performed to evaluate changes in perceptions before and after exposure to particular design-related prompts yielded a mean difference of -0.40 and a marginally non-significant outcome ($t = -1.977$, $df = 83$, $p = 0.051$) (See Table 7). The data indicated a minor decrease in perceived influence; nevertheless, the absence of statistical significance implies that further research may be necessary to elucidate this nuanced trend.

Experts endorsed these findings, highlighting the competitive advantage conferred by design differentiation. Interviewee B compared it to the luxury handbag market, where functionality remains unchanged, although unique aesthetics differentiate the products. Interviewee H emphasized the significance of authenticity and storytelling, aspects that are considerably more difficult to reproduce than mere aesthetics. Interviewee G observed a significant industry transition towards more experimental and artistic encounters, indicating a future where design innovation defines the core of hospitality.

Collectively, survey data and expert insights emphasize that intentionally designed, authentic aesthetics promote enhanced guest engagement and loyalty. The pronounced inclination towards boutique establishments and the acknowledged impact of aesthetic innovation

highlight an increasing demand for distinctive, narrative-driven surroundings. By doing so, they affirm that intentional design is not simply a cosmetic improvement but a strategic differentiator vital for success in the premium hospitality sector.

4.2.6 Brand Perception Related to Art and Design

Our findings indicated that art and design substantially impacted brand perception, with 82.1% of participants asserting that a hotel's incorporation of artistic and design features influenced their perception of its exclusivity and premium status (*see Figure 28*).

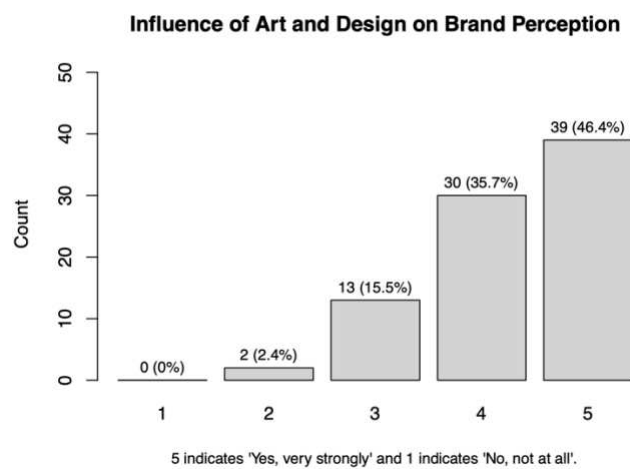


Figure 28: Art and Design's effect on Brand Perception (n= 84)

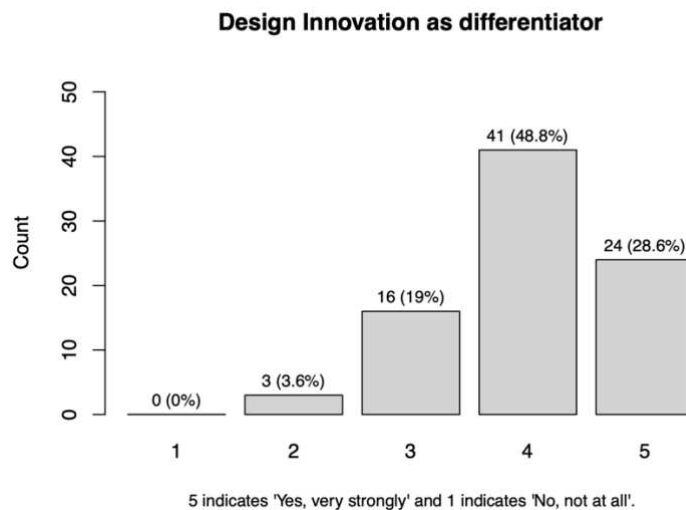


Figure 29: Perceived Role of Design Innovation as a Differentiator (n = 84)

Innovation in art and design has become a vital element differentiating luxury hotel businesses. Data indicates that 77.3% of respondents acknowledged art and design as significant differentiators. Among this cohort, 28.6% perceived these attributes as “very strongly”

distinguishing one brand from another, whilst 48.8% considered them to be at least substantial factors of distinction (see Figure 29). Participants recognized various characteristics linked to hotels that emphasized artistic and design elements: exclusivity and prestige (60.7%), Creativity and innovation (50%), local culture and authenticity (42.8%), and comfort and functionality (16.6%) (see Figure 30).

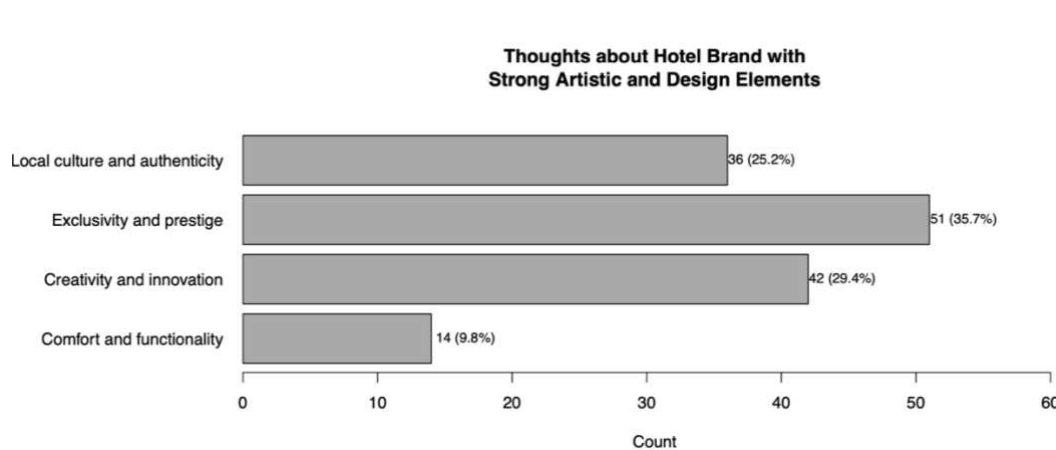


Figure 30: Characteristics Associated with Artistic and Design Elements (n = 84)

Moreover, consumers who endorsed brand-affiliated price justification demonstrated a significantly greater WTP, with minimal intersection with those who did not hold this attitude. This result underscored the significance of fostering strong brand associations in the premium hospitality industry. A two-sample t-test was conducted to assess whether boutique hotels provide unique value relative to traditional luxury accommodations, yielding suggestive but statistically insignificant results. ($t = 1.7085$, degree of freedom = 82, p -value = 0.091, Mean (Boutique) = 4.15, Mean (Luxury) = 3.69, 95%, CI: [-0.076, 1.001]) (See Table 8) Despite the p -value surpassing the traditional significance threshold, the data indicated a trend: visitors of boutique hotels generally rated their experiences more favorably than those who preferred ordinary luxury establishments.

Likewise, a boxplot (see Figure 31) illustrating design importance ratings indicated that boutique hotel patrons consistently assigned higher and more closely grouped values. Although the evidence was equivocal, a bigger sample could substantiate the idea that boutique enterprises had a distinct edge, especially regarding perceived design value.

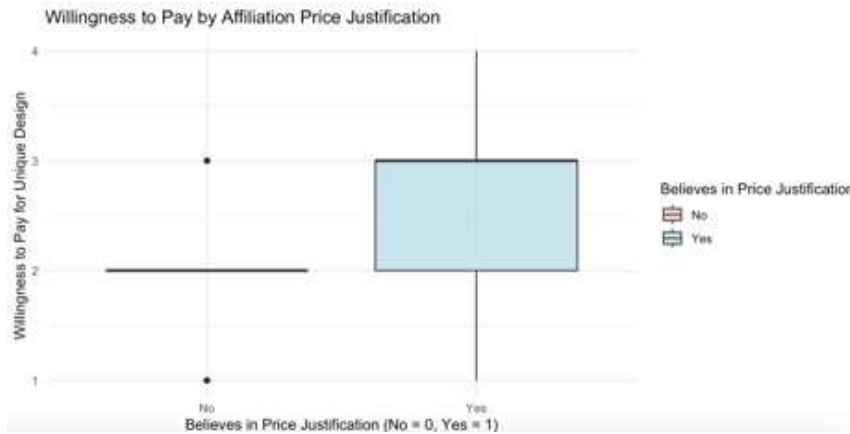


Figure 31: Willingness-To-Pay Based on Brand Price Justification Belief (n =84)

Industry experts affirmed similar findings, emphasizing the essential importance of art and design in defining corporate identity. Interviewee J stated: *“our art and design foster a distinctive identity that sets us apart. The amalgamation of mid-century furnishings, curated artworks, and bespoke design features elevates each visit to the status of an art gallery experience.”*

This sentiment highlighted that deliberate aesthetic selections not only improve guest perceptions but also strengthen brand distinctiveness. Interviewee D referenced Aman as an exemplar, stating, *“Aman has truly excelled in creating a formidable brand image. It is one of the rare chains that has successfully established a pricing structure not directly correlated with service, but rather with the hotel’s reputation.”* From this viewpoint, design and artistic storytelling function as strategic assets, allowing specific companies to substantiate premium prices.

Collaborations with famous designers and artists augment a hotel’s prestige. Interviewee E compared these collaborations to *“co-branding,”* indicating that renowned architects and artists operate as brands in their own right. Interviewee H stated, *“Transparency concerning collaborations reflects the attention to detail and effort dedicated to a project, thereby boosting its credibility.”* This strategy enhances a hotel's visual allure while simultaneously augmenting its authenticity and commercial position.

4.2.7 Innovative and Sustainable Design Practices

Although sustainability has become acknowledged in the luxury hotel industry, it continues to be a secondary consideration for the majority of customers. Around 30% of respondents saw sustainable or eco-friendly design as the most attractive feature, ranking it below the incorporation of local culture (65.5%) and elegant design (55.9%) (see Figure 21). Experts, however, considered sustainability essential to luxury hospitality. Interviewee H emphasized its significance, asserting, *“Sustainability is no longer optional; it is anticipated in luxury.”* This perspective emphasized the long-term advantages of incorporating sustainable practices into hotel architecture by stating that guests appreciate lasting design elements. Interviewee E stressed that sustainability corresponds with changing traveler expectations, stating, *“Integrating sustainable practices makes luxury more relevant to contemporary conscientious travelers.”* Expert I associated sustainability with authenticity, noting that *“utilizing high-quality, locally sourced materials reduced environmental impact while improving the project's authenticity.”*

Expanding on this topic, Interviewee D claimed that sustainable development would be a substantial and ongoing trend in luxury hospitality for the next decades. At the same time, they acknowledged the complexities of integrating such initiatives without detracting from guest comfort: *“It's all about sustainable development, so it's going to continue. It's paradoxical in the luxury sector because customers expect the hotel to do things for sustainable development, but at the same time, they're not going to be ready to have a less comfortable experience, so you have to find a balance. It's a big challenge to be more sustainable without impacting the customer experience. It's a constant search.”*

These ideas emphasized that sustainable design may concurrently foster environmental stewardship and improve the guest experience. The disparity between the modest enthusiasm of guests and the emphasis on sustainability by industry professionals indicated a need for enhanced education and advocacy. Bridging this gap may ultimately guarantee that sustainability becomes a hallmark of premium hospitality.

4.2.8 Emotional and Psychological Impact of Design

The emotional responses of guests were significantly associated with the visual characteristics of luxury hotels. The poll revealed that 70.2% of participants recognized that art and design components affected their emotional or psychological well-being, with 26.2% characterizing this influence as “*greatly*” and 44% indicating a considerable if lesser, effect.

