



# **Art in Hotels as a Differentiating Factor to Attract More Customers - “*Tivoli com Arte*”**

Sofia Barreto Oliveira Fresco

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ADVISOR: Professor Rute Xavier

**“The art is different, it’s engaging, it gives guests something to talk about”**

said Tom Faust of the Wyndham Anatole, Dallas (Sheehan, 2004)

## ABSTRACT

Title: Art in Hotels as a Differentiating Factor to Attract more Customers – "*Tivoli com Arte*"

Author: Sofia Barreto Oliveira Fresco

This dissertation explores how art in hotels is perceived by hotel's managers and customers. The research made unfolds if art, namely an art collection and art programs in a hotel, is considered as a differentiator factor which can make a hotel stand out from the competition and, consequently, attract more customers. Ultimately, being an innovative offering, it will be disclosed if a Hotel with Art will benefit by advertising its art concept, if art will influence consumer choices and, therefore, increase customer loyalty and retention.

Parallel to this thesis, a consulting project was developed to Tivoli Hotels & Resorts which raised the curiosity about the role of art in hotels and led to the problem statement being investigated here. The purpose of this project, named as "*Tivoli com Arte*" (Tivoli with Art), was to find a strategy to differentiate Tivoli hotels from its competitors optimizing their art collection, in order to create a better relationship with the customers and to emotionally involve them in the life and history of the hotels. This project made possible to outline a strategy to other hotels that want to become an Art Hotel.

The results of this study show that art is indeed a differentiating factor and must be used in hotels, which have these characteristics and these assets, as a marketing tool to attract more customers, because art can influence consumer choices and increase customer loyalty and retention.

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## CHAPTER 1: INTRODUCTION

### 1.1 Background

This thesis was developed in the seminar of Consulting Project. The aim of this seminar was to develop a consulting project for a company in which the thesis theme was directly related to the project topic. The company under this study was Tivoli Hotels & Resorts where the project was “*Tivoli com Arte*” (Tivoli with Art), in which the main objective was to find a strategy to differentiate the hotels from its competitors optimizing their art collection in order to create a better relationship with the customers and to emotionally involve them in the life and history of the hotels. The subject of this thesis was intrinsically linked to “*Tivoli com Arte*”, namely to what extent art is a differentiating factor and can attract more customers to hotels.

### 1.2 Problem Statement

Taking into account the project that was developed for Tivoli Hotels & Resorts under the theme of Hotels with Art, the aim of this study was to understand to what extent Art can be used as a hotel marketing strategy to attract more customers.

RQ 1: To what extent is art a differentiating factor on consumer choices?

RQ 2: Can art be used as a hotel marketing strategy and increase customer loyalty and retention?

RQ 3: What strategy can a hotel adopt to become an Art Hotel?

### 1.3 Scope

This dissertation has a focus in the hospitality industry and within this the main topic is Art in Hotels. This analysis was focused on the case of hotels which have an extensive estate of art or which offer to their guests art programs and experiences, and want to use that to capture customers’ attention and differentiate its offering from their competitors.

The purpose of this dissertation was to analyse if art could be used as a hotel marketing strategy to attract more customers, namely if art can be considered a differentiating factor and influence consumer choices and, consequently, increase customer loyalty and retention. After this analysis, the idea was to develop a strategy to help hotels worldwide with a vast collection of art or that want to incorporate art in their core values to become an Art Hotel, meaning using

the art as an aggregated service that they provide to its customers and that adds value to the customer experience at the hotel.

## 1.4 Research Method

To address the questions enumerated above, it was necessary to develop a specific research methodology, in order to find the results expected from this study. Firstly, to analyse if art is actually a differentiating factor that can enhance the profitability of hotels by leading the consumer choices, interviews were made in hotels with art, in order to understand which factors influence consumers when choosing a hotel and what role art can play in the moment of choice. Qualitative research was also present in this thesis, for the purpose of finding out how marketing is done in hotels, if art can be a marketing tool and a differentiator to a hotel’s brand image. For the final research question, it was important to make a national and international benchmarking to know how Hotels with Art enhance their art potential and embrace the art theme in their hotel philosophy and activities, this way it was possible to outline a strategy which an hotel can adopt to become an Art Hotel, as it was the case in *Tivoli com Arte* project.

## 1.5 Relevance

### 1.5.1 Academic Relevance

In academic terms this research is of great relevance, because it may have contributed with interesting results for tourism and hospitality students and researchers in general and because it has added relevant information and conclusions to the academia. This dissertation contributed with information which will help other people who want to study the hospitality industry, the role of art in this industry in particular, which has never been studied before, in which way art can be used as a marketing instrument and if that makes sense in the case of hotels and, finally, if art have the ability to influence consumer choices and contribute to the increase of customer loyalty and retention.

Furthermore, this study may contribute with interesting ideas to other studies or dissertations, as it is a topic out-of-the box it can stimulate the innovative thinking of researchers and students.

### 1.5.2 Business Relevance

Considering the partnership with Tivoli Hotels & Resorts with the consulting project that was developed together with this thesis, it can be understandable that the subject of this

thesis is of great relevance as it will help Tivoli Hotels, and other hotels internationally in the same situation of Tivoli, because it has analysed if art can be utilized as a marketing strategy in order to attract more customers to the hotels. Given this, if hotels have the opportunity to know in advance how to enhance their art collections and what strategy to undertake in the hotel, they will increase the odds of success in increasing customer loyalty and retention.

Moreover, the strategy outlined in the recommendations chapter will guide hotels throughout the world who want to become an Art Hotel to know how to proceed and what is needed to ease this process.

## 1.6 Dissertation Outline

In chapter 2 is presented the literature review about all the topics analyzed in this thesis, in other words, this chapter was designed in order to present the tourism and hospitality industry, art in hotels, how hotel marketing is done and the concept of relationship marketing, which is a specific and the most used way of doing marketing in hotels and that aims to establish a long-term relationship with customers, brand differentiation and customer loyalty and retention.

The chapter 3 presents the dissertation's methodology and the main purpose in this topic was to connect the research questions with the data collected. This chapter contains a description of the research methods, divided in primary and secondary research.

Following this, the chapter 4 is the description of the project for Tivoli Hotels & Resorts. This section contains the project scope and approach and the project methodology, in order to detail how the project unfolded and what role had in the course of this dissertation.

The chapter 5 presents the analysis of the data collection stage, namely the results of the benchmarking, of the qualitative research and of the interviews in Hotels with Art.

After the data analysis is chapter 6 with the recommendations. In this chapter there will be the detailed strategy of how a hotel can become an Art Hotel, which was possible to outline after the realization of Tivoli's project and the search for the best practices in the hospitality industry worldwide.

To conclude, the Chapter 7 is not only the dissertation's conclusion, but also includes the limitations that emerged throughout this thesis, as well as, suggestions for future researches within this theme.

## CHAPTER 2: LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

In the second chapter is presented the literature review, namely a detailed description of the key concepts which were discussed throughout this study.

### 2.1 Tourism and Hospitality Industry

Tourism and hospitality has developed into one of the most important global economic activities, due in part to a combination of a transformation of offers and increasingly postmodern demand (Williams, 2006). The tourism and hospitality industry have been contributing to the development of many countries throughout the world and currently have a great contribution to the national GDP of countries that invest in this sector. Tourism is widely recognised as a sector of strategic importance (Silva, et al., 2010). According to the World Tourism Organisation as stated by Silva et al. (2010), most scenarios of tourism development worldwide point to growth targets well above the forecasts of other key economic industries. However, tourism worldwide is facing a growing number of challenges in developing, managing and marketing their products in a competitive, complex and rapidly changing environment (Silva, et al., 2010). Given this, it is comprehensive “the need to direct research towards the tourism industry”, also because “the increasingly competitive environment it finds itself in, especially in terms of services rendered, having grown more complex in the features and critique that comprise the tourist experience, and as economic and social agents become more selective regarding both demand and supply” (Silva, et al., 2010). Moreover, “the recent surge in frequent guest programs has further intensified the battle for customers in the hotel industry. Thus, it is important for hospitality operators to understand how to get a greater share of the guest’s lodging dollars” (Mattila, 2007).

Tourism and hospitality offers a multitude of venues in which people can consume (Williams, 2006). As example, hotel casinos, motels, luxury hotels, cruise ships and others, all of these offer the opportunity for customers to consume and each of these types of hospitality categories have as their main goal to fulfil the needs of every kind of consumers. Tourism and hospitality has become a major economic activity as expectations with regard to the use of our leisure time have evolved, attributing greater meaning to our free time (Williams, 2006). Moreover, Hosany and Gilbert (2010) defined the tourism experience as an extended service transaction in which consumption of the destination entails a sequence of episodes along which

tourists and providers (e.g., hotel, restaurants and tour guides) interact at different points in the service transaction.

In the hospitality industry, in a small part of the tourism industry, a lot of research have been made, in order to understand what guests want when they search for an accommodation site. An understanding of how tourists react to, or benefit from their emotional experiences will enable the formulation of appropriate marketing strategies (segmentation, positioning, and communication) (Hosany & Gilbert, 2010). A lot of effort has been made in the last decades to reveal, which hotel attributes guests care about. Due to the high costs that are typically involved with investments in the hotel industry, it makes a lot of sense to study, which product components the travelers appreciate (Dolnicar & Otter, 2003). According to Dolnicar and Otter (2003), the features that are perceived as being important in a hotel and the hotel characteristics that lead to higher customer retention enables hotel managers to make optimal hotel development decision. Given this, Chan and Wong (2006) have divided the hotel attributes desired by travelers into intangible and tangible attributes, being the intangible attributes security, dependability, service quality, reputation and staff behavior; while the tangible attributes are price, the appearance of facilities, location, the presence of alternatives, word-of-mouth communication, advertising, a familiar name and past experience. Additionally, Dolnicar and Otter (2003) have found that the attributes more important to consumers when thinking about a hotel are the architecture, hotel decoration, aesthetics and cleanliness, besides the characteristics already mentioned. In order to be successful in business, hoteliers must therefore understand how their customers perceive the attributes of their products or services, and the importance and performance of such attributes when compared with those of competitors (Chan & Wong, 2006). Therefore, “tourists enjoying higher levels of pleasure report higher levels of satisfaction and display favorable behavioral intentions in terms of loyalty and willingness to pay more” (Hosany & Gilbert, 2010).

## 2.2 Art in Hotels

Art is now a pillar for brands – not merely a line item in design budgets (Lerner, 2014). As Lerner (2014) pointed out nowadays artworks are seen as a mainstay for brands to excel other brands in the market. This way, in the hospitality industry this thinking is not any different and hotels and art are two concepts that have been working together for a while now.

Art Hotels have received little if any attention by academic researchers. While the concept of Art Hotel suffers from a lack of clarity and definition, for Steve Wilson, co-founder

of 21c Museum Hotels, hotels and art should be interlinked. According to Ricca (2013) in the interview to Steve Wilson, his “hotel began as a personal endeavour to marry contemporary art and hospitality while revitalizing several historic downtown buildings, and the positive buzz spread”. So, the study of this recent topic surges here as a gain to research worldwide, an understanding of art in hotels is important to both hotels managers and customers.

Hotels present many pieces of art in its buildings, because as we saw art and hotels are now seen as connected to each other and because for many hoteliers they make sense together, but we can analyse art in hotels as being as well a marketing strategy. Grand lobbies or intimate niches alike lend themselves to installations of everything from classic paintings and decorative pottery to modern sculpture and glasswork. And, best of all, a well-planned and presented art collection can be a marketing plus for your property, attracting new business (Sheehan, 2004). In other words, consider art the newest power tool in the branding arsenal (Lerner, 2014). Hotels management team see the potential and how attractive can art be for their customers and use it to gain recognition in the market. These are two ways to see Art Hotels and to acknowledge this concept as new, but promising.

Several hotels around the world have been paying more attention to the role which art can take inside a hotel, having in mind the impact that it can have on its customers. However, there exists an idea that art is an interest of only a particular and small group of consumers. Any hotelier who equates art appreciation with a niche audience just needs to search the Internet to see how outmoded that thinking is (Lerner, 2014). Art is gaining importance and matter for more than a niche group of consumers and is exactly because of that that many hotels have been investing in art programs and in their art collections.

Blank (2005) recognises a growing trend of art in hotels, besides the historic relationship hotels and art have, where more upscale properties are putting art galleries in house and are drawing new business from guests and local visitors, using art to capture more clients and to differentiate themselves from the competition. Large part of the hotels that have been developing the concept of Art Hotel in its premises have been Luxury Hotels, as being the hotel category in the hospitality industry that have invested the most in the art sector. Luxury hotels especially must go above and beyond for guests in an ever-changing, competitive and highly saturated market to deliver something special, and a good art program is a strong differentiator (Lerner, 2014). In the particular case of the Hilton Anatole Dallas Hotel as presented by Sheehan (2004), the project is guest-driven, because the customers have asked several times about the pieces, they came up with the idea to create a tour as an art experience inside the hotel and the guest response has been outstanding.

For some hotels, the idea to combine the art concept with their values, mission and daily operations occurred as an idea “to bring art into everyday life and outside of the traditional imposing marble temple. At 21c hotel, people experience art while dining in the restaurant, as they check into the hotel, while waiting for the elevator, as they enter the public restroom and even out on the sidewalk” (Ricca, 2013). Or in other cases emerged as a request of consumers, “our guests were telling us all the time how much they appreciate the artwork and wanted to purchase it, so that is why we opened the galleries”, as stated by Richard Kessler, owner of Kessler Collection and various boutique and luxury hotels with artworks (Blank, 2005).

Hotels that have been investing in art programs believe in the importance and benefits that art represents to their establishments. According to Sheehan (2004), art adds value to the lodging experience. Art gives value to the hotels as it creates more business and sources of income as well. Most hoteliers agree art exhibits draw noticeable numbers of new faces into hotels (Lerner, 2014). The Hilton Waikoloa in Hawaii was one of the first to open a gallery and Martina Stephens, gallery director, said she believes it has added to the prestige of the resort. The gallery brings in more business and outsiders come in to look at the art and stay for lunch and dinner (Blank, 2005). Thus, art can bring more money to hotels as it creates the opportunity for the consumers to want to experience the hotel in more ways than only in art programs, for example staying for lunch or dinner after seeing the art collection. Virtually every high-end property has realized the branding and ROI potential of incorporating art of some kind into its DNA (Lerner, 2014). Moreover, art can be a way to differentiate a hotel from the competition, as Sheehan (2004) said “It’s a very nice amenity. Hotels are always looking for ways to differentiate themselves and showcase what they have and this is one of the things we feel makes our hotel unique that we can capitalize on”. Curated smartly and marketed effectively, permanent art collections and temporary exhibitions give any property the must-see cachet that speaks to guest demand for a one-of-a-kind experience (Lerner, 2014). Ultimately, artwork can be of great interest for the customer, but for the employees as well as it can improve the way the hotel run its operations contributing to a better workplace. According to Ricca (2013), the 21c Museum Hotel has a very low rate of turnover, because they believe that the atmosphere set by the art permits the employees to be themselves and work more efficiently.

### 2.3 Hotel Marketing

The marketing of tourism and hospitality products has become increasingly complex, being associated not only with conveying an image of a place, but with attempting to sell an

experience of a place through relating it to the lifestyle constructs of consumers (Williams, 2006). Kandampully and Suhartanto (2000) have argued that the hotel industry is very competitive with most managers finding it very difficult to meet the challenges associated with it. A hotel marketing strategy can be complex, given the fact that it is a service and is harder to demonstrate to customers the advantages of purchasing an accommodation in a hotel. As Gronroos (1996) detailed service companies, as a hotel company, do not have products in the traditional well-defined and packaged sense of the marketing mix. However, "regardless of what type of business the firm is operating, it has to be able to manage key resources so that a successful total offering is developed" (Gronroos, 1996). According to Kim et al. (2001) building long-term relationships with clients is an important strategy for improving the profitability of service firms.

Since the 1990s, many hotels have become interested in relationship marketing as a way to distinguish their brands from others in a mature and competitive market (Bowen & Shoemaker, 1998). Furthermore, "hotels with marketing departments as well as other operating departments should support more relationship marketing activities to enhance trust and guest satisfaction, which will eventually increase repeat guests and spread positive word of mouth" (Kim, et al., 2001). Given the difficulty of marketing a hotel offering, the concept of relationship marketing appears as a solution for a hotel marketing strategy.

In essence, relationship marketing is a set of marketing activities that deepen relationships with customers for the benefit of both sides, totally different from traditional transactional marketing (Kim, et al., 2001). According to Gronroos (1996), relationship marketing is a way to identify and establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objective of all parties involved are met. Radu (2013) stated that relationship marketing takes into consideration the needs and expectations of the customers. Being a marketing strategy that builds a relationship with customers, according to Sui and Baloglu (2003) relationship marketing has become an important business strategy especially in the hotel industry. Bendapudi and Berry (1997) came up with three critical reasons for the importance of relationship marketing to service industries. First, many services by their nature require ongoing membership. Second, because of the intangibility nature of services, customers may continue their relationship with service providers to reduce the risk of trying other competitors. Third, the customers may form relationships at organizational and individual employee levels. Ultimately, the goal of relationship marketing is to build customers' loyalty based on factors other than pure economics or product attributes (Lee & Back, 2010).

The benefits or consequences of relationship marketing to service companies include customer retention, reduced marketing costs, more purchases over time, positive word of mouth, and business referrals (Reichheld & Sasser, 1990). In a study conducted to luxury hotels, Kim et al. (2001) concluded that it is expected that hotels using more relationship marketing efforts, such as guest confidence, effective communication and guest contact, would have higher relationship quality with their customers and as it increases it is likely to have a significant positive influence on hotel guests’ behavior, demonstrated through increased repeat guests and word of mouth. The hotel industry’s relationship marketing strategies have focused on transactional tactics such as gifts for repeat guests and familiarization tours for meeting planners (Bowen & Shoemaker, 1998).

## 2.4 Brand Differentiation

Brand differentiation is a concept that for a company entails capturing more clients, by standing out from the competition and in the consumers’ minds. Brands are supposed to be intense and vibrant, to connect on multiple levels of the senses, and to be a reminder of a pleasant experience. Brands consistently interact with consumers and should not disappoint them, since that constitutes a broken promise (O’Neil & Mattila, 2010).

By establishing a set of promises to consumers, a brand creates a differentiated identity in hotels where functional characteristics of the products are not substantially differentiated (O’Neil & Mattila, 2010). In the hotel industry is difficult to differentiate, given the fact that is not a tangible product that is being purchase. According to Bowen and Shoemaker (1998) building and managing strong brands are key drivers of success, however in the lodging industry little differentiation is found among product attributes in the same hotel segment.