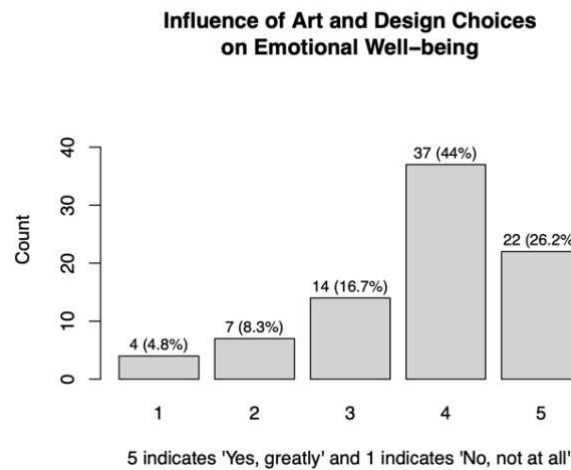


Figure 32: Influence of Design on Well-being (n = 84)

Experts corroborated these findings and emphasized the significance of design in influencing relaxation and mood. Interviewee F remarked that deliberate design decisions can convert a mundane area into a personal refuge, augmenting comfort and serenity. In contrast, Interviewee L described a negative experience stemming from a hotel’s overly minimalist décor: “*The lobby was stark, with cold lighting and almost no seating... Instead of feeling uplifted or calm, I found myself wanting to spend as little time in the hotel as possible.*” Such comments underlined how insufficient design could diminish a guest's overall enjoyment, stressing the need for guest-centric design.

A scatter plot corroborated these qualitative observations, indicating that as the emotional impact of design (x-axis) rose, WTP for distinctive design (y-axis) also climbed (see Figure 38). The ascending regression line suggested that travelers who formed stronger emotional or psychological bonds with a property's design were more likely to invest in superior aesthetics. Likewise, elevated assessments of design significance were positively associated with emotional well-being, indicating that when guests appreciate design, they are likely to experience heightened positive emotions during their visit (see Figure 39). By cultivating

emotionally resonant surroundings, hospitality operators can foster contentment, loyalty, and charge a premium for unique design elements.

4.3 Case Study: Aman Tokyo Pricing Perception

The data collection focused on discussing the reasons behind Aman Tokyo's significantly elevated nightly pricing (~€3,400⁷) compared to equivalent 5-star luxury hotels such as Bvlgari Tokyo (€1,500, placed 22nd) and Four Seasons Tokyo (€1,300, unranked). Closed-ended responses (*see Figure 33*) indicated that brand strength, exclusivity, and original design were crucial aspects in rationalizing Aman Tokyo's premium pricing. More than two-thirds of participants associated cost with the hotel's distinctive brand recognition, whereas 40.5% highlighted ambiance and unique aesthetics as essential value determinants.

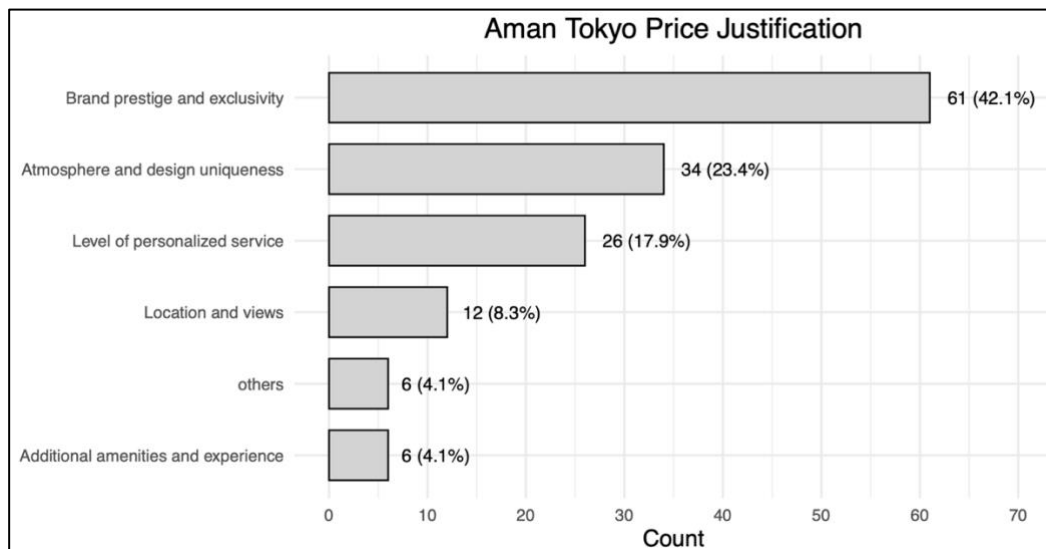


Figure 33: Aman Tokyo Price Justification among Competitors

These perceptions correspond with professional assessments. Interviewee D remarked: “*Aman has successfully cultivated a robust brand identity... They can enforce inflated pricing that are not necessarily linked to service quality but are instead associated with the hotel's prestige.*”

Experts observed that Aman's elevated employee-to-guest ratio and its minimalist, nature-centric design philosophy augment its brand equity, distinguishing it from competitors providing analogous services. Aggregated data indicates that Aman Tokyo's pricing is influenced by factors beyond mere service or location. Rather, it arises from a calculated interaction of design innovation, brand storytelling, and sophisticated aesthetic selections.

⁷ As of November 11, 2024

5. Discussion

5.1 General Discussion

This dissertation aimed to elucidate the role of art and design innovation as strategic tools for attaining competitive advantage in the luxury hospitality industry. The quantitative results indicated that guests prioritize innovative aesthetics, authenticity, and cultural integration, while the literature underscores the importance of these elements in crafting significant and distinct experiences (Abecassis-Moedas, 2019; Addis et al., 2024; Verganti, 2008). This discussion synthesizes survey data, literature, and practitioner perspectives (Flick, 2002; Dzwigol, 2020) by triangulating insights from expert interviews (Experts A–L), so transcending a mere reiteration of the findings. It presents a sophisticated, multifaceted model that elucidates the impact of art and design innovation on guest experience, brand perception, and pricing strategies, and how these findings might inform future strategic decision-making in luxury hospitality.

The expert interviews confirmed that design innovation is essential, not only an afterthought, serving as a crucial difference. Participants emphasized that “*design converts hotels from simple lodgings into immersive environments*” (Expert H) and that “*art and design convey a narrative*” (Expert G). These viewpoints corresponded with the tenets of DDI (Verganti, 2008) and emphasized that aesthetics and cultural components had symbolic and emotional significance, what Kapferer and Bastien (2009) referred to as the social and aesthetic guarantors of luxury. The survey findings indicated that 85.7% of participants underscore the significance of aesthetic design, aligning with the literature's focus on authenticity, cultural integration, and emotional involvement (Shahid & Paul, 2022; Pine & Gilmore, 1999). Experts such as Expert D, who stated that “*interior design constitutes nearly 50% of a hotel's success,*” and Expert A, who observed that “*hotels serve as a reflection of their country,*” emphasized that design decisions are strategic: they influence the brand narrative, shape guest perception, and distinguish properties in a competitive market.

5.1.2 A Multivariate Perspective on Design Drivers

This study categorizes design-related factors into first- and second-order variables, identifying the mediators and moderators that connect design characteristics to guest loyalty, rather than

merely asserting the importance of design. The conceptual matrix below synthesizes the literature's focus on authenticity (Lee & Chhabra, 2015), experience economy theory (Pine & Gilmore, 1999), and the survey and interview data to demonstrate the intricacy of these relationships:

Dimension	First-order Drivers (Direct)	Second-order Drivers (Indirect)	Mediators	Moderators
Aesthetic & Sensory	Innovative architecture, curated art	Sustainable materials, brand narrative	Emotional engagement (mood, comfort)	Guest familiarity, cultural background
Cultural & Symbolic	Local heritage, storytelling elements	Renowned designers, VRIN uniqueness	Perceived authenticity and exclusivity	Prior boutique exposure, cultural literacy
Emotional & Psychological	Layout, lighting, emotional resonance	Identity formation, emotional depth	Positive emotional responses	WOM, personality traits
Economic & Competitive	WTP for unique design	Long-term brand equity, intangible value	Justification of premium pricing	Market trends, price sensitivity

Table 4: Dimensions, Drivers, Mediators, and Moderators Influencing Design Perception

The RBV and VRIN framework (Barney, 1991) indicated that hotels that integrated unique cultural components, esteemed architects, and outstanding architectural attributes generated valuable, rare, and inimitable resources. Interviewees, including Expert I, referenced "*site-specific materials*," illustrating their non-substitutability. Likewise, the ongoing transformation of design components (Expert F & G) and sustainable incorporation (Expert H & E) underscore dynamic capabilities (Teece et al., 1997) that empowered hotels to perceive, capitalize on, and reorganized their distinctive assets over time, hence preserving competitive agility.

5.1.3 Mediators and Moderators: From Perception to Loyalty

The literature highlights that visitor experience arises from a collaborative interaction of guest characteristics, such as prior knowledge, cultural literacy, and familiarity with boutique hotels (Shahid & Paul, 2022). Interviews provided additional confirmation of this. Expert L noted that a property's unique aesthetic often influenced hotel recommendations, emphasizing how WOM enhanced the significance of distinctive design elements. Similarly, Expert C asserted that mere

service does not provide differentiation; instead, authenticity and "curated materials" now delineate uniqueness. Contributors with previous boutique experience or cultural fluency (Expert A & K) especially value local art, custom furniture, and architectural distinctiveness, underscoring that the impact of design is most significant among individuals predisposed to appreciate these aspects. This corresponds with cognitive-affective-behavioral frameworks, indicating that visitor characteristics and contextual elements influence the trajectory from perception to loyalty.

Mediators function as crucial connections between design features and guest outcomes, including loyalty and WTP. By cultivating emotional engagement via distinctive design, biophilic elements, and curated art, hospitality settings can elicit relaxation, inspiration, and increased satisfaction, so promoting enduring visitor loyalty. Moreover, perceived authenticity arises when local historical and cultural narratives are integrated into the design, fostering trust and brand loyalty by providing guests with a significant feeling of place. Ultimately, exclusivity, frequently attained by meticulously curated artwork and esteemed designers, engenders a sense of symbolic worth that can rationalize elevated pricing. Essentially, unique and culturally enriched design selections initially evoke emotional resonance and authenticity, subsequently enhancing exclusivity, which results in increased loyalty and a heightened desire to spend.

Examples:

1. Emotional Engagement: Unique architecture and curated art evoke relaxation and inspiration, enhancing guest satisfaction.
Example: Biophilic design at Aman Resorts creates a calming experience.
Pathway: Innovative design → Emotional engagement → Guest loyalty.
2. Perceived Authenticity: Local heritage and storytelling create cultural depth, building trust and loyalty.
Example: Hotels using regional materials offer authentic cultural experiences.
Pathway: Local design → Perceived authenticity → Brand loyalty.
3. Exclusivity: Curated art and renowned designers create symbolic value, justifying premium pricing.
Example: Limited-edition furniture by renowned architects conveys
Pathway: Unique design → Exclusivity → WTP.

On the other hand, Moderators determine the conditions that optimize design methods, affecting the intensity of visitors' responses to design elements and the situations that enhance loyalty or desire to pay. For instance, client familiarity influences behavior: visitors accustomed to boutique hotels are more inclined to appreciate distinctive art and architecture, enhancing their emotional connection and loyalty. Cultural literacy similarly enhances travelers' receptiveness to design narratives grounded on local customs, hence amplifying perceived authenticity and trust. Market trends influence economic prosperity, encouraging guests to allocate greater resources toward design-oriented luxury. By comprehending the mediators linking design to outcomes and the moderators affecting the efficacy of these techniques, hotels can create experiences that deeply resonate with their target guests, which will improve both loyalty and revenues.

Examples:

- Cultural Literacy: Travelers with cultural knowledge value storytelling and local heritage.
Example: Guests drawn to regional craftsmanship perceive greater authenticity.

- Market Trends: Economic conditions affect WTP for design-driven luxury.
Example: Guests pay more for exclusive features during economic growth.

Porter's (1985) differentiation strategy is manifest in the unique aesthetics and skilled craftsmanship that provide distinctive value, which competitors find difficult to replicate. The RBV and VRIN criteria (Barney, 1991) elucidate how genuine, locally integrated design features, emphasized by Expert G and J, transform into irreplaceable, unique, and inimitable resources, thereby ensuring ongoing competitive advantage. The notion of Dynamic Capabilities (Teece et al., 1997; Barreto, 2010) is exemplified by hotels consistently updating their design elements, use innovative sustainable materials, and adjusting to changing guest preferences (Expert D & H), hence maintaining relevance, agility, and enduring resilience.

5.1.5 The Sustainability Paradox and Future Trends

Despite sustainability being a lesser concern at present (30% of respondents) (*See Figure 21*), experts (Expert D, E & H) expressed its increasing significance and congruence with evolving consumer values. The literature (Walsh & Dodds, 2017; Godfrey, 2024) indicates that

sustainability can enhance credibility and future-proof brands; yet, incorporating sustainable components without sacrificing comfort is a difficulty. As consumer eco-awareness increases, sustainability may shift from a secondary consideration to a primary necessity, further distinguishing hotels that adeptly merge luxury and responsibility.

5.1.6 Emotional and Psychological Dimensions

Emotional well-being, relaxation, and immersion, fundamental components of Pine and Gilmore's (1999) *experience economy*, are markedly improved by deliberate design decisions. Findings from Experts F and K highlighted that factors including illumination, spatial configuration, and aesthetic atmosphere significantly affected guests' emotional responses, enhancing their affiliation with the hotel brand. This corresponds with Stuckey and Nobel (2010) and Jensen and Bonde (2018) who illustrated that exposure to art and thoughtfully curated environments not only improves well-being but also increases the memorability of the experience. These emotional connections foster return visits and favorable word-of-mouth, underscoring the strategic significance of emotionally resonant design.

The fundamental idea was that art and design innovation were beyond mere surface aesthetics. They functioned as strategic narratives that convey exclusivity, authenticity, and emotional profundity. Expert A's asserted that "*hotels are a reflection of their country*" and Expert G's focus on "*enduring narratives*" demonstrated that design decisions convey significance. This reflected Verganti's (2008) emphasis on meaning innovation: design components serve as a linguistic tool for luxury hotels to express brand identity, validate premium pricing (Expert J), and foster customer loyalty (Expert G & L). Unique design serves as a storytelling instrument that differentiates properties in an oversaturated luxury market.

5.1.7 Implications and Contributions

Strategic differentiation through design is crucial for attaining enduring competitive advantage in luxury hotels. Managers ought to regard design investments as strategic efforts instead of mere cosmetic improvements. Collaborations with esteemed architects, the curation of distinctive local artworks, and the judicious selection of artisanal furniture (Expert B, I, & C) provide unique, difficult-to-duplicate assets that bolster brand identification and market positioning. Harmonizing design with the hotel's brand narrative and cultural authenticity cultivates emotional engagement, enhancing client loyalty and reinforcing the idea of

exclusivity. Expert G and A asserted that incorporating local traditions and legacy into the design offers guests a significant and genuine experience, hence enhancing the hotel's cultural worth. Moreover, the combination of culture and sustainability is essential for ensuring the longevity of luxury hospitality businesses. By integrating eco-friendly materials and sustainable methods, hotels can meet the increasing significance of sustainability while maintaining luxury standards. To guarantee that these design methods yield quantifiable value, hotels must implement a data-driven methodology. Guest input (Expert C & J), performance metrics such as occupancy rates and ADR, along with continuous evaluations of design initiatives, empower management to enhance strategies and guarantee that innovation yields measurable business results.

6. Conclusion

Our study aimed to examine how art and design innovation foster competitiveness in the luxury hospitality industry. Utilizing both quantitative and qualitative methodologies, the findings indicated that hotels that effectively incorporate unique design features, curated artwork, and culturally relevant aesthetics can improve guest experience, influence brand perception, and justify premium pricing (Zhang et al., 2024; Shahid & Paul, 2022). Furthermore, the research highlights the significance of symbolic and emotional value concepts effectively represented through DDI, DT, and Design Management (Abecassis-Moedas, 2019; Verganti, 2008) as essential assets that enhance a hotel's prominence in a progressively competitive market. The integration of art, architecture, local culture, and emotional impact serves as a strategic differentiator that amplifies brand exclusivity, cultivates loyalty, and elevates guests' WTP a premium. Art and design, whether presented in a boutique establishment with unique cultural elements or within a prestigious worldwide luxury brand with renowned designers, fundamentally influence the guest's overall experience.

6.1 Theoretical Contributions

This thesis elaborates on Verganti's (2008) DDI framework by illustrating how hotels might leverage "change in meaning" to convert standard accommodations into immersive experiences. The findings demonstrate that, in addition to merely addressing customer demands (market pull) or implementing novel technologies (technology push), the introduction of new significances (examples: culturally rich design) distinguishes hotels within a saturated

premium market (Addis et al., 2024). Through the curation of local art collections, the integration of site-specific architecture, and the engagement of renowned designers, hotels acquire valuable, rare, unique, and non-replaceable assets (Barney, 1991). These distinctive design decisions serve as emblematic indicators that are difficult for rivals to replicate. Consistent with Teece et al. (1997), our study illustrates how hotels perpetually recognize, seize, and reconfigure design opportunities to maintain relevance and distinctiveness, especially crucial in rapidly altering luxury markets. The validation of the Cognitive-Affective-Behavioral Model indicates that design innovation influences cognitive (guest perceptions), affective (emotional involvement), and behavioral (loyalty, WTP, WOM) aspects of the guest experience (Shahid & Paul, 2022). Prioritizing local authenticity, visual consistency, and narrative engagement cultivates deeper emotional connections and encourages repeat patronage. Moreover, as claimed by Pine and Gilmore (1999), the study demonstrates how immersive design cultivates memorable guest "experiences" rather than simply utilitarian offerings. The integration of design, sustainability, local culture, and intentional narrative converts hotel experiences into customized journeys that profoundly connect with customers, affirming that guests increasingly prioritize meaningful escapism and a hotel as a destination itself (Chao & Rashid, 2020).

6.2 Practical Contributions

Luxury hoteliers can implement a "design-first" strategy, not merely as decoration but as a comprehensive brand strategy. Collaborations with prominent architects, designers, or artists augment uniqueness and justify elevated pricing (Dion & Arnould, 2011). Establishments such as Benesse House and Hotel Marques de Riscal illustrate how museum-quality art and renowned architecture transform hotels into essential travel destinations (Addis et al., 2024; Bufquin et al., 2017). Our findings demonstrated that meticulously designed surroundings significantly affect guest well-being, mood, and memory development. Integrating local materiality, sensory design (biophilic elements, curated lighting, acoustics), and narrative-driven décor corresponds with the Cognitive-Affective-Behavioral chain: an attractive environment (cognitive) elicits positive emotions (affective), resulting in loyalty or increased WTP (behavioral). Luxury hospitality companies engaging in "artification," the process of recontextualizing non-art as art, gain enhanced reputational benefits and can capitalize on brand authenticity (Kapferer, 2014). This also validates premium pricing that may be charged for exclusivity and the intangible worth of artistic experiences. Moreover, hotels with robust brand

aesthetics might expand into associated sectors, such as branded residences or designer product lines, to create diversified revenue streams (Tovisi & Fuchs, 2024).

Although survey respondents assigned lesser immediate priority to sustainability, experts validated its increasing significance. Properties that implement green architecture, sourcing locally and incorporate low-impact design can gain an edge over peers. Clear communication regarding these measures can appeal to health-conscious and environmentally aware-guests (Walsh & Dodds, 2017; Nahas, 2024).

6.3 Limitations

Customer experience and brand perception are highly subjective, influenced by different tastes, cultural settings, and expectations, complicating the comprehensive accounting of these discrepancies, even with standardized data collection methods. This study presents ideas derived from contemporary design trends. However, the rapid evolution of these trends, particularly concerning growing sustainability practices, may limit the long-term relevance of the results. It was also challenging to isolate the direct influence of art and design from other variables, such as cost, location or emotional context, due to the complex interplay of factors that shape experiences.

6.3.1 Survey

The quantitative phase included 84 individuals, offering a representative overview but possibly was constrained through segmentation. Despite diverse nationalities, the sample remained quite small with predominantly Swiss nationals, limiting extensive extrapolation to all luxury markets.

6.3.2 Implication of Findings

These constraints indicate that, although considerable evidence points to the significance of art and design for guest experiences and they allow as an aspect for premium pricing, particular forms or favored styles of design may differ considerably across cultures and market sectors. Furthermore, changing sustainability expectations, socioeconomic factors, and upcoming technologies may influence future design requirements in ways not entirely addressed in the present study.

6.4 Future Research

Conducting this research across diverse cultural contexts, such as contrasting European boutique hotels with Asian or Middle Eastern luxury establishments, may reveal how distinct cultural aesthetics, values, and consumer behaviors influence the efficacy of art and design innovation. Monitoring preferences over several years may indicate if design-focused methods maintain their superiority or are supplanted by shifting consumer priorities. Trend assessments could evaluate the impact of economic cycles or global events on design investments and guest expectations. Integrating on-site ethnographic research, guest satisfaction measurements (such as the service-profit chain), and psychophysiological assessments of tension or relaxation would enhance surveys and interviews. Although sustainability was not a primary focus of this study's survey, expert opinion indicates its increasing significance. Future academics may investigate the relationship between eco-friendly design and guests' overall well-being, potentially uncovering new avenues for brand distinction and ethical or experiential fulfilment (Walsh & Dodds, 2017).