Nevertheless, “the intense competitive landscape has forced hotel brands to focus on providing memorable experiences to their guests rather than simply selling services” (Gilmore & Pine, 2002). Even with few ways to differentiate a hotel’s service, the existing competition in this particular industry have led many hotels to try to discover a way to differentiate their offering, rather than just providing the standard service of a normal hotel. This tendency of differentiating in the hospitality sector have been growing worldwide, as stated by Hosany and Gilbert (2010) that tourist destinations around the world are embracing branding initiatives to differentiate their product offerings. In the study of Gilmore and Pine (2002), the authors reported that by infusing the hospitality operation with a specific theme, explicitly stated or creatively subtle, the hotel can improve its guests’ experience and (not incidentally) its profits.

## 2.5 Customer Loyalty and Retention

The hotel industry is a large industry contributing substantially to global economies and providing employment for many million people worldwide. Given the size and economic significance of the industry, it seems important to understand the aspects of business performance that persuade customers to become repeat purchasers, and to exhibit behavioural loyalty (Wilkins, et al., 2009).

A number of organizations are starting to systematically apply customer experience management principles to strengthen customer preference and improve business outcomes. Unlike many goods or service enhancements, the holistic nature of these experiential designs makes it very difficult for competitors to copy them (Haeckel, et al., 2003). Understand the customer preferences is the main goal of any company as well as managing what consumers might be expecting from the firm, in order to improve the company’s business performance, create customer value and generate loyal customers. Business strategies centred on the holistic design and delivery of total customer experiences consistently create superior customer value (Haeckel, et al., 2003). Haeckel et al. (2003) mean by “total experience” the feelings customers take away from their interaction with a firm’s goods, services and “atmospheric” stimuli and that will affect customers’ perception of value, word-of-mouth endorsement and re-patronage intentions.

Research over the past two decades has shown that guest satisfaction leads to repeat purchases (Oh, 1999), favourable word-of-mouth behaviour (Gunderson, et al., 1996) and loyalty (Dubé & Renaghan, 2000). Among the factors that drive hotel guests’ satisfaction are guest room cleanliness, hotel maintenance, employee friendliness and knowledgeable employees, as well as the hotel’s physical environment (Mattila & O’Neill, 2003). A good management of customer experiences will lead consequently to a higher satisfaction of the customer that will contribute to a better image of the company which can originate loyal customers and new ones.

Customer loyalty is usually defined simply as the intention to repeatedly purchase a product or service (Hawkins, et al., 1995). Bowen and Shoemaker (1998) defined loyalty as a willingness to return to a hotel (behaviour) plus a propensity to view the relationship as a partnership (disposition). Many other researchers and academics have given definitions to loyalty and we could say them all, but in general loyalty can be defined by the willingness to repeat a purchase or experience from a specific company. Moreover, loyal customers are likely to talk about their positive experiences with others, thus creating cost-free advertising for the

service provider (Shoemaker & Lewis, 1999). Emotional bonds can be created with a brand if the customer had a good experience in the past and with repeated purchases create a relationship with that company, thus “emotional bonds between firms and customers are difficult for competitors to penetrate” (Haeckel, et al., 2003).

The context of loyalty is of particular importance for service industries that are impacted by the service characteristics of inseparability of production and consumption, heterogeneity and intangibility (Wilkins, et al., 2009). Within the hospitality industry there is intense interest in identifying those factors that determine guest loyalty to hotels because it is generally believed that loyal customers lead to greater profitability. Most hotels offer reward schemes, routinely track their guests’ likes and dislikes, and give special deals for repeat customers, but there is no general agreement on what creates loyalty to a hotel, or how to increase it, or even how to define it (Mason, et al., 2006). According to Mattila (2007) hotel brands with a higher level of service are in a better position to deliver customized services, and hence boost loyalty than hotels with limited service. Mason et al. (2006) showed in their work the importance of personalizing the hotel guest relationship and had concluded that once a guest has established that the hotel gives appropriate value for money at some appropriate level of facilities and service, then loyalty is generated and sustained by the guests’ perceptions that he or she is getting something that other guests are not, given this besides the fact that is difficult to agree on what generates loyalty to a hotel, the appreciation for the values and needs of customers might be something that can lead to loyal customers. The only practical way to establish what dispositional measures are relevant, and how the guests perceive loyalty, is to ask them (Mason, et al., 2006). The key in the lodging business is to create consistent offerings and experiences that also are different and superior to those of your competitors (Watkins, 2005).

The loyalty trend is based on the notion that it is more desirable and less costly to retain current customers than to seek new ones (Reichheld & Sasser, 1990). Furthermore, “it costs five times to acquire a new customer than to retain an existing one” (Pfeifer, 2005). However, “it makes economic sense not only to acquire new customers but also develop strategies to retain existing ones” (Narteh, et al., 2013). Gee et al. (2008) stressed the need for businesses to retain customers as an important issue in today’s global marketplace, and suggested that businesses must forge loyal and long-term relationships with profitable customers.

## CHAPTER 3: METHODOLOGY

Following the earlier chapter focused on the literature review, the third chapter describes the information regarding the methodology applied in this dissertation, which will ease the process of drawing conclusions about the research questions proposed. Firstly, is presented the secondary research in the form of a benchmarking of the best practices in the hospitality industry and qualitative research of articles and papers about marketing and art in hotels. In the second phase of this chapter, is presented the primary research divided in the Tivoli Project and interviews to hotel managers of Hotels with Art in Portugal.

### 3.1 Secondary Research

#### 3.1.1 Benchmarking

In this phase of the research methodology, the main goal was to search the best practices in the hospitality industry relatively to hotels that invest in art programs, which possess a vast estate of art or have art as one of the core values and philosophy of the hotel. The benchmarking allowed the examination of what is being done nationally and internationally in this particular sector of the economy and this way making possible to outline a strategy which an hotel can adopt to become an Art Hotel, namely hotels that have a collection of art or want to invest on it, with the purpose of drawing the attention of potential guests with a new offering in their services.

#### 3.1.2 Qualitative Research

The qualitative research can be defined as exploratory research and it will be used to gain an understanding of the underlying reasons, opinions and motivations and to uncover trends and dive deeper into one specific problem.

This part of the methodology consisted in the search and analysis of articles and papers made by several academics and researchers about how marketing is done in hotels, in order to understand better the role of art in hotels and if art can be a marketing tool and a differentiator to the hotel’s brand image.

## 3.2 Primary Research

### 3.2.1 Tivoli Project

The Tivoli Project consists in a well-planned strategy of how a hotel can become an Art Hotel by having differentiating assets from the competition, being an example to be taken into account for other hotels throughout the world that want to embrace the art theme in their core values and philosophy and start offering to their clients art programs. Given this, the Tivoli Project helped to answer to the third research question of this study and designing a strategy for a hotel to become an Art Hotel.

### 3.2.2 Interviews in Hotels with Art

The interviews to the hotel managers in Hotels with Art were other source of primary data, together with the Tivoli Project. This part of the research methodology consisted in an analysis of the existing hotels in Portugal that invest in art and art experiences. Hereupon, these hotels were contacted for conducting a detailed interview, in order to understand which factors influence consumers when choosing a hotel, what role art plays in this moment of choice, how is delineated the marketing strategy of the hotel and, also, how these hotels do to create customer loyalty and retention.

The interview guide (see the Appendix A – Questionnaire for the Interviews in Hotels with Art) was divided into three groups of questions, in which the first part had questions with the aim of understand if art may be considered as a differentiator factor in hotels and of knowing the interests of hotel guests when choosing a hotel and their interests in art programs. Then, the second part focused on the marketing strategy of the hotel at question, how art is present in this strategy and how the hotel drives customer loyalty and retention. Finally, in the last part of the questionnaire there were questions concerning the nature of the art programs organized by the hotel.

#### 3.2.2.1 Art as a Differentiating Factor

The most important concept being analysed in this thesis is at what extent art in hotels is a differentiating factor. In the analysis of the interviews in Hotels with Art, the first thing asked and analysed was if art is considered by these hotels a differentiator factor, according to their values and offerings to customers.

In this study, the concept of differentiating factor is based on the fact that to be truly differentiating it has to be different from competitors, as the name implies. The fact that “Art

Hotel” is a differentiating factor is due to the fact that it is an asset and possesses features hardly replicable which add value to the hotels’ offers, being seen by customers as something innovative.

On the one hand, hotels who do not have an estate of art, and want to become an Art Hotel, will have to invest on it which will be expensive. Given this, it is possible to conclude that hotels who are not fully prepared to be a Hotel with Art will find barriers to entry in this “new market”. On the other hand, the nature of becoming an Art Hotel requires the creation of a new and unique concept linked to art. Thus, even if a new Art Hotel appear in the market it will not be a large threat to the other existing Art Hotels, because the artistic offer that each hotel presents to its customers is unique, different and innovative from each other, in other words is differentiating from one another and captivates customers in distinct ways.

So, the concept of differentiating factor looked for in the interviews made was the fact that the art programs and experiences provided in each of these hotels are different and unique from each other, however extremely linked to the same subject which is Art, which is something that contributes to attract more customers to the hotels.

## CHAPTER 4: THE PROJECT FOR TIVOLI HOTELS & RESORTS

This chapter contains the project development, in partnership with this dissertation, for Tivoli Hotels & Resorts. This section is divided into project scope and approach and methodology. In the project scope and approach, there is the context in which the project was developed, a short introduction of the company and the presentation of the project *Tivoli com Arte*, namely its scope and goals. And in the project methodology, there is the division and exposition of the steps in which the project was divided and developed.

### 4.1 Project Scope and Approach

Assuming a consultant position, the task proposed was the realization of a project in collaboration with the Marketing Department of Tivoli Hotels & Resorts. In this project, the main goal was to find a strategy to differentiate the hotels from its competitors optimizing their art collection, aiming to create a better relationship with customers and to emotionally involve them in the life and history of the hotels. The project is entitled “*Tivoli com Arte*” and was developed in four of the Tivoli hotels, namely in *Tivoli Lisboa*, *Tivoli Palácio de Seteais*, *Tivoli Marina Vilamoura* and *Tivoli Victoria*.

The company Tivoli Hotels & Resorts is one of the leading hotel chains in Portugal with twelve hotels in Portugal and two hotels in Brazil, offering services in the accommodation category of four and five stars. The Tivoli Group was founded in 1933 with the opening of the hotel *Tivoli Lisboa*, one of the most prestigious hotels in the city centre of Lisbon. In the following 76 years, the Tivoli Group has invested in the hospitality industry with the opening of more 13 hotels. The Tivoli Hotels & Resorts propose a guarantee of quality and comfort, striving for a constant focus on excellence and differentiation with unique experiences for their customers. Currently, the hotel chain lies in a process of administrative restructuring, meanwhile the operations remain strong and constantly expanding and the *Tivoli com Arte* project seems to be a living proof of the concern on the services development of Tivoli hotels.

*Tivoli com Arte* is an undergoing project in Tivoli Hotels and emerged as an idea from the Marketing Department that aimed to use the estate of art, already existing in each of the hotels under this project, as a way of differentiating its offers in an innovative way. By proposing the development of this project to external sources, Tivoli benefited from an objective analysis of the project’s viability and the students benefited from having a real experience in the business world, with access to inside information that eased the collection of data to this dissertation.

## 4.2 Project Methodology

During the whole project there were weekly meetings at the Tivoli, where we had the opportunity to define the objectives of the project and how would be developed (see the Appendix B – Plan of Activities of the Project).

The project was divided into seven different stages, which played a key role regarding the project viability and its implementation in the following trimester. The first, and probably the most important stage of the project, was the definition of “*Tivoli com Arte*”, namely the clarification of the purpose and scope of the project to implement in each of the Tivoli hotels under this project. After defining the core values of the project, was the definition of the goals of *Tivoli com Arte* for the stakeholders of the project, was found to be important to set metrics in which the project should be evaluated in the future and set specific goals to achieve for each of these metrics (one example of metrics: visits to the estate of art where the goal is to have 3.000 visits in the first year). Then, in the third stage was the evaluation of Tivoli’s estate of art. In this part, a tour and visit *in loco* was taken to each of the Tivoli hotels who were under this project, where there was gathering information with interviews to the hotels’ managers, visits to the art collection and an inventory with photos and a detailed description of each piece. After the visits, all this information was treated and examined, where an inventory of all the art pieces was made, conclusions of the interviews were done and a “unique selling proposition” was created to each hotel. Fourthly, was the national and international benchmarking of hotels with a collection of art and art programs, where in the end there were recommendations on what and how to invest in art in the hotels and why other hotels do it, according to the best practices in the market. In the fifth stage, was the communication of “*Tivoli com Arte*”, namely how to integrate this project in the current platforms of online and offline communication of each hotel, develop new means of communication to communicate the project to current and potential clients and staff, key partners to publicise the project, creation of new products linked to art, as art programmes and new possible experiences to guests, definition of what is a “*Tivoli com Arte*” event and what type of events to promote. Sixthly, was the internal organization of the project, mainly how to integrate the project with the current marketing strategy of the company and in each hotel individually and a proposal of internal art curators who will help in the performance of the project in the future. Finally, was the launching of the project with a specific strategy and a roadmap for what to do now, one year from now and “on going”.

## CHAPTER 5: DATA ANALYSIS

This chapter covers the analysis of the data gathered throughout the research made. Hereupon, this part is divided into the analysis of the benchmarking, qualitative research and interviews in Hotels with Art. Each of these parts have a detailed description of what was done and the explanation and analysis of the data collected.

### 5.1 Benchmarking Analysis

In this phase of the research, the main goal was to search the best practices in the hospitality industry relatively to hotels that invest in art programs, which have an estate of art exposed within the hotel’s infrastructure or that have art as one of the core values and philosophy of the hotel. The benchmarking aimed to understand what is being done throughout the world in this particular sector of the economy and wishes to, after the analysis of the best practices, outline a strategy which a hotel can adopt to become an Art Hotel.

The scope of the benchmarking was both the national and international best cases of Hotels with Art. The focus of this research was done having in consideration three criteria which the hotels would have to meet, at least one of this criteria, in order to be considered as a Hotel with Art in this dissertation. These three criteria were: the hotel has a large estate of art; the hotel has art in the core values of the company, in other words art can be seen that is impregnated in the values of the hotel, because the decoration of the rooms and public areas was made thinking on art or there are artworks exposed; or the hotel develops programs or events that are related with culture and art, like art exhibitions or guided tours to the most prestigious art galleries of the city where is located.

In the Appendix C – Benchmarking of Hotels with Art, are shown all the hotels gathered during the execution of the benchmarking with a brief explanation of the role that art plays in the hotels’ philosophy and values and what kind of art programs and partnerships, with museums or art galleries for example, the hotels have available to its customers that are considered out-of-the-box and innovative for the hotel sector to have.

#### 5.1.1 National Benchmarking

The national benchmarking consists in the best practices in the hospitality industry in Portugal. Therefore, the best cases of Hotels with Art in Portugal were found to be 5 hotels.

The Four Seasons Hotel Ritz, located in Lisbon, has the biggest private collection of art in Portugal and in order to advertise this collection to the public, who shows interest in knowing the collection when staying at the hotel, the hotel developed a mobile application where has exposed all the art pieces with a description and the respective artist. Moreover, the hotel does guided tours through the collection, this tour is made by the Public Relations or by the curator of the Chiado Museum. Ultimately, the hotel has created a blog, which works as a cultural agenda, with relevant information about things happening in the city.

The Cidadela Historic Hotel & Art Distric, located in Cascais, is the first hotel in Europe to have an Art District project, which consists in six open studios and six art galleries, where the artists are working and where customers are always welcome. The six resident artists set up six exclusive rooms that are a true art gallery, named Room of Authors, which can be reserved to sleep in or visited by anyone when available. Furthermore, the hotel has an Art Concierge available to do guided tours through the Art District and artworks exposed inside the hotel and to introduce the artists to customers. In the website is presented the cultural agenda of the city, along with the art district as a way to capture more clients to visit the Art District and stay at the hotel.

The Tróia Design Hotel, located in Tróia, has a Collection of Contemporary Art at the hotel, with several Portuguese artists who stand out in various areas of art, such as sculpture, painting, photography and drawing. In the website, this collection is fully advertised with a slideshow of the art pieces and in the hotel there is available a book explaining the collection and the purpose of choosing contemporary art and those pieces. Moreover, the hotel promotes also other artists with art exhibitions at the hotel where the guests can appreciate and buy the pieces they most like.

The hotel The Art INN, located in Lisbon, is a mixing between a hotel, boutique and art gallery, and this concept is fully enlightened in the website of the hotel. All the rooms are decorated with an inspiration of the city and its culture (as example, the rooms have all a different theme and name from each other, like *Terreiro do Paço*, for example, and the decoration in the walls is made in order to portray this area of Lisbon). The hotel concept of art is linked to the project “Art on Shoes” of the artist Alexandra Prieto, who makes unique shoes that are true works of art. As stated before, the hotel is also a boutique and art gallery, because the work of the artist Alexandra is exposed throughout the hotel and the pieces are all for sale, in order to mingle the rooms’ themes and art, there are bags, iPhone covers, pillows and many other items that embrace the culture of the city and can also be considered art pieces. These art

for sale was a merchandising idea of the hotel, creating art and memories for customers who stayed at the hotel and want to remember those days.

The Artbeat Rooms, located in Lisbon, has a concept of art similar to the hotel The Art INN, as this hotel decorates its rooms like real art galleries. The hotel rooms’ decoration is inspired in seven worldwide famous artists and their work, namely Henri Matisse, Andy Warhol, Basquiat, Damien Hirst, Picasso, Van Gogh and Francis Bacon. This concept and special decoration is fully clarified in the hotel’s website, in order to capture the attention of customers to the importance of art in this hotel.

### 5.1.2 International Benchmarking

The international benchmarking was done using the hotel websites and other information found in the internet about the hotels that met the criteria outlined. After the completion of the international benchmarking, there were information gathered about 16 hotels worldwide.

These 16 hotels can be considered as a reference when anyone thinks about an Art Hotel. From all the international hotels, it is possible to highlight some of them which elevate the concept of Art Hotel to a whole different level and can really stand out from the competition.

The first hotel is the Hilton Anatole in Dallas, United States of America, which has an extensive collection of antiques and art pieces, which according to the hotel is the biggest collection ever seen in an American hotel, and innovative programs to involve guests with the hotel’s estate of art. These programs are a scavenger hunt and a thematic dinner, both programs have never been seen in the list of experiences that guests can have when staying at a hotel, so being the presence of art already something completely new, these programs that engage directly the customers with the hotel and its art is what makes this hotel a best practice in this particular field. Besides this, the hotel promotes the theme of art in its website, passing the clear message that art is an important piece of this hotel’s culture and values, where also promotes the pieces it has exposed in the hotel and through a mobile application available to everyone who wants to know better this hotel’s collection. This application is truly an innovative step for a hotel, given the fact that there are few hotels which have a mobile application to engage the customer with a specific offering present at the hotel, in this case art. In the “Anatole Art” application is available an audio tour through the collection, a questionnaire for the scavenger hunt and the menu options offered for the thematic dinner.