7. Bibliography

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8. Appendices

Appendix I: Additional Statistics

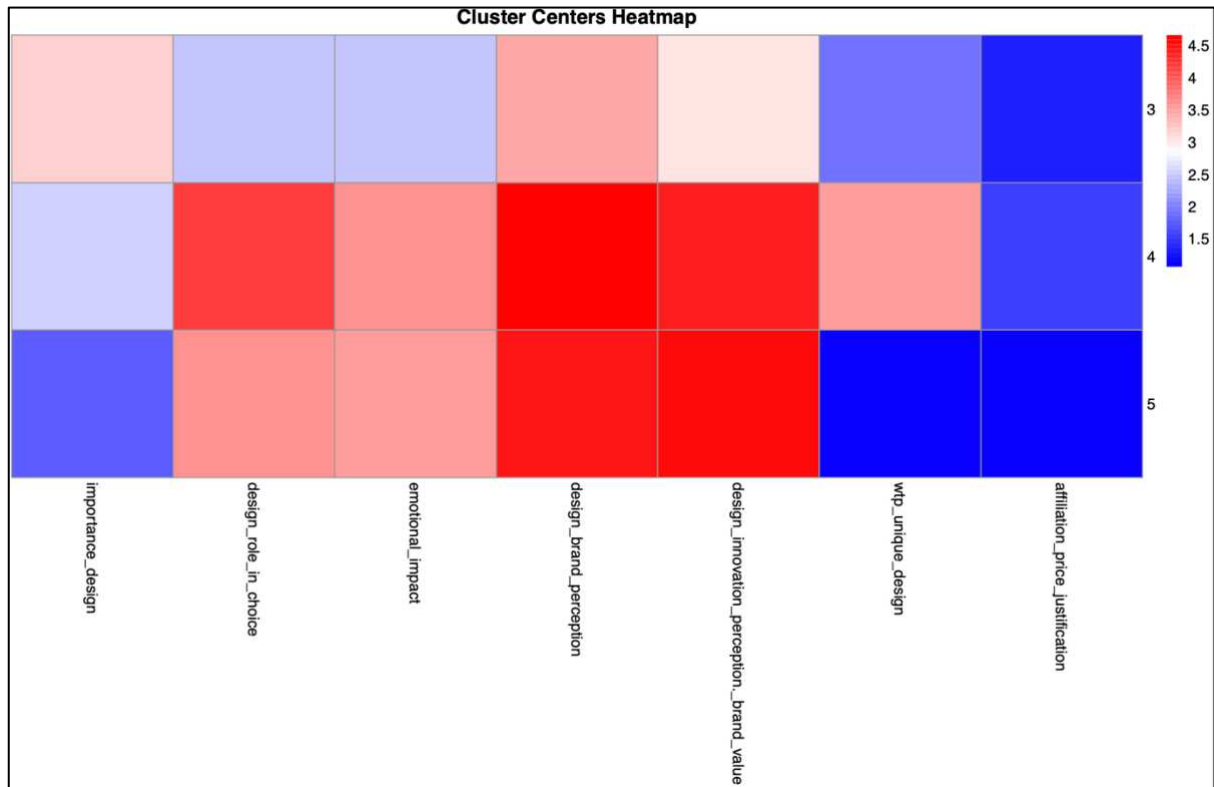


Figure 34: Cluster Centers Heatmap

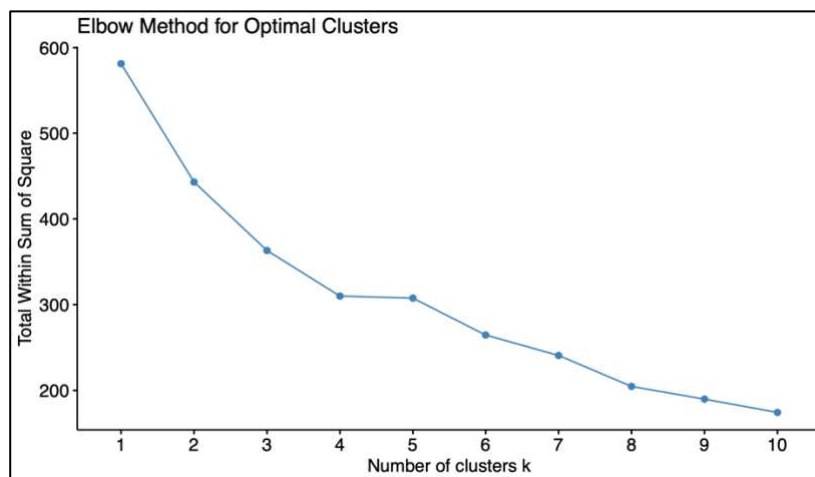


Figure 35: Elbow Method for Optimal Clusters

Regression Model Comparison			
Dependent variable:			
Willingness to Pay for Unique Design			
Simplified Model (1)	Extended Model (2)	Final Model (Best) (3)	
Intercept		-0.028 (0.108)	
Age	0.143** (0.061)	0.172** (0.078)	0.199*** (0.060)
Design Role in Choice	0.009** (0.004)	0.009* (0.005)	-0.009 (0.006)
Stayed at Boutique (Yes)	0.456*** (0.170)	0.502** (0.211)	0.323* (0.163)
Affiliation Price Justification (Yes)	0.508*** (0.140)	0.516*** (0.160)	0.656*** (0.137)
WTP: I Would Not Pay a Premium		0.030 (0.077)	
WTP: Over 50% More		0.012 (0.095)	
WTP: Up to 10% More		-0.029 (0.071)	
Age x WTP: I Would Not Pay a Premium		-0.032 (0.106)	
Age x WTP: Up to 10% More			0.030*** (0.011)
age:wtp_design_driven_quantityOver 50% more			0.032*** (0.009)
age:wtp_design_driven_quantityUp to 10% more			-2.012*** (0.448)
wtp_design_driven_quantityI would not pay a premium	-0.916*** (0.185)	-0.904*** (0.229)	-2.012*** (0.448)
wtp_design_driven_quantityOver 50% more	0.813* (0.411)	0.839* (0.440)	1.027*** (0.387)
wtp_design_driven_quantityUp to 10% more	-0.430*** (0.146)	-0.413** (0.160)	-1.512*** (0.342)
Constant	1.191*** (0.403)	1.205 (0.826)	1.660*** (0.400)
Observations	84	84	84
R2	0.560	0.564	0.628
Adjusted R2	0.519	0.490	0.582
Residual Std. Error	0.532 (df = 76)	0.549 (df = 71)	0.496 (df = 74)
F Statistic	13.817*** (df = 7; 76)	7.638*** (df = 12; 71)	13.862*** (df = 9; 74)

Note: *p<0.1; **p<0.05;

Table 5: Comparison of Regression Models Predicting WTP for Unique Design

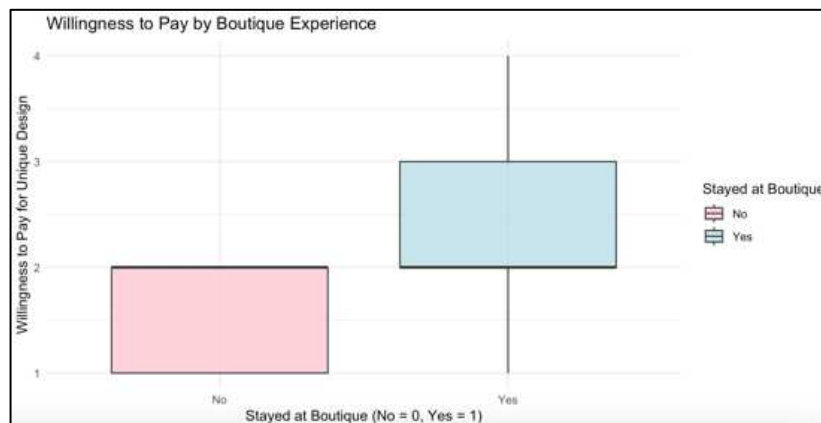


Figure 36: Willingness-To-Pay by Boutique Hotel Experience (n = 84)

```
> independent_ttest <- t.test(group1, group2, var.equal = TRUE) # Assume equal variances
> print(independent_ttest)

Two Sample t-test

data: group1 and group2
t = 5.2239, df = 82, p-value = 1.304e-06
alternative hypothesis: true difference in means is not equal to 0
95 percent confidence interval:
0.6513862 1.4526225
sample estimates:
mean of x mean of y
4.436620 3.384615
```

Table 6: Results of Independent t-Test Comparing Group Means for Willingness-To-Pay

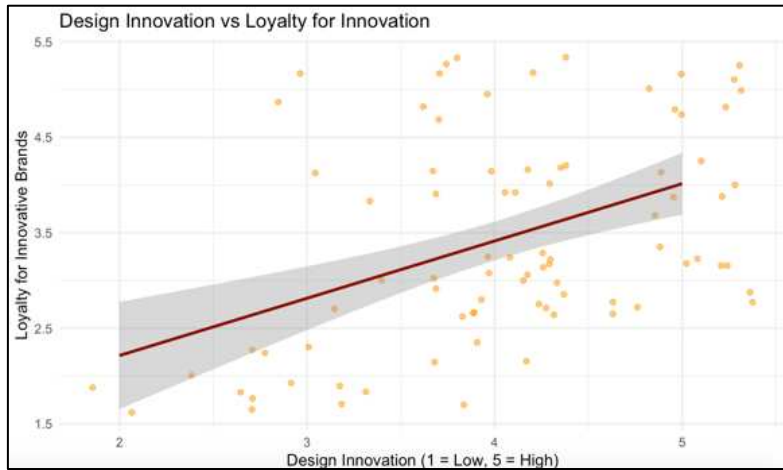


Figure 37: Relationship Between Design Innovation and Brand Loyalty

```
paired t test:

paired_ttest <- t.test(data$design_influence_before, data$design_influence_after, paired = TRUE)
> print(paired_ttest)

      Paired t-test

data:  data$design_influence_before and data$design_influence_after
t = -1.977, df = 83, p-value = 0.05136
alternative hypothesis: true mean difference is not equal to 0
95 percent confidence interval:
 -0.811969365  0.002445556
sample estimates:
mean difference
 -0.4047619
```

Table 7: Results of Paired t-Test Comparing Design Influence Before and After Exposure

```
Two Sample t-test

data:  boutique_group and luxury_group
t = 1.7085, df = 82, p-value = 0.09133
alternative hypothesis: true difference in means is not equal to 0
95 percent confidence interval:
 -0.07604706  1.00129083
sample estimates:
mean of x mean of y
 4.154930  3.692308
```

Table 8: Results of the Independent t-Test Comparing Boutique and Luxury Hotel Groups