Secondly, the Hotel Le Royal Monceau in Paris, France, that excels for having an art gallery with the private art collection of the hotel, a clothes and design boutique and a bookstore inside the hotel, promoting the contact with different dimensions of art (painting, sculpture, fashion, literature, etc.). Furthermore, the hotel organizes temporary art exhibitions, in order to give to its customers the opportunity of knowing more artists in a different experience without having to leave the hotel. Besides this, the hotel has available an Art Concierge, a new concept that many hotels are now investing on, because of the added value it brings to the hotel image. The concierge is an art consultant who updates the hotel guests about art events happening in the city and also makes tailor-made plans to guests who aim to visit the art of the city in a unique and personalized way.

Thirdly, the 21c Museum Hotel in Arkansas, United States of America, as the name shows is a duo, between a luxury hotel and a museum. The hotel has a museum inside with a permanent and several temporary exhibitions and the museum is one of the core values and part of the hotel’s culture, as it is presented in the hotel’s website. This hotel can be considered as a best practice between all the Hotels with Art, because of the peculiarity of being more than a hotel with an art collection, but being actually a museum, demonstrating that the art theme is part of the identity of the 21c Museum Hotel. Moreover, the hotel organizes expeditions for hotel guests to other art institutions and museums, with whom it has partnerships, which also use the collection owned by the hotel in their temporary exhibitions.

Ultimately, the Faena Hotel in Buenos Aires, Argentina, has created an Art District that organizes art exhibitions at the hotel. Furthermore, one of the core values of the hotel is Art which can be denoted by the activities developed by the hotel in this field. These activities are the Laboratory of Artistic Experimentation, created to support the development of artists and researchers to whom the hotel gives fellowships, and the “Faena Prize for arts” that is an art prize highly rated in Argentina and motivates artists to give their maximum and contributing to the country’s art. These activities are more than a way of engaging in different ways with customers, but truly represents the importance of art to this hotel which wants to contribute to the development of the country through art and culture, what elevates this hotel to one of the best practices of Art Hotels. The programs for hotel guests are presented in the cultural agenda in the hotel’s website and contains experiences available through the city, in terms of gastronomy, shopping, culture and art.

### 5.1.3 Conclusion

In conclusion, both the international and national benchmarking demonstrated that art is gaining importance in the hotel sector and that hotels are now investing more in this field. There are few Portuguese hotels that can be considered as a Hotel with Art, however the majority of the hotels analysed are hotels that have entered in this field recently showing that art is new in this industry and has attracted the hoteliers’ interest lately as something that can bring value to a hotel and its customers. Throughout the world, art in hotels has gained importance for a while now and we can find more hotels that have invested in the art sector. Given the costs associated with the creation of an art collection and being art a differentiator factor in hotels, is something hard to replicate by the competition.

### 5.2 Qualitative Research Analysis

In this part of the research, the objective was to analyse the articles and papers made by academics and researchers about how marketing is done in hotels, the role of art in hotels which invest in this aspect, if art can be a marketing tool and a differentiator to a hotel’s brand image.

According to the website Xotels (Xotels, 2014), the marketing of a hotel can be divided in 10 steps. These steps are: the hotel must have a story worth telling, namely every hotel has to have something unique, refreshing, innovative and remarkable, in order to ease the process of engaging with the customer, because this way the guest will more easily connect with the hotel. The second step is regional and national press, the public relations of a hotel is extremely important to reach the market and build a good relationship with journalists and editors who will spread the hotel’s story and recommend it. Next are the global distribution systems, which are an important source of business and leisure travel for many destinations. In fourth is the online travel agency, which is among the most important distribution channels that are a direct support for sales, because it can influence more people worldwide. The fifth step is local destination marketing companies, which work hard to attract groups and events and will help the hotel to diversify its market mix. The sixth step is tourist office, any hotel has to build a good relationship with the local tourism office, in order to create a strategy in which it will promote the hotel to tourists. The next stage is a sales representative who will put the hotel on the local map with local businesses nearby, focusing in the marketing and commercial strategy of the hotel. The eighth phase is the optimization of the hotel’s website, which has to explain the story of the hotel as well as its offerings and how it is unique and worth visiting. The penultimate step is the investment in social media, where any hotel must focus on doing

advertising actively and create fresh and new content constantly, but at the same time is important to manage the hotel’s online reputation and create a buzz in consumers’ minds, a blog can also be a great tool. Finally, the last step is mobile which comes after all the other steps in place and well managed. The development of a mobile application is a must have in any hotel, to communicate the hotel’s offerings and engage with the customer in a more close way.

Art has turning into a must-have in some hotels around the world, as it was possible to see in the benchmarking. The art clearly enhances the aesthetics of the hotel (Sheehan, 2004). Moreover, according to Sheehan (2004), a hotel after the installation of artworks seems like a very serene and humanizing place where customers feel comfortable and harmonized and art contributes in a great part to that feeling. As we can see, art plays different roles depending on the case and the hotel at question, it can enhance the beauty of the hotel, contribute to the construction of a comfortable environment for hotel guests, “can be used to convey an image and make guests feel right at home” (Simon, 2004), “can be used to tell a hotel’s story by personalizing the property and forming a connection with guests through art, enhances the customers’ experience and promotes repeat business” (Storck, 2014).

Showcasing distinctive artwork in hotels is almost an expectation today, but some hotels are exploring unique iterations of this trend (Storck, 2014). As being almost an expectation from the audience to see art in hotels, to build its brand image a hotel must go beyond the expected and invest in art, but in a unique way. Furthermore, “art is one of a few elements in hotel design that can make a hotel stand out from the rest” (Simon, 2004) and when it stands out creates a buzz around its brand and hotel image. Hotel guests expect certain standard amenities in luxury hotels, (and) a well-developed art program is where a hotel can raise the bar and can create memorable guest experience (Simon, 2004). According to the same author (2004), art is considered a great way of communicating with guests at a visual and emotional level, creating the best art product in their segment, differentiating their selves in the guest experience and maintaining that consistency across the hotel’s brand. In conclusion, according to Simon (2004), art can actually be used as a marketing tool, given the flexibility of the use of artworks in a hotel “not only enhances the property’s marketing, but the overall comfort level guests have when they come in”.

### 5.2.1 Conclusion

After the qualitative research analysis it was possible to conclude about the importance of marketing in hotels worldwide. A marketing strategy is an extremely important tool in a hotel

and must be well planned and thought, in order to generate a positive outcome and high reach in the market. Moreover, it was also possible to conclude that art can play different roles in a hotel, given the use and importance a hotel gives to its art, but in a general way art enhances the image of a hotel, can be used to tell the story of the hotel, helps building a more close connection with guests and promote business. Using art and creating art programs is where a hotel can differentiate itself from the rest. Given this, it can be concluded that art can be used as a marketing tool and with its unique features contribute to a positive construction of brand image.

### 5.3 Interviews in Hotels with Art Analysis

The search made for the national benchmarking gave the direction of which hotels would be the best to address, in order to do an interview and gather useful information for the purpose of this thesis. Given this, the four Portuguese hotels where these interviews were conducted were the Four Seasons Hotel Ritz, The Cidadela Historic Hotel & Art District, the Tróia Design Hotel and the Art Inn. All these hotels were approached by e-mail explaining the aim of this dissertation and how an interview in these hotels would be essential to the understanding and study of this subject, that being said all the hotels accepted to be part of this investigation.

The first thing analysed, given the responses to the questions made, was at what extent art is considered by these hotels a differentiator factor, according to their values, and understanding the interests of the hotels guests when choosing the hotel and their interests in art programs. Then, the second thing analysed was the hotel’s marketing strategy, how art is present in this strategy and how the hotel drives customer loyalty and retention. Ultimately, it was analysed the art programs and events organised by the hotel at question.

#### 5.3.1 Ritz Four Seasons Hotel

In the Ritz Four Seasons Hotel, the interview was made to the Public Relations Assistant Vasco Leitão (see the Appendix D – Interview to Ritz Four Seasons Hotel). The art collection of the hotel is composed by luxurious art pieces of only Portuguese artists, being some of the pieces unique and exclusive of the Ritz. Given this, the art is seen by the hotel’s employees as a differentiator factor and that adds value to the brand’s image worldwide. The customers do not opt to stay in this hotel because of the art it has exposed, however when already at the hotel

they show interest in knowing the collection and in art programs happening in the city, as well as discovering the most important museums and monuments of Lisbon.

Regarding the marketing strategy, the hotel invests in online marketing, as well as offline but not so heavily. The art side of the hotel is well advertised online, namely in the website, blog and social networks where the hotel is present. So it is possible to conclude that art seems to be a marketing asset of the hotel, as it is used to capture clients as being one of the hotel’s offerings.

Ultimately, the hotel differentiates itself by giving the opportunity to its guests of having a guided tour with an art curator, the curator of the Chiado Museum, and by providing a mobile application, that allows customers the chance of knowing better the art collection, its artists and their history and the pieces’ location at the hotel. Moreover, the hotel has its own blog where explores the cultural side of the city giving interesting insights about art events happening and other relevant information for a tourist to know.

### 5.3.2 Cidadela Historic Hotel & Art District

The interview in Cidadela Historic Hotel & Art District was made to the Art Concierge, Bárbara de Noronha (see the Appendix E – Interview to Cidadela Historic Hotel & Art District). The hotel considers the Art District as the true differentiator of this hotel, where the concept is totally new and innovator, being the first hotel in Europe to develop this type of project. Art is seen, in Cidadela Historic Hotel, as something that exalts the hotel’s brand image and contributes to attract more customers and visitors. Undoubtedly, the art concept has been calling the attention of tourists who appreciate this type of initiatives completely out-of-the-box. The Art District is seen by the Art Concierge as a differentiating factor which makes the hotel stand out from the competition. Even though, this is a recent hotel which was inaugurated in April of 2012 and where the Art District was implemented in the beginning of 2014, the administration has noted that this project is a driving reason in the moment of choice of a hotel for customers. Hotel guests show interest in knowing more about the art exposed and about the Art District, as well as in the opportunity to engage with artists and their artwork which is what truly motivates them to choose Cidadela Hotel.

Regarding the marketing strategy, the hotel invests in both online and offline marketing, through the website, social networks, magazines and press releases. The hotel also collaborates with a media company that assists in the communication of all the hotels of Pestana Group, the group where Cidadela is inserted. This hotel’s Art District is used in the marketing strategy as

a marketing tool, as it is well advertised as being an unique offering in the hospitality industry in Portugal, at least, and definitely drives the customers’ attention. Beyond that, in order to create and increase customer loyalty and retention, the hotel offers to customers special prices for the artworks for sale in the hotel and offers also the possibility of a personalized art program designed by the Art Concierge that includes a close meeting with the hotel’s resident artists and whatever the hotel guests desire.

In relation to the art programs, the hotel differentiates itself by having an Art District, which consists in six open studios and six open galleries with six resident artists who work and expose their artworks in the same place. Besides this, the hotel stands out from having the program “*Pousada Take Over*”, where art takes over the inn and is exposed throughout the hotel and for sale. Moreover, the Rooms of Authors are a unique offering that makes the hotel guests more close to art than ever, having the opportunity of sleeping in a room fully decorated and assembled by a real artist. Finally, the hotel is different from the competition by having an Art Concierge and an Artistic Director who are responsible for upgrading the art projects of Cidadela Hotel and making sure that the customers’ visit are never alike.

### 5.3.3 Tróia Design Hotel

In Tróia Design Hotel, the interview was made to the General Manager of the hotel, Manuel Duarte (see the Appendix F – Interview to Tróia Design Hotel). The art concept of this hotel is contemporary art, being known as The Collection of Contemporary Art of Tróia Design Hotel. This collection is seen by the administration as a differentiating factor and that adds value to the hotel’s brand image. However, the hotel is not chosen for its art, the customers show occasionally interest in doing art programs in the area and mostly in knowing the art collection of the hotel.

As regards the marketing strategy, Tróia Design Hotel invests in both online and offline marketing, particularly in the website, where communicates all the relevant information and special packages available, in travel agencies and national and international operators. Moreover, the hotel communicates through email listing, to regular and potential customers. Art is present in this strategy, in the way that the hotel advertises its collection, mostly through the website. Art does not increase customer loyalty and retention, given the fact that the hotel does not use its art to create special offers to its guests. Nevertheless, the hotel tries to increase customer loyalty and retention by treating its customers in a personalized way, knowing its needs and expectations beforehand and elevating its service to the maximum of excellence.

Lastly, the art programs differentiators are the art collection available to everyone who wants to visit the hotel, as well as the book available to hotel guests which explores the history behind these artworks. Ultimately, the fact that the hotel is aggregated to Tróia Casino makes the offerings in terms of artistic events and shows to the public wide and an advantage to this hotel’s image.

#### 5.3.4 The Art INN

In the Art INN, the interview was made to the hotel’s Executive Manager, Catarina Prieto (see the Appendix G – Interview to the Art INN). This hotel is interrelated to a design and art project known as “Art on Shoes”, of the artist Alexandra Prieto, which is the image and a core value of the inn. This hotel combines the concept of inn with art gallery and boutique in which is possible to connect the guests with true works of art and with the Portuguese culture, that they can acquire and take home as a souvenir. The hotel’s administration see this concept as a true differentiator in the hospitality industry and it also feels that have been adding value to the hotel’s brand image. It is in the knowledge of the administration that some of their guests have chosen this inn, because of the art and the innovative concept that presents, and some often return as well. The customers show interest in the art pieces exposed at the hotel and in knowing more about the rooms’ concept, as well as in art programs throughout the city of Lisbon.

The marketing strategy consists in presenting this new concept and capturing as many customers as possible through the hotel’s website, social networks and online operators. Furthermore, it uses a mailing list, in order to communicate special programs and packages to customers. Art is used as a marketing tool, namely the “Art on Shoes” project, because it is well communicated with the purpose of capturing the attention of customers and motivating them to choose this hotel. Concerning the creation and increase of customer loyalty and retention with art, the Art INN provides a business card to every guest who will be entitled to discounts in a future stay at the hotel which will be in a different room with a different concept, in order to make every stay as unique as possible.

The art programs differentiator in this hotel are the presence of an art gallery and boutique. Moreover, the fact that the art notes in each room can be purchased by customers is the most appreciated thing, because gives the opportunity to customers to take home part of the experience they had in The Art INN. Ultimately, the hotel does guided tours in order to explain the art concept and the history behind it.

### 5.3.5 Conclusion

In conclusion, all the interviewed hotels confirmed the initial thought of this dissertation, which art is indeed a differentiating factor and that brings value to their hotel’s brand image. Moreover, the consumers of these hotels show interest in art programs and in knowing the art of each hotel more closely. The art in these hotels is used as a marketing tool to attract more customers, given the fact that the art concept is well advertised and sometimes is what stimulates customers to choose these specific hotels, mostly in the case of the Art INN and Cidadela Historic Hotel. Ultimately, in these two cases art have been creating and driving customer loyalty and retention (see the Appendix H – Conclusions of the Interviews).

## CHAPTER 6: RECOMMENDATIONS

After the realization of *Tivoli com Arte* project and the research of the best practices of Hotels with Art in the hospitality industry worldwide, it was possible to delineate a strategy to help hotels throughout the world which want to become an Art Hotel and transform their hotel in a place where art is appreciated and highlighted in its offerings.

The strategy recommended to be used by hotels consists in seven steps (see the Appendix I – From a Hotel to an Art Hotel: Strategy). These steps follow an order that intent to ease the process of creating a new proposition in a hotel.

Firstly in the strategy, is the benchmarking, an analysis of the industry and competitors seems essential, in order to guide the hotel in how it can differentiate and create something never seen. Then, is the creation of the concept, the hotel has to think how art can be integrated in its offerings and what type of art and experiences are logical given the values and philosophy of the hotel. Thirdly, is the evaluation and/or investment, the hotel will have to set a budget for this new project, evaluate the art it already has and on what should invest more, in order to concretize the concept planned earlier. Fourthly, is the definition of goals, the hotel must define metrics and measurable goals for a defined temporal space, which the hotel desires to achieve with the addition of art in its offerings. Next, is the marketing strategy, the new project will have to be well communicated to the press and customers, so the elaboration of a detailed communication strategy is vital to obtain positive results. Furthermore, the internal organization, the hotel must present this new project to the entire staff, explain how it will amend the hotel’s daily operations and make a proposal of new key employees who will take this project forward, namely an art concierge, art curator or artistic director. The final step is the execution of a roadmap/plan for the launching of the project with the main ideas and events for the present and future, so that nothing fails.

During the project for Tivoli Hotels it was possible to go through the majority of these steps and realize what has to be done in a hotel so it can become an Art Hotel, since that was the purpose of *Tivoli com Arte*.

## CHAPTER 7: CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

When confronted with the idea behind the consulting project which Tivoli Hotels & Resorts proposed, some questions have emerged about the viability of the investment in a new project englobing art and art programs in hotels, giving a total new offering to customers. Hereupon, the research made during the project and throughout this dissertation had as a purpose to find if art can be used as a hotel marketing strategy, in order to attract customers.

Art was declared, by the interviewed hotels, as a differentiator factor and as something that brings value to any hotel, given its greatness and beauty, customers become fascinated with it which leads to positive word-of-mouth and to the building of a good hotel’s brand image. Thereafter, art can be defined as a motivating factor in the decision moment of customers, as being a differentiator it will most certainly attract and retain hotel guests.

After the qualitative research made, it was found that art can be used as a marketing tool, given the fact that a hotel on its marketing strategy must have a “story worth telling”, something unique that will ease the relation with clients and make the hotel stand out from the competition. Nowadays, customers seem to be much more demanding than ever and expect innovative things in every purchase they do, so by creating an art program a hotel can stand out in the experiences offered to guests and impress them, leading, consequently, to the creation or increase of customer loyalty and retention. After visiting and interviewing Hotels with Art the possibility of using art as a marketing instrument became more evident, because in all the cases presented art has been used as part of the marketing strategy, given the fact that the hotels advertise the art concept they have developed, in order to attract customers who find this type of initiative in a hotel captivating and interesting. Concerning customer loyalty and retention, only few hotels use art to retain customers and turn them into loyal customers, however it is a possible and clever strategy made by hotel managers, who develop new ways of engaging with their clients fulfilling their needs, while exceeding at the same time their expectations.

Understanding how other hotels in the world embrace art in their values and packages and trying to create a new project for Tivoli Hotels made possible to outline a strategy which helped the Portuguese hotel chain Tivoli Hotels & Resorts and certainly will guide other hotels in the future to become as well an Art Hotel. Given this, this study presents a strategy composed by seven steps, which may help a hotel to become an Art Hotel. These steps are Benchmarking, Creation of the Concept of Art, Evaluation and/or Investment, Definition of Goals, Marketing Strategy, Internal Organization and Execution of a Roadmap for the future.