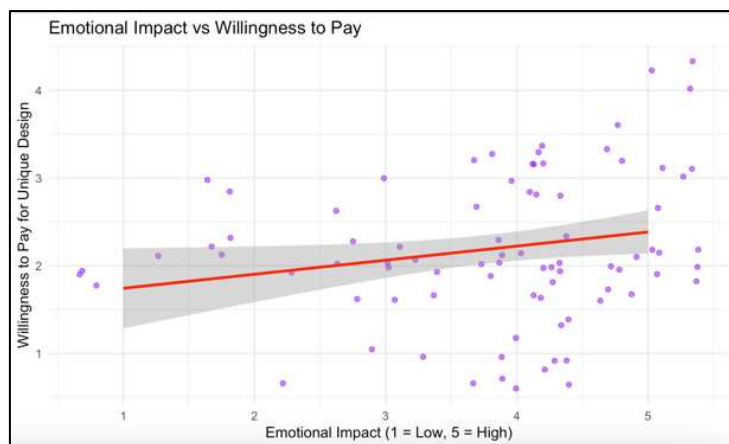


Figure 38: Emotional Impact and Willingness to Pay for Unique Design

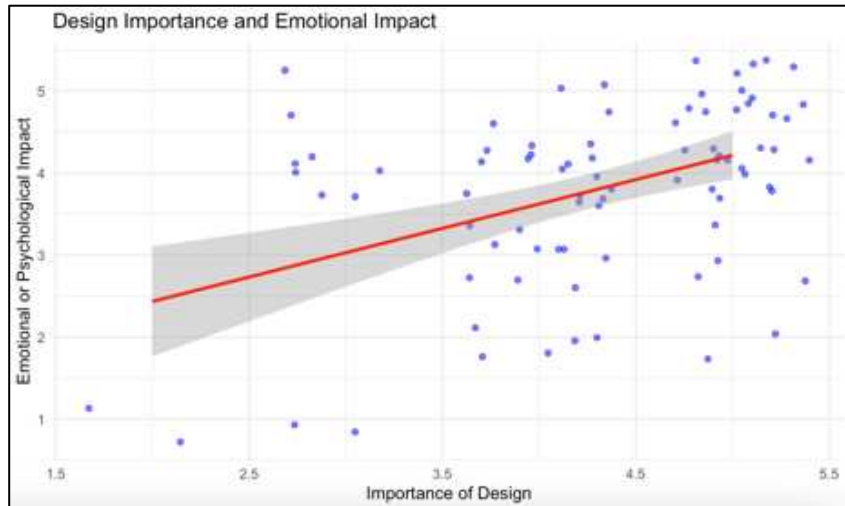


Figure 39: Relationship Between Design Importance and Emotional Impact

Appendix II: Outline of survey questions

#	Question	Question Type	Answer Options
1	What is your gender?	Multiple choice	Male; Female; Other
2	How old are you?	Drop-down	18 - 80
3	What is your nationality?	Short-answer text	
4	How often do you travel within 3 months?	Multiple choice	Never; Once; 2-3 times; 4-5 times; More than 5 times
5	Have you previously stayed at a luxury boutique hotel?	Multiple choice	Yes; No
6	If you have stayed at a luxury boutique hotel, how would you rate your experience compared to a traditional luxury hotel?	Multiple choice	Significantly better; Somewhat better; Similar; Slightly worse; Significantly worse
7	When choosing a luxury boutique hotel, what are the top factors that influence your decision?	Multiple choice (multiple selection possible)	Reputation and exclusivity; Unique design and artistic elements; Personalized service; Connection with local culture; Exclusive amenities
8	How important is the aesthetic design of a hotel to your overall experience as a guest?	Multiple choice	Extremely important; Very important; Moderately important; Slightly important; Not important
9	What role do art installations and unique design elements play in your choice of luxury hotels?	Linear scale	1 (No role) to 5 (Major role)
10	How would you describe the emotional impact of being in a well-designed hotel space?	Multiple choice	Uplifting and inspiring; Relaxing and comforting; Neutral; Distracting; Unimportant

11	Does the interior design of a hotel influence your likelihood to return or recommend the hotel to others?	Linear scale	1 (Strongly disagree) to 5 (Strongly agree)
12	If you're planning a trip, you may prefer to stay in a boutique hotel or a hotel affiliated with a major luxury hotel chain?	Multiple choice	Boutique hotel; Hotel chain
13	Following the three preceding proposals, which accommodation would you prefer to stay at for a weekend in Rome?	Multiple choice	Option A: Villa Medici; Option B: Hotel de Russie ; Option C: The Rome EDITION
14	Do you think a hotel's use of art and design influences your perception of its brand as exclusive or high-end?	Linear scale	1 (Not at all) to 5 (Significantly)
15	To what extent do you feel that art and design innovation help differentiate one luxury hotel brand from another?	Linear scale	1 (Not at all) to 5 (Greatly)
16	When you think of luxury hotels with strong artistic and design elements, what characteristics come to mind regarding the brand?	Multiple choice (multiple selection possible)	Exclusivity and prestige; Creativity and innovation; Comfort and functionality; Local culture and authenticity; None of the above
17	How strongly do you associate a hotel's use of iconic architecture or famous designers/artists with its luxury brand status?	Linear scale	1 (Not at all) to 5 (Very strongly)
18	Do you believe a hotel's design innovation can shape your perception of the brand's values (e.g., luxury, sustainability, innovation)?	Linear scale	1 (No, not at all) to 5 (Yes, very strongly)
19	Does the presence of famous artwork or high-end design in a hotel make you perceive the brand as more valuable compared to a hotel without such elements?	Linear scale	1 (No, less valuable) to 5 (Yes, much more valuable)
20	Would you be more loyal to a luxury hotel brand that continually innovates its design and art concepts?	Linear scale	1 (No, not at all) to 5 (Yes, definitely)
21	In your opinion, does a hotel's collaboration with renowned designers or artists contribute to a stronger perception of the brand's exclusivity and status?	Linear scale	1 (No, not at all) to 5 (Yes, very strongly)
22	Please rank the following luxury boutique hotel brands and hotel chains based on their appeal to you personally.	Tick box grid	Aman; Belmond; Bvlgari; (..) The Ritz Carlton
23	How important is a hotel's unique design in your decision to choose it over other options?	Linear scale	1 (Not important at all) to 5 (Very important)

24	How much more are you willing to pay for a hotel that offers a unique artistic or design experience?	Multiple choice	A lot more; Somewhat more; A little more; Not more at all
25	Do you believe that hotels with innovative art and design are more likely to offer an overall better guest experience than hotels without such features?	Linear scale	1 (Strongly disagree) to 5 (strongly agree)
26	How much more would you be willing to pay for a Design-driven luxury boutique hotel experience over a traditional luxury hotel?	Multiple choice	I would not pay a premium; Up to 10% more; 10-25% more; 25-50% more; Over 50% more
27	Do you believe that a hotel affiliated with a brand justifies a much higher price than the average?	Multiple choice	Yes ; No
28	What kind of design elements or art features do you find most appealing in a luxury hotel?	Multiple choice (multiple selection possible)	Contemporary design; Classic/elegant design; Integration of local culture; Building architecture; Large-scale art installations; Sustainable or eco-friendly designs
29	Do you believe the art and design choices made by a luxury hotel can influence your emotional or psychological well-being during your stay?	Linear scale	1 (No, not at all) to 5 (Yes, greatly)
30	Aman Tokyo (ranked 7th best hotel of 2024) charges around €3400 per night, while Bvlgari Tokyo (ranked 22nd) charges €1500, and Four Seasons Tokyo (not ranked) charges €1300, even though all are 5-star hotels. In your opinion, what factors contribute to this difference in pricing towards Aman Tokyo's higher price?	Multiple choice (multiple selection possible)	Brand prestige and exclusivity; Atmosphere and design uniqueness; Level of personalized service; Location and views; Additional amenities and experience; Other

Table 9: Outline of survey questions

Appendix III: Interview A

Date: November 2, 2024

Occupation: CEO of a travel & conciergerie agency

Country of origin: Morocco & France

AV	What role does a hotel's design play in your choice to stay there?
O	<ul style="list-style-type: none"> Design is crucial for personal and customer satisfaction. It creates lasting impressions and is essential for differentiation.
AV	How do you perceive a hotel brand that invests heavily in unique art and design?

O	<ul style="list-style-type: none"> It reflects a competitive and value-aligned brand aiming for distinction.
AV	Are you willing to pay more for a luxury hotel that offers an exceptional design experience?
O	<ul style="list-style-type: none"> Yes, but only for extraordinary designs like Amangiri in Utah.
AV	How important is a hotel's integration of local culture or heritage in enhancing your stay?
O	<ul style="list-style-type: none"> Highly important for authenticity and cultural immersion, e.g., Marrakech hotels with local design
AV	As a frequent luxury accommodation guest, is good service still a major need for a hotel, or is it just a standard?
O	<ul style="list-style-type: none"> Service is standard now, less differentiating than a decade ago.
AV	Can you share an example of a memorable design or artistic feature that impacted your experience at a luxury hotel?
O	<ul style="list-style-type: none"> Royal Monceau Raffles Paris made a lasting impression with its homey design, curated features like guitars in rooms, and futuristic bathrooms.
AV	How does the aesthetic of a hotel's public spaces (such as lobbies, lounges, or restaurants) influence your experience or perception of luxury? (<i>Follow-up: Is there a particular space or atmosphere you find most important in shaping your impression?</i>)
O	<ul style="list-style-type: none"> Rooms matter more, but the entrance is critical as the first impression. Scents also play a key role.
AV	To what extent does the uniqueness of a hotel's design influence your decision to recommend it to others? (<i>Follow-up: Have you found yourself describing a hotel's design when sharing your experience with friends or family?</i>)
O	<ul style="list-style-type: none"> Design is a primary talking point when recommending, alongside location and service.
AV	Are there specific design elements (e.g., lighting, layout, artwork) that you believe enhance relaxation or contribute to a sense of exclusivity during your stay? (<i>Follow-up: Can you recall any specific examples where these elements made a strong impression?</i>)
O	<ul style="list-style-type: none"> Depends on location; cozy lighting for mountains, natural brightness for summer. Memorable examples include cashmere bedsheets at L'Apogée in Courchevel.
AV	How does the hotel's balance between classic elegance and modern innovation impact your perception of its brand? (<i>Follow-up: Do you have a preference for a more timeless or more innovative style in luxury hotels?</i>)
O	<ul style="list-style-type: none"> Balance is vital. Prefers innovative, modern styles, e.g., Ritz Paris
AV	Do you find that your expectations around design have progressed as you've experienced more luxury hotels? (<i>Follow-up: Are there new elements you now look for in design that you didn't value as much before?</i>)
O	<ul style="list-style-type: none"> Yes, now values curated, rare furniture and recognizes well-known designers' work.
AV	How important is it for a hotel to offer a distinctive design experience that you cannot find elsewhere? (<i>Follow-up: Would you choose a hotel specifically because of its unique design, even if it means compromising on other amenities?</i>)
O	<ul style="list-style-type: none"> Critical in the competitive luxury sector. Will compromise amenities for unique, spectacular locations, e.g., Namibian lodges.
AV	Do you feel that a hotel's design can enhance your emotional or psychological well-being during your stay? (<i>Follow-up: Have you experienced instances where design has positively impacted your mood or relaxation?</i>)
O	<ul style="list-style-type: none"> Yes, a well-designed place can clear the mind and rejuvenate, especially in locations with personal memories.