Concluding this study, it can be stated that art can be used as a hotel marketing strategy, in order to attract customers and to differentiate a hotel from the competition, easing the possibility of a hotel to stand out in the market and attain a positive and sustainable financial performance.

However, this study had some limitations. Firstly, it was not possible to interview Hotels with Art from other countries than Portugal, because even after having established contact with them, explained the scope of this investigation and asked to answer the questionnaire, there was no timely response from them. An interview with international hotels would have most certainly enriched this study and the conclusions drawn. Secondly, there could not be found a lot of research about Art Hotels, art as an investment in hotels or the use of art as a marketing tool to attract customers, which hindered the execution of the literature review that could have had more data about these subjects.

The main findings of this study and its limitations present several interesting opportunities for future research. The first suggestion is to extend this study and interviews to customers of Hotels with Art interviewed (only informal talking were made) or to other existing hotels, in order to really understand what motivated the choice of this hotel, if art for them is something differentiator and a driver on their choices. The second suggestion is to widen the study to the long-term, meaning that would be important to validate the findings of this study with real values from the hotels. So it would be important to analyse these hotels on a long-term basis to find if the investment in art and art programs gave a positive return to the hotel.

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## APPENDICES

### Appendix A: Questionnaire for the Interviews in Hotels with Art

- **Estate of Art – differentiating factor**

1. In what consists the concept of art in your hotel?
2. What type of art do you have present in the hotel?
3. Where are the pieces of art exposed?
4. What is the concept/philosophy inherent in the choice of the estate of art?
5. There is any guided tour planned through the pieces?
  - a. If yes, do guests show up interested in making this tour?
6. What type of interests do your guests have when choosing this hotel? (art, culture, leisure,...)
7. Do you have guests that have shown interest in your estate of art?
8. Do you have guests that have shown interest in cultural programs or programs which involve art inside or outside the hotel?
9. Do you think the fact that your hotel have artwork exhibited was something that motivated your guests to choose this hotel?
10. Do you think that art differentiates your hotel from the competition? Is it something that adds value to the hotel? (is positive, brings more people in, etc)

- **Hotel Marketing Strategy**

11. How is delineated the marketing strategy of this hotel?
12. What type of platforms do you use to attract more customers?
13. What type of strategies do you use to increase/create customer loyalty?
14. What type of marketing strategy do you use in order to increase customer retention?
15. There is any available information to your customers about the art collection?
  - a. If yes, in which format?
16. Do you use the artwork in your hotel as a marketing tool? (this means if you do publicity to the fact that you have art pieces and art programs in your hotel)
  - a. If yes, how do you do that?
  - b. If no, why not?

• **Exhibitions and art events promoted by the Hotel**

17. Have you ever organized art exhibitions in this hotel?
  - a. If yes, how often?
18. Is the hotel approached by artists to hold exhibitions of art?
19. In addition to art exhibitions, what type of events related to art and culture are organized in the hotel?
20. Do you think it would be interesting for the hotel and its customers to organize more exhibitions and art events?
21. How do you communicate to your guests the events and exhibitions that are happening or are going to happen in the future at the hotel?
22. What projects do you are considering for the future of the hotel related to art and culture?

**Appendix B: Plan of Activities of the Project**

Activities	September			October				November				
	15-19	22-26	29-03	06-10	13-17	20-24	27-31	03-07	10-14	17-21	24-28	30
<b>Kick-Off Meeting and Project Integration</b>												
<b>Elaboration of Questionnaire for Interviews and Preparation for the Tour to the Hotels</b>												
<b>Hotels Tour (Lisbon, Sintra and Algarve) and Interviews</b>												
<b>Analysis of Data gathered in the Hotels</b>												
<b>Inventory of the Estate of Art of each Hotel</b>												
<b>Benchmarking</b>												
<b>Benchmarking Recommendations</b>												
<b>Communication of <i>Tivoli com Arte</i> and Internal Organization</b>												
<b>Schedule of the Project and Preparation of the Presentation</b>												
<b>Final Delivery of Project</b>												

Appendix C: Benchmarking of Hotels with Art

Hotel	Country	City	Estate of Art, Art Programs and Events
<b>National Benchmarking</b>			
<b>Ritz Four Seasons Hotel Lisboa</b>	Portugal	Lisbon	<ul style="list-style-type: none"> <li>- Mobile App with all the art pieces present in the hotel, with the respective explanation about the piece and the author, and it also has a memory game for children involving the art pieces</li> <li>- They do guided visits to the estate of art, but just when someone asks for this privilege</li> <li>- Blog with the most interesting things happening in the city related to art, music, theatre, cinema, gastronomy and tourism</li> </ul>
<b>Cidadela Historic Hotel &amp; Art District</b>	Portugal	Cascais	<ul style="list-style-type: none"> <li>- Hotel is an old military barracks adapted recently</li> <li>- The first hotel in Europe to have an Art District Project</li> <li>- Six Open Studios, where the artists are working and where guests and visitors are always welcome</li> <li>- The resident artists set up six exclusive rooms (Room of Authors) which can be reserved to sleep in or visited by anyone when available</li> <li>- Presence of an Art Concierge at the hotel available to explain the Art District and the art exposed throughout the hotel and to introduce the artists to guests</li> <li>- In the website is presented the cultural agenda of the city</li> </ul>
<b>Tróia Design Hotel</b>	Portugal	Tróia	<ul style="list-style-type: none"> <li>- Collection of Contemporary Art Tróia Design Hotel at the hotel, has several Portuguese artists that stand out in various areas of art, such as sculpture, painting, photography and drawing</li> <li>- Slideshow, in the website, with the entire collection of art</li> <li>- Book available at the hotel which talks about the collection of art</li> <li>- Art of other artists exposed throughout the hotel for sale</li> </ul>
<b>The Art INN</b>	Portugal	Lisbon	<ul style="list-style-type: none"> <li>-In the website, the hotel transmits the art it has in the hotel, the philosophy of the hotel and how art is intrinsically linked to its values and daily operations</li> <li>- The rooms are all decorated with an inspiration of the city (as example, the rooms have all a specific and different name from each other, like <i>Terreiro do Paço</i> for example and the decoration in the walls is made in order to portray this area of Lisbon)</li> <li>- The hotel is linked to Art on Shoes, a program made by the artist Alexandra Prieto who make unique shoes that look like works of art</li> <li>- The hotel as an art boutique in the lobby where they sell the shoes of Alexandra Prieto, as well as bags, iphone covers, pillows and many other things with the image and inspiration used in each of the rooms of the hotel, where hotel guests can take home a memory of the room where they stayed</li> </ul>
<b>Artbeat Rooms</b>	Portugal	Lisbon	<ul style="list-style-type: none"> <li>- The hotel has each room decorated differently with also a different name, the rooms are inspired in artists and their work (they have 7 rooms from Henri Matisse, Andy Warhol, Basquiat, Damien Hirst, Picasso, Van Gogh and Francis Bacon)</li> <li>- The concept and art in the rooms are explained in the web site of the hotel</li> </ul>

<b>International Benchmarking</b>			
<b>Le Royal Monceau</b>	France	Paris	<ul style="list-style-type: none"> <li>- Art gallery and clothes and design boutique inside the hotel</li> <li>- Art exhibitions organized in the hotel</li> <li>- Art Concierge available, he is an art consultant who updates the hotel guests about art events happening in the city and also makes tailor-made plans to guests, who aim to visit the art of the city</li> <li>- Bookstore inside the hotel</li> <li>- Collection of art owned by the hotel which is exposed in all the bedrooms, public areas and garden of the hotel</li> </ul>
<b>Gallery Hotel Art</b>	Italy	Florence	<ul style="list-style-type: none"> <li>- Contemporary art exhibitions are held in the various public areas of the hotel</li> <li>- Art &amp; Design section in the website where we can find information about the past, present and future exhibitions</li> <li>- Partnership with a local museum</li> <li>- The hotel has an art gallery where are exposed mostly well-known photographers and their work</li> </ul>
<b>The James</b>	USA	Miami, New York, Chicago, Los Angeles	<ul style="list-style-type: none"> <li>- Values of the hotel are divided into Art, Sustainability and Awareness, these values are communicated in the website as well as the initiatives held in each of these dimensions</li> <li>- Gallery of photos of the art collection owned by the hotel in the website, as well as a video tour to the most important pieces</li> <li>- Literary program launched by a famous writer and humourist, where the hotel guests have a list of books they can read in their staying at the hotel</li> </ul>
<b>21c Museum Hotel</b>	USA	Arkansas	<ul style="list-style-type: none"> <li>- Museum inside the hotel with a permanent and several temporary exhibitions</li> <li>- The museum is one of the core values and culture of the hotel</li> <li>- The hotel organizes expeditions for the hotel guests to other art institutions and museums, which sometimes use the collection owned by the hotel in their temporary exhibitions</li> </ul>
<b>Gramercy Park Hotel</b>	USA	New York	<ul style="list-style-type: none"> <li>- Collection of art exposed throughout the hotel</li> <li>- The hotel tries to change the collection of art exposed, in order to assure that “a hotel guest never experiences the same hotel twice”</li> <li>- The hotel organizes special events related to art, music and theatre</li> </ul>
<b>Le Méridien</b>	USA	Minneapolis	<ul style="list-style-type: none"> <li>- The hotel has a collection of art with more than 200 pieces exposed in its own Art Gallery</li> <li>- Edgy and controversial pieces from the Young British Artist movement can be spotted throughout the hotel</li> <li>- Partnership with local museums and art galleries with the “Unlock Art Pass”, only available for hotel guests, which can be used to enter in these locations without further payment</li> </ul>
<b>Four Seasons Hotel Denver</b>	USA	Denver	<ul style="list-style-type: none"> <li>- In the hotel’s magazine the six dimensions of art/culture that the hotel promotes are presented</li> <li>- Own collection of art pieces exposed in the hotel and publicity in the hotel’s magazine</li> <li>- In the hotel magazine is presented “the must see” list of museums and art galleries of the region</li> </ul>