Summary of Interview A

Appendix IV: Interview B

Date: November 5, 2024

Occupation: Co founder of an architecture and interior design studio

Country of origin: Swiss & Italian

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
G	<ul style="list-style-type: none"> Key for storytelling, ambiance creation, emotional connection, and iconic aesthetics for an uplifting experience.
AV	How do you approach designing spaces for luxury hotels to differentiate them from competitors?
G	<ul style="list-style-type: none"> Starts with research and inspiration. Integrates local culture, architectural harmony, and target customer preferences.
AV	In your hotel project, do you believe that your design steps out from competitors? <i>(Follow-up: Could you share specific elements or features that you believe distinguish a luxury hotel from others in terms of design?)</i>
G	<ul style="list-style-type: none"> Yes and no. Southern Italy project maintained local harmony but stood out with curated art, Rick Owens furniture, and material curation
AV	Can you share any examples where your design helped establish a hotel's brand identity or exclusivity?
G	<ul style="list-style-type: none"> Transformed a pool into art via collaboration with a tile artist, a highly loved and shared feature.
AV	In what ways do you think design innovation in hotels contributes to a competitive edge in the luxury market?
G	<ul style="list-style-type: none"> Differentiation comparable luxury handbags, same function, unique aesthetics.
AV	What unique design elements do you think are hardest for competitors to replicate, and why?
G	<ul style="list-style-type: none"> Custom furniture paired with local art.
AV	What do you think of these hotel company that collaborate with architect and designers and communicate about it a lot?
	<ul style="list-style-type: none"> A strong marketing strategy; similar to fashion artistic directors. Pioneers like Liaigre set the trend.
AV	In your opinion, how important is the integration of local culture in luxury hotel design?
G	<ul style="list-style-type: none"> Strongly valued
AV	How do you balance aesthetic appeal with functionality and comfort in your designs?
G	<ul style="list-style-type: none"> Challenging but strives for balance as luxury can conflict with functionality.
AV	Could you describe a project where design innovation specifically aimed to improve guest experience and brand loyalty? <i>(Follow-up: What feedback did you receive, and how did it influence future designs?)</i>
G	<ul style="list-style-type: none"> 7132 Hotel in Valls, a masterpiece in architecture and spa design. Guests were design-savvy.
AV	How important is sustainability in your design process, and do you see it contributing to competitive advantage in luxury hotels? <i>(Follow-up: How do you integrate sustainable design without compromising luxury and exclusivity?)</i>
G	<ul style="list-style-type: none"> Crucial today. Focus on energy efficiency and simplicity. A short-term competitive advantage, but becoming a standard

Summary of Interview B

Appendix V: Interview C

Date: November 12, 2024

Occupation: General Manager of a Boutique Hotel in Algarve

Country of origin: Portuguese

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
P	<ul style="list-style-type: none"> Supports storytelling, adds emotional value, and improves recall of the accommodation.
AV	How does design impact guests' perceptions of luxury and exclusivity at your hotel?
P	<ul style="list-style-type: none"> Authentic design blends with the landscape, offering a retreat-like atmosphere with character.
AV	What elements of design do you find influence guests' willingness to pay premium rates?
P	<ul style="list-style-type: none"> Space, slow-life ambiance, indoor-outdoor integration, and comprehensive amenities.
AV	Do you believe that your art and design have an impact on the ADR?
P	<ul style="list-style-type: none"> Yes, they reflect quality and authenticity. Higher ADR requires curated, high-end elements matching the property's brand.
AV	How important is collaboration with renowned designers or artists for your brand?
P	<ul style="list-style-type: none"> Very important; collaboration adds value, credibility, and marketing opportunities, e.g., architecture magazines and social media.
AV	In what ways do you see art and design differentiating your hotel from competitors within the same luxury segment? (<i>Follow-up: Have you observed specific guest feedback or trends that highlight this differentiation?</i>)
P	<ul style="list-style-type: none"> Focus on nature, authenticity, and slow life; full service enhances this differentiation.
AV	In your experience, do design and art innovations contribute to customer loyalty?
P	<ul style="list-style-type: none"> Yes, but must pair with excellent service to ensure loyalty.
AV	Can you share any examples where art or design directly influenced guests' decision to return to your property or recommend it to others? (<i>Follow-up: Do you use specific metrics or guest feedback to track this impact?</i>)
P	<ul style="list-style-type: none"> Guest feedback often highlights calm, landscape, and beautiful design, but no specific examples.
AV	How does the design of your hotel influence the types of guests you attract? (<i>Follow-up: Have you tailored any design elements to appeal to a specific clientele?</i>)
P	<ul style="list-style-type: none"> Attracts families and groups due to multi-room accommodations; overall experience is key.
AV	What role do you think local culture and heritage play in creating an authentic luxury experience through design? (<i>Follow-up: How have you incorporated elements of local culture into the design of your hotel?</i>)
P	<ul style="list-style-type: none"> Crucial, integrated as the establishment's core identity.
AV	How do you measure the success of design-related investments in enhancing guest satisfaction and overall performance?
P	<ul style="list-style-type: none"> Primarily through guest feedback on platforms like Google and social media.
AV	How important is it for your design choices to align with current luxury hospitality trends, and how do you maintain relevance over time? (<i>Follow-up: Can you share an example of a recent trend you embraced or one you avoided and why?</i>)
P	<ul style="list-style-type: none"> Focuses on simplicity over trends to ensure long-term value. Avoids fleeting trends like padel courts in favor of timeless additions like tennis courts.

Summary of Interview C

Appendix VI: Interview D

Date: November 15, 2024

Occupation: Senior Lecturer of Luxury Brand Marking at Ecole hôtelière de Lausanne

Country of origin: Switzerland

AV	Do you think art and design-oriented hotels have a significant competitive advantage in the long term?
F	<ul style="list-style-type: none"> • Yes, personalization, boutique advantage, less ostentation.
AV	Is this in line with artification in many sectors, such as retail?
F	<ul style="list-style-type: none"> • Yes, enhances brand exclusivity, aspirational image, detaches from commercialism.
AV	Do you think that setting up a hotel is a consequent competitive advantage?
F	<ul style="list-style-type: none"> • Yes, unique pieces = lasting advantage, hard to replicate.
AV	Does interior design have a positive impact on the customer experience?
F	<ul style="list-style-type: none"> • Critical—50% success. Architects, materials, and style key.
AV	Aman Tokyo (ranked 7th best hotel of 2024) charges around €3400 per night, while Bvlgari Tokyo (ranked 22nd) charges €1500, and Four Seasons Tokyo (not ranked) charges €1300, even though all are 5-star hotels. In your opinion, what factors contribute to this difference in pricing towards Aman Tokyo's higher price?
F	<ul style="list-style-type: none"> • Strong brand, privacy, high staff ratio, exclusivity, symbolic value
AV	You think their design is a marketing tool to get their current image?
F	<ul style="list-style-type: none"> • Yes, promotes seclusion, celebrity-backed reputation, aspirational branding.
AV	What do you think of “branded houses”? Are future owners attracted by the brand's design or by its service?
F	<ul style="list-style-type: none"> • Attracts owners seeking curated environments; growing trend, revenue source.
AV	Do you think that a hotel affiliated with a brand (group) justifies a higher price than an independent boutique hotel?
F	<ul style="list-style-type: none"> • Yes, justified by perceived value, brand strength, and financial leverage.
AV	What trends do you see in luxury hospitality over the next 20 years?
F	<ul style="list-style-type: none"> • Hyper-personalization. • Sustainable luxury balance. • Experiential focus over material.
AV	Wouldn't a hotel that transforms itself into a giant work of art be part of an experience in itself?
F	<ul style="list-style-type: none"> • Yes, immersive trends growing, Disney-like concepts.

Table ? : Summary of Interview D

Appendix VII: Interview E

Date: November 21, 2024

Occupation: Architect

Country of origin: Switzerland

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
G	<ul style="list-style-type: none"> • Shapes experience; surroundings influence behavior; top-tier hotels must look the best.
AV	How do you approach designing spaces for luxury hotels to differentiate them from competitors?
G	<ul style="list-style-type: none"> • Depends on location and clientele. Start with a blueprint to map the customer journey.
AV	Can you share any examples where your design helped establish a hotel's brand identity or exclusivity

G	<ul style="list-style-type: none"> Not directly involved in interiors. Many elements shape identity—social media, WOM, lighting designers, energy consultants.
AV	In what ways do you think design innovation in hotels contributes to a competitive edge in the luxury market?
G	<ul style="list-style-type: none"> Hotels are the only tangible product in an intangible business. Iconic designs (e.g., Marina Bay Sands, Burj Al Arab) create viral moments and competitive advantage.
AV	What unique design elements do you think are hardest for competitors to replicate, and why?
G	<ul style="list-style-type: none"> Art and experimental design. Future trends involve stays resembling immersive brand worlds, like boutique hotels by luxury brands (e.g., Louboutin).
AV	What do you think of these hotel company that collaborate with architect and designers and communicate about it a lot?
G	<ul style="list-style-type: none"> It's co-branding. Social media amplifies the impact. Examples include Renzo Piano's Hermès store or Prada's Herzog & de Meuron building in Tokyo.
AV	Do you see a new tendency?
G	<ul style="list-style-type: none"> Yes, artification across industries (e.g., Zara's high-end pop-up stores). Less ostentation, but spaces are elevated with art and design.
AV	In your opinion, how important is the integration of local culture in luxury hotel design?
G	<ul style="list-style-type: none"> Essential; adds meaning, respect, and sustainability.
AV	How do you balance aesthetic appeal with functionality and comfort in your designs?
G	<ul style="list-style-type: none"> Balance is difficult, especially with sustainability. Comfort and functionality are easier, but sustainable integration is challenging.
AV	Could you describe a project where design innovation specifically aimed to improve guest experience and brand loyalty? <i>(Follow-up: What feedback did you receive, and how did it influence future designs?)</i>
G	<ul style="list-style-type: none"> Not directly, but Jean Nouvel's AIUla hotel inside the rocks reflects a new era of architecture prioritizing unique experiences.

Summary of Interview E

Appendix VIII: Interview F

Date: November 22, 2024

Occupation: Past former partner of a private bank, now retired

Country of origin: Switzerland

AV	What role does a hotel's design play in your choice to stay there?
P	<ul style="list-style-type: none"> 60% design, 40% location.
AV	How do you perceive a hotel brand that invests heavily in unique art and design?
P	<ul style="list-style-type: none"> Relevant, image-conscious, altruistic (if supporting local artists).
AV	Are you willing to pay more for a luxury hotel that offers an exceptional design experience?
P	<ul style="list-style-type: none"> Yes, but only if justified, luxury is already expensive.
AV	How important is a hotel's integration of local culture or heritage in enhancing your stay?
P	<ul style="list-style-type: none"> Essential; brings local culture to guests who may not explore outside.
AV	As a frequent luxury accommodation guest, is good service still a major need for a hotel, or is it just a standard?
P	<ul style="list-style-type: none"> Still crucial; prefers discreet service and personal recognition
AV	Can you share an example of a memorable design or artistic feature that impacted your experience at a luxury hotel?
P	<ul style="list-style-type: none"> Amangiri, Utah: breathtaking landscapes, unique pool design.
AV	How does the aesthetic of a hotel's public spaces (such as lobbies, lounges, or restaurants) influence your experience or perception of luxury? <i>(Follow-up: Is there a particular space or atmosphere you find most important in shaping your impression?)</i>
P	<ul style="list-style-type: none"> First impressions matter. Rotating art displays.

AV	To what extent does the uniqueness of a hotel's design influence your decision to recommend it to others? <i>(Follow-up: Have you found yourself describing a hotel's design when sharing your experience with friends or family?)</i>
P	<ul style="list-style-type: none"> Recommendation starts with emotional impact, then service and amenities.
AV	Are there specific design elements (e.g., lighting, layout, artwork) that you believe enhance relaxation or contribute to a sense of exclusivity during your stay? <i>(Follow-up: Can you recall any specific examples where these elements made a strong impression?)</i>
P	<ul style="list-style-type: none"> Art collections like The Dolder Grand in Zurich offer museum-like experiences.
AV	Do you find that your expectations around design have evolved as you've experienced more luxury hotels? <i>(Follow-up: Are there new elements you now look for in design that you didn't value as much before?)</i>
P	<ul style="list-style-type: none"> Yes; now values simplicity and intuitive functionality, e.g., easy lighting controls.
AV	How important is it for a hotel to offer a distinctive design experience that you cannot find elsewhere? <i>(Follow-up: Would you choose a hotel specifically because of its unique design, even if it means compromising on other amenities?)</i>
P	<ul style="list-style-type: none"> Critical; recall depends on personal style alignment. Unique design trumps luxury.
AV	Do you feel that a hotel's design can enhance your emotional or psychological well-being during your stay? <i>(Follow-up: Have you experienced instances where design has positively impacted your mood or relaxation?)</i>
P	<ul style="list-style-type: none"> Yes; peaceful surroundings, good lighting, and spacious showers reduce stress.

Summary of Interview F

Appendix IX: Interview G

Date: November 25, 2024

Occupation: Guest relation Manager in a Luxury Boutique hotel in Langhe

Country of origin: Italy

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
L	<ul style="list-style-type: none"> Central to philosophy; shapes emotional connections and tells a story. Integrates architecture with Langhe's landscape and reflects local traditions.
AV	How does design impact guests' perceptions of luxury and exclusivity at your hotel?
L	<ul style="list-style-type: none"> Communicates purpose, exclusivity, and refinement. Blends sophistication with warmth.
AV	What elements of design do you find influence guests' willingness to pay premium rates?
L	<ul style="list-style-type: none"> Sustainable materials, indoor-outdoor flow, bespoke furnishings, panoramic views, and a broad range of experiences.
AV	Do you believe that your art and design have an impact on the ADR?
L	<ul style="list-style-type: none"> Yes, unique design and regional authenticity justify higher rates. Differentiation is easier in countryside markets.
AV	How important is collaboration with renowned designers or artists for your brand?
L	<ul style="list-style-type: none"> Crucial for innovation and expertise, ensuring Casa di Langa remains a benchmark in luxury hospitality.
AV	In what ways do you see art and design differentiating your hotel from competitors within the same luxury segment? <i>(Follow-up: Have you observed specific guest feedback or trends that highlight this differentiation?)</i>
L	<ul style="list-style-type: none"> Regional motifs paired with modern art create a singular identity. Feedback often highlights this uniqueness.
AV	In your experience, do design and art innovations contribute to customer loyalty?
L	<ul style="list-style-type: none"> Yes, by offering evolving experiences (e.g., rotating art exhibitions). Loyalty also depends on immersive service.
AV	How does the design of your hotel influence the types of guests you attract? <i>(Follow-up: Have you tailored any design elements to appeal to a specific clientele?)</i>
L	<ul style="list-style-type: none"> Attracts discerning, eco-conscious travelers seeking privacy and exclusivity. Tailored spaces like spa and wine-tasting rooms cater to refined tastes.

AV	What role do you think local culture and heritage play in creating an authentic luxury experience through design? (<i>Follow-up: How have you incorporated elements of local culture into the design of your hotel?</i>)
L	<ul style="list-style-type: none"> Foundational; uses local materials, traditional architecture, and Italian art to root design in Langhe's culture.
AV	How do you measure the success of design-related investments in enhancing guest satisfaction and overall performance?
L	<ul style="list-style-type: none"> Via guest satisfaction surveys, online reviews, ADR, and occupancy rates. Positive feedback validates the impact.
AV	How important is it for your design choices to align with current luxury hospitality trends, and how do you maintain relevance over time? (<i>Follow-up: Can you share an example of a recent trend you embraced or one you avoided and why?</i>)
L	<ul style="list-style-type: none"> Timeless over trendy; embraced sustainable luxury while avoiding impersonal minimalism to maintain warmth and authenticity.

Summary of Interview G

Appendix X: Interview H

Date: November 28, 2024

Occupation: product designer in a creative design and architecture studio

Country of origin: UK

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
M	<ul style="list-style-type: none"> Essential for identity; transforms hotels into immersive environments, evoking emotional connections through bespoke furniture and local art.
AV	Specialist talk about more immersive experience, do you believe design and art have a important role in this growing trend?
M	<ul style="list-style-type: none"> Yes, engages multiple senses through tactile materials, evocative lighting, and storytelling. Encourages lingering and discovery.
AV	How do you approach designing spaces for luxury hotels to differentiate them from competitors?
M	<ul style="list-style-type: none"> Focus on authenticity, local craftsmanship, and thoughtful layouts. Designs are rooted in the brand's story and surroundings.
AV	Do you believe that your design steps out from competitors? Do you consider differentiation? (<i>Follow-up: Could you share specific elements or features that you believe distinguish a luxury hotel from others in terms of design?</i>)
M	<ul style="list-style-type: none"> Yes, through timeless, characterful designs, local materials, regional artisans, and narrative-driven experiences.
AV	Can you share any examples where your design helped establish a hotel's brand identity or exclusivity?
M	<ul style="list-style-type: none"> Ett Hem, Stockholm: Residential-style spaces with warmth and individuality that reflect its character.
AV	As a product designer, what is the importance of it in a project?
M	<ul style="list-style-type: none"> Adds depth and personality. Custom pieces align with the narrative and create emotional touchpoints for guests.
AV	In what ways do you think design innovation in hotels contributes to a competitive edge in the luxury market?
M	<ul style="list-style-type: none"> Differentiates through functionality and engagement. Examples include modular furniture and integrated technology.
AV	What unique design elements do you think are hardest for competitors to replicate, and why?
M	<ul style="list-style-type: none"> Authenticity and storytelling. Context-driven designs rooted in history and local culture are difficult to mimic.
AV	What do you think of these hotel company that collaborate with architect and designers and communicate about it a lot?
M	<ul style="list-style-type: none"> Smart strategy; showcases effort and elevates brand perception. Enhances guest experience credibility.

AV	In your opinion, how important is the integration of local culture in luxury hotel design?
M	<ul style="list-style-type: none"> Crucial; fosters authenticity and connection. Traditional materials and storytelling enhance belonging and appeal.
AV	How do you balance aesthetic appeal with functionality and comfort in your designs?
M	<ul style="list-style-type: none"> Understand guest needs, prioritize ergonomics, and ensure aesthetics enhance usability (e.g., practical lighting).
AV	Could you describe a project where design innovation specifically aimed to improve guest experience and brand loyalty? <i>(Follow-up: What feedback did you receive, and how did it influence future designs?)</i>
M	<ul style="list-style-type: none"> Berlin hotel: Versatile spaces with modular furniture and movable partitions enhanced flexibility and aesthetics. Positive feedback encouraged similar designs elsewhere.
AV	How important is sustainability in your design process, and do you see it contributing to competitive advantage in luxury hotels? <i>(Follow-up: How do you integrate sustainable design without compromising luxury and exclusivity?)</i>
M	<ul style="list-style-type: none"> Vital; guests expect responsibility. Uses sustainable materials (e.g., mushroom leather) and energy-efficient systems.

Summary of Interview H

Appendix XI: Interview I

Date: December 2, 2024

Occupation: Architect

Country of origin: Japan

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
J	<ul style="list-style-type: none"> Essential for crafting emotional journeys; integrates art and architecture to enhance personal connections and lasting impressions.
AV	Specialist talk about more immersive experience, do you believe design and art have a important role in this growing trend?
J	<ul style="list-style-type: none"> Yes, they engage senses and emotions, creating active participation through elements like light and shadow.
AV	How do you approach designing spaces for luxury hotels to differentiate them from competitors?
J	<ul style="list-style-type: none"> Focus on authenticity, local materials, craftsmanship, and harmony with surroundings to create unique, site-specific designs.
AV	Do you believe that your design steps out from competitors? Do you consider differentiation? <i>(Follow-up: Could you share specific elements or features that you believe distinguish a luxury hotel from others in terms of design?)</i>
J	<ul style="list-style-type: none"> Yes, through minimalism, nature integration, and timeless, exclusive concepts.
AV	Can you share any examples where your design helped establish a hotel's brand identity or exclusivity?
J	<ul style="list-style-type: none"> Benesse House, Naoshima Island: Integrated art, architecture, and nature to create a culturally rich and exclusive identity.
AV	As a architect, what is the importance of it in a hospitality project?
J	<ul style="list-style-type: none"> Transforms spaces into retreats and revelations, fostering connection to place, self, and others.
AV	In what ways do you think design innovation in hotels contributes to a competitive edge in the luxury market?
J	<ul style="list-style-type: none"> Uniqueness elevates brand perception. Modern sensibilities like sustainability and personalization appeal to today's travelers.
AV	What unique design elements do you think are hardest for competitors to replicate, and why?
J	<ul style="list-style-type: none"> Context-specific materials and designs, integration of light, shadow, and natural surroundings create irreplicable authenticity.
AV	What do you think of these hotel company that collaborate with architect and designers and communicate about it a lot?

J	<ul style="list-style-type: none"> Crucial for elevating brands, but must reflect shared vision beyond marketing to create authentic guest experiences.
AV	In your opinion, how important is the integration of local culture in luxury hotel design?
J	<ul style="list-style-type: none"> Fundamental; enriches guest experience and honors heritage through local traditions, materials, and craftsmanship.
AV	How do you balance aesthetic appeal with functionality and comfort in your designs?
J	<ul style="list-style-type: none"> Beauty serves purpose; prioritize intuitive layouts, natural ventilation, and material use to enhance both comfort and aesthetics.
AV	How important is sustainability in your design process, and do you see it contributing to competitive advantage in luxury hotels? (<i>Follow-up: How do you integrate sustainable design without compromising luxury and exclusivity?</i>)
J	<ul style="list-style-type: none"> Vital; locally sourced materials, passive strategies (light/ventilation), and thoughtful integration balance luxury with environmental responsibility.

Summary of Interview I

Appendix XII: Interview J

Date: December 4, 2024

Occupation: General Manager of a luxury boutique hotel in Tuscany

Country of origin: Switzerland

AV	What role do you believe unique design and art play in creating a memorable luxury hotel experience?
L	<ul style="list-style-type: none"> Design and art are central, blending historical architecture with mid-century vintage and bespoke pieces, creating immersive, memorable experiences.
AV	How does design impact guests' perceptions of luxury and exclusivity at your hotel?
L	<ul style="list-style-type: none"> Bespoke features and renowned artistic works enhance exclusivity and attract niche clientele.
AV	What elements of design do you find influence guests' willingness to pay premium rates?
L	<ul style="list-style-type: none"> Historic-modern blend, iconic design elements like the staircase and neon art, and a broad range of experiences.
AV	Do you believe that your art and design have an impact on the ADR?
L	<ul style="list-style-type: none"> Yes, curated art and custom interiors reflect exclusivity and justify premium rates while balancing costs.
AV	How important is collaboration with renowned designers or artists for your brand?
L	<ul style="list-style-type: none"> Essential; partnerships (e.g., with Luciano Giubbilei) enrich identity and elevate the hotel in the luxury segment.
AV	In what ways do you see art and design differentiating your hotel from competitors within the same luxury segment? (<i>Follow-up: Have you observed specific guest feedback or trends that highlight this differentiation?</i>)
L	<ul style="list-style-type: none"> Distinct storytelling and curated cultural experiences set CN apart from standard luxury and wine-focused offerings.
AV	In your experience, do design and art innovations contribute to customer loyalty?
L	<ul style="list-style-type: none"> Yes, the personalized, gallery-like atmosphere fosters belonging and encourages repeat visits.
AV	Can you share any examples where art or design directly influenced guests' decision to return to your property or recommend it to others? (<i>Follow-up: Do you use specific metrics or guest feedback to track this impact?</i>)
L	<ul style="list-style-type: none"> Feedback and conversations show design as a key factor in repeat bookings and recommendations.
AV	How does the design of your hotel influence the types of guests you attract? (<i>Follow-up: Have you tailored any design elements to appeal to a specific clientele?</i>)
L	<ul style="list-style-type: none"> Appeals to culturally savvy travelers, art enthusiasts, and wine lovers through creative, authentic spaces.

AV	What role do you think local culture and heritage play in creating an authentic luxury experience through design? (<i>Follow-up: How have you incorporated elements of local culture into the design of your hotel?</i>)
L	<ul style="list-style-type: none"> Integral; Tuscan traditions like terracotta tiles and local textiles root design in the region's heritage.
AV	How do you measure the success of design-related investments in enhancing guest satisfaction and overall performance?
L	<ul style="list-style-type: none"> Through feedback, booking trends, and increased demand, e.g., redesigned suites with better views boosted occupancy and reviews.
AV	How important is it for your design choices to align with current luxury hospitality trends, and how do you maintain relevance over time? (<i>Follow-up: Can you share an example of a recent trend you embraced or one you avoided and why?</i>)
L	<ul style="list-style-type: none"> Trends inform decisions selectively. Adopted biophilic design; avoided fleeting minimalist trends to align with the hotel's rich aesthetic.

Summary of Interview J

Appendix XIII: Interview K

Date: December 4, 2024

Occupation: Senior Lawyer

Country of origin: Switzerland

AV	What role does a hotel's design play in your choice to stay there?
G	<ul style="list-style-type: none"> Design is a major factor; it sets the tone for the experience. Example: Aman Tokyo's minimalist design created a serene environment.
AV	How do you perceive a hotel brand that invests heavily in unique art and design?
G	<ul style="list-style-type: none"> Reflects sophistication and dedication. Example: Belmond Hotel Cipriani's Venetian-inspired interiors elevate the brand.
AV	Are you willing to pay more for a luxury hotel that offers an exceptional design experience?
G	<ul style="list-style-type: none"> Yes, for immersive experiences like Baccarat Hotel New York's homage to crystal artistry.
AV	How important is a hotel's integration of local culture or heritage in enhancing your stay?
G	<ul style="list-style-type: none"> Essential for authenticity. Example: Six Senses Douro Valley combines Portuguese architecture with sustainability.
AV	As a frequent luxury accommodation guest, is good service still a major need for a hotel, or is it just a standard?
G	<ul style="list-style-type: none"> Non-negotiable but should align with design. Example: Ritz Paris combines impeccable service with timeless elegance.
AV	Can you share an example of a memorable design or artistic feature that impacted your experience at a luxury hotel?
G	<ul style="list-style-type: none"> The Silo Hotel, Cape Town: Multi-faceted windows and vibrant African art blend industrial history with modern luxury.
AV	How does the aesthetic of a hotel's public spaces (such as lobbies, lounges, or restaurants) influence your experience or perception of luxury? (<i>Follow-up: Is there a particular space or atmosphere you find most important in shaping your impression?</i>)
G	<ul style="list-style-type: none"> Public spaces set the tone. Example: Four Seasons George V lobby's floral designs create an opulent impression.
AV	To what extent does the uniqueness of a hotel's design influence your decision to recommend it to others? (<i>Follow-up: Have you found yourself describing a hotel's design when sharing your experience with friends or family?</i>)
G	<ul style="list-style-type: none"> Uniqueness dictates recommendations. Example: The Silo's industrial-meets-modern design is often highlighted.
AV	Are there specific design elements (e.g., lighting, layout, artwork) that you believe enhance relaxation or contribute to a sense of exclusivity during your stay? (<i>Follow-up: Can you recall any specific examples where these elements made a strong impression?</i>)

G	<ul style="list-style-type: none"> Lighting, layout, and artwork create exclusivity. Curated art can make a stay feel like a private gallery.
AV	How does the hotel's balance between classic elegance and modern innovation impact your perception of its brand? <i>(Follow-up: Do you have a preference for a more timeless or more innovative style in luxury hotels?)</i>
G	<ul style="list-style-type: none"> Balance is key. Example: Claridge's Art Deco elegance combined with modern amenities feels luxurious and relevant.
AV	Do you find that your expectations around design have evolved as you've experienced more luxury hotels? <i>(Follow-up: Are there new elements you now look for in design that you didn't value as much before?)</i>
G	<ul style="list-style-type: none"> Yes, now values storytelling through spaces.
AV	Do you feel that a hotel's design can enhance your emotional or psychological well-being during your stay? <i>(Follow-up: Have you experienced instances where design has positively impacted your mood or relaxation?)</i>
G	<ul style="list-style-type: none"> Yes, spacious and well-done designs like Cuixmala's open-air villas improve relaxation and joy.

Summary of Interview K

Appendix XIV: Interview L

Date: December 8, 2024

Occupation: Ancient mystery Guest and Senior Lecturer of Room Division

Country of origin: France

AV	What role does a hotel's design play in your choice to stay there?
S	<ul style="list-style-type: none"> Design is fundamental; sets the tone for the stay. Example: Elegant lobbies affirm the experience.
AV	How do you perceive a hotel brand that invests heavily in unique art and design?
S	<ul style="list-style-type: none"> Reflects sophistication and focus on experiential luxury, building trust and stronger impressions.
AV	Are you willing to pay more for a luxury hotel that offers an exceptional design experience?
S	<ul style="list-style-type: none"> Yes, if it enhances the experience. Example: Premium stays with deep cultural integration.
AV	How important is a hotel's integration of local culture or heritage in enhancing your stay?
S	<ul style="list-style-type: none"> Vital for authenticity. Example: Hotels blending traditional architecture with modern touches enrich the stay.
AV	As a frequent luxury accommodation guest, is good service still a major need for a hotel, or is it just a standard?
S	<ul style="list-style-type: none"> Baseline requirement, but service should align with the design philosophy to elevate the experience.
AV	Can you share an example of a memorable design or artistic feature that impacted your experience at a luxury hotel?
S	<ul style="list-style-type: none"> The Ritz-Carlton, Kyoto: Traditional Japanese design (shakkei, tatami mats) blended with luxury for a deeply cultural connection.
AV	How does the aesthetic of a hotel's public spaces (such as lobbies, lounges, or restaurants) influence your experience or perception of luxury? <i>(Follow-up: Is there a particular space or atmosphere you find most important in shaping your impression?)</i>
S	<ul style="list-style-type: none"> Public spaces set the tone. Example: Grand yet intimate lobbies and well-designed lounges enhance first impressions.
AV	To what extent does the uniqueness of a hotel's design influence your decision to recommend it to others? <i>(Follow-up: Have you found yourself describing a hotel's design when sharing your experience with friends or family?)</i>
S	<ul style="list-style-type: none"> Uniqueness is key to recommendations. Examples: Striking use of local materials or innovative architecture. It's the only tangible part.

AV	Are there specific design elements (e.g., lighting, layout, artwork) that you believe enhance relaxation or contribute to a sense of exclusivity during your stay? (<i>Follow-up: Can you recall any specific examples where these elements made a strong impression?</i>)
S	<ul style="list-style-type: none"> Lighting creates calm and exclusivity. Example: Accent lighting in restaurants transforms the ambiance.
AV	How does the hotel's balance between classic elegance and modern innovation impact your perception of its brand? (<i>Follow-up: Do you have a preference for a more timeless or more innovative style in luxury hotels?</i>)
S	<ul style="list-style-type: none"> Balance is crucial; tradition feels dated without modern warmth, and excessive modernity can lack character.
AV	Do you find that your expectations around design have developed as you've experienced more luxury hotels? (<i>Follow-up: Are there new elements you now look for in design that you didn't value as much before?</i>)
S	<ul style="list-style-type: none"> Yes, now values spatial flow, textures, and sustainability. Social media influences design expectations.
AV	Do you feel that a hotel's design can enhance your emotional or psychological well-being during your stay? (<i>Follow-up: Have you experienced instances where design has positively impacted your mood or relaxation?</i>)
S	<ul style="list-style-type: none"> Yes, thoughtful design uplifts and calms. Poor design (e.g., excessive minimalism) detracts from relaxation.

Summary of Interview L

Appendix XV: Coded categories based on expert interviews

# Coded category	Trigger key words and phrases
1 Impact of Design on Guest Experience	<ul style="list-style-type: none"> • "Design sets the tone for the overall experience." • "Memorable design elements, like curated art or striking architecture, create lasting impressions." • "First impressions are everything." "Public spaces, like lobbies and lounges, are the face of the hotel." • "A hotel's design can turn a simple stay into a lasting memory." • "Guests often describe the design before mentioning service or amenities." • "A single iconic design feature can make the property unforgettable."
2 Cultural Integration and Authenticity	<ul style="list-style-type: none"> • "Local culture is integral to creating authenticity." • "Locally sourced materials and traditional craftsmanship create a sense of place." • "Respect for cultural heritage adds depth and meaning to the design." • "Guests feel they're visiting a country even when staying within their room." • "Design must reflect the location; otherwise, it feels disconnected." • "Art and design tell the story of the region without words." • "Authenticity resonates more with guests than a generic luxury aesthetic."
3 Service and Design Alignment	<ul style="list-style-type: none"> • "Service is the foundation of luxury." • "Personalized service, aligned with the space's aesthetic, creates harmony." • "Discreet service paired with thoughtful design fosters relaxation." • "Good service should complement the design philosophy, not compete with it." • "Service is the baseline, but how it blends with the environment defines luxury." • "The feeling of being remembered by staff adds an emotional layer to the experience." • "Seamless service and design create a cohesive guest journey."
4 Willingness to Pay for Exceptional Design	<ul style="list-style-type: none"> • "Guests are willing to pay more for an experience that feels unique and irreplaceable." • "Design drives perceived value; guests don't just pay for a room, they pay for a story." • "A well-designed hotel creates an emotional connection that justifies premium rates." • "When art and design align with luxury, guests see it as an investment in their own enjoyment." • "The seamless integration of design and service makes the cost feel secondary to the experience."

<p>5 Competitive Advantage through Design</p>	<ul style="list-style-type: none"> • "Guests will pay a premium for spaces that offer exclusivity and personalization." • "Differentiation in design is a competitive advantage that commands higher rates." • "Differentiation in design is the cornerstone of standing out in a saturated luxury market." • "Storytelling through design creates a brand identity competitors cannot replicate." • "Unique design elements give hotels a competitive edge by creating Instagram-worthy moments." • "A single design feature, like an iconic staircase or custom artwork, can go viral and elevate the brand." • "Luxury design is not just about beauty; it's about adding tangible and intangible value to the brand." • "The most luxurious property isn't always the most expensive, it's the one that perfectly fits the guest's style and expectations." • "Collaborations with renowned designers are like co-branding—they elevate both the hotel and the creative partner."
<p>6 Innovative and Sustainable Design Practices</p>	<ul style="list-style-type: none"> • "Sustainability is no longer optional; it's expected in luxury." • "Guests value designs that age gracefully." • "Differentiation comes from storytelling and authenticity." • "Eco-friendly materials elevate both the aesthetic and the brand's credibility." • "Sustainable luxury must balance responsibility with exclusivity." • "Thoughtful design can future-proof properties while remaining timeless." • "Integrating sustainable practices makes luxury more relevant to today's conscious travelers."
<p>7 Emotional and Psychological Impact of Design</p>	<ul style="list-style-type: none"> • "Design influences how guests feel." • "Poor design can detract from the experience." • "A space should feel like a retreat." • "Lighting and layout can directly impact mood and relaxation." • "Guests remember how a space made them feel long after they've left." • "A well-designed hotel can feel like a personal sanctuary." • "Thoughtful surroundings foster emotional well-being and deeper guest satisfaction."