			<ul style="list-style-type: none"> <li>- Fashion is one of the dimensions the hotel promotes with launchings of collections and fashion shows of known brands in the business</li> </ul>
<b>The Kessler Collection Boutique Hotel</b>	USA	10 luxury boutique hotels	<ul style="list-style-type: none"> <li>- 5 hotels have its own art gallery, known as the Grand Bohemian Art Gallery</li> <li>- Every hotel has its own collection of art pieces from artists known worldwide</li> </ul>
<b>Hilton Anatole</b>	USA	Dallas	<ul style="list-style-type: none"> <li>- Extensive art and antiques collection (the biggest collection ever seen in an American hotel), this collection includes artworks that were once from kings, emperors and czars’ palaces</li> <li>- Website with images of the entire estate of art</li> <li>- Mobile application of the collection of art with an audio tour through the pieces in the hotel</li> <li>- Brochure with the delineated tour, through the art pieces, available in the hotel reception</li> <li>- One of the programs the hotel has that involves its collection is a scavenger hunt, to involve the hotel guests with the pieces and drive their attention with a unique offering. This scavenger hunt is suitable for leisure and business guests and involves searching for the many pieces of the collection with a questionnaire which they will have to respond, in order to qualify to win a prize</li> <li>- The hotel organizes thematic dinners with special menus, where each of the menus’ name is the name of one of the pieces of art in the hotel and the dinner will be served according to the nationality whence came this piece, involving the hotel guests with the art and gastronomy simultaneously</li> </ul>
<b>Fairmond Bab Al Bahr</b>	Abu Dhabi		<ul style="list-style-type: none"> <li>- Auctions of artworks at the hotel</li> <li>- The website has a specific part for Art&amp;Culture: it consists in a partnership with books specialists who recommend books for the hotel guests. Moreover, the hotel has a specific area dedicated to literature and for guests to enjoy their moment of reading quietly</li> <li>- The hotel organizes visits through the city and to special events happening locally that are in some way related to art (e.g. the Fashion Night Out)</li> </ul>
<b>XVA Art Hotel</b>	Abu Dhabi		<ul style="list-style-type: none"> <li>- The website has a particular part for the Art Gallery, with the art exhibitions made in the past, present and future and with information about the artists who exposed in the hotel (the curriculum vitae of the artists and the art pieces that were in the exhibition and explanation about it)</li> <li>- The hotel organizes permanent and temporary exhibitions every year, every information about them is in the website</li> </ul>
<b>Faena Hotel</b>	Argentina	Buenos Aires	<ul style="list-style-type: none"> <li>- Art District created by the hotel, where they hold and organize exhibitions at the hotel</li> <li>- The website of the hotel is divided in four parts (the most important sides of the hotel) and one of this part is Art, so it is a core value of the hotel</li> <li>- The hotel created the Laboratory of Artistic Experimentation, in order to support the development of artists and researchers to whom the hotel gives fellowships</li> </ul>

			<ul style="list-style-type: none"> <li>- “Faena Prize for arts” is an art prize highly rated in Argentina and brings artists to give their maximum and develop amazing art pieces</li> <li>- In the website, the hotel presents Argentina and more specifically Buenos Aires, in terms of gastronomy, shopping, cultural and art terms, having a cultural agenda</li> </ul>
<b>Ellerman House Hotel</b>	South Africa	Cape Town	<ul style="list-style-type: none"> <li>- Fine Art is the soul of the hotel</li> <li>- The hotel has a contemporary art gallery in which every hotel guest is invited to visit with a tour guide or if they want they can do a self-guided tour with a booklet that the hotel provides with all the relevant information about the artworks exposed</li> <li>- The hotel organizes private guided tours to its guests throughout the best art galleries of the city and to the best art collections in the Winelands</li> <li>- The hotel has a blog, where explores the core values of the hotel and the initiatives that the hotel develops</li> </ul>
<b>Art Series Hotel Group</b>	Australia	Melbourne, Bendigo, Adelaide	<ul style="list-style-type: none"> <li>- Each hotel of the three hotels of the Group has as inspiration one Australian artist, the name of the hotel is inspired by the name of the artist and their the art collection</li> <li>- The hotel has its own art gallery where everyone can have a look by itself or with a tour guide</li> <li>- The hotel has also its own library and art pieces to sell</li> <li>- Special Program named “Street Art Sleepover”, in which the hotel guests stay in a room with a special decoration and are entitled to a private guided tour through the art collection of the hotel</li> </ul>
<b>Country Club Lima Hotel</b>	Peru	Lima	<ul style="list-style-type: none"> <li>-The hotel is considered a luxury art hotel, where every suite has its own art pieces exposed of many famous artists</li> <li>- Some of the art works exposed in the public areas of the hotel are from a museum of the city</li> </ul>
<b>Olive Boutique Hotel</b>	Porto Rico	San Juan	<ul style="list-style-type: none"> <li>- Each floor of the hotel has its own theme, inspired in different countries (Spain, France, Morocco and Italy)</li> <li>- The art exposed in the hotel is photography, which belongs to a private collection and the photographs were taken by an artist in a trip through all these countries</li> <li>- All the furniture of the hotel was chosen by a specialized art curator</li> </ul>

#### Appendix D: Interview to Ritz Four Seasons Hotel

Firstly, the concept inherent in choosing the hotel's estate of art, upon the opening of the hotel in 1959, was established by *António de Oliveira Salazar*, at that time the Portuguese Prime Minister, and was intended to create a luxury hotel with a luxurious art collection of only Portuguese artists. The art collection of the Four Seasons is the biggest Portuguese private collection and has unique pieces made exclusively for the hotel. The hotel guests show great interest in the artistic side of the hotel and also in the opportunity of knowing better the collection exposed. However, the majority of the hotel guests do not choose the hotel because of its art collection, but are motivated by the excellence of the hotel's brand image. Meanwhile,

art is seen by the hotel’s staff as something which differentiate the Four Seasons from the competition and adds value to the brand image. The hotel guests, when already at the hotel, show interest in art programs and events, namely in knowing the most emblematic museums and monuments of the city.

Secondly, as regards the marketing strategy, it consists in communicating through the hotel’s website, where the hotel’s concept is well explained, the offers it has to clients and other relevant information, and through social media, namely on Facebook, Twitter, Instagram and on the hotel’s blog, where the hotel gives suggestions concerning what is happening inside the hotel and in the city. The blog is a great marketing tool, as it appears on Google in a good position when searching for specific restaurants, events or shops for example, because in the blog the hotel does a follow up of what is interesting to know about Lisbon and its offerings.

Ultimately, the hotel organizes guided tours through the art collection, when requested by the customers or people who are just visiting the hotel. When the person or group who asks for the guided tour is a knowledgeable person or group in the arts field, the hotel requests the presence of the Chiado Museum’s art curator, which collaborates with the hotel, to do a personalized tour through the art. Moreover, the hotel has developed a mobile application, with all the useful information about the art pieces, their location and artists, and it has been found that the application has brought more people to the hotel. Moreover, as said above, the hotel has a blog where has available a cultural agenda of the city and useful suggestions and also a brochure obtainable in the website with a city guide through “Four Seasons eyes”.

## Appendix E: Interview to Cidadela Historic Hotel & Art District

The concept of the Art District was created at the time of the hotel creation and was delineated by the Artistic Director and Art Concierge of the hotel. The Art District is based on contemporary art and aims to create a connection and balance with the history of the citadel, where the hotel is grounded. This is an audacious and innovative project under the guidance of *Grupo Pestana* and Cidadela Historic Hotel is the first European hotel with an art district. The Art District includes six galleries, including the first and only gallery of Raw Art in Portugal, and six open studios, where the resident artists are on a daily basis working and exposing their artwork simultaneously, these spaces are all open to guests and visitors of the hotel. Furthermore, the six resident artists were challenged to decorate six exclusive Rooms of Authors at the inn, which besides reserved can be visited upon request and room availability. The Art District promotes as well art pieces which are exposed throughout the hotel, that are

available for sale, in an innovative movement of *Pousada Take Over*, where art takes over the hotel and is everywhere in close contact with customers. In *Cidadela Historic Hotel*, art is seen as positive for the hotel’s brand image and has a strong impact in the emotional side of customers, as being something unique and dynamic at a hotel. The concept of art and how it is explored draws the attention of more clients to the hotel, even the attention of people who are not part of the art’s world, but customers who appreciate and enjoy this type of initiatives. The Art District is seen by the Art Concierge as something that differentiates the hotel from the competition and, even though it is a new project, the hotel’s administration have noted that it generates more sales and is a driving reason at the time of choosing a hotel by the consumer. Moreover, there are hotel guests, which undoubtedly, choose this hotel because of its art and presence of artists in the hotel and those guests mark timely personalized visits, in order to ensure they do not lose the opportunity to be part of the Art District. This hotel’s district is used as a marketing tool, because the hotel’s offers are sold with this component, moreover it is something that the hotel is proud to advertise as it is something new in Portugal and they think it drives more attention and more reservations.

As regards the marketing strategy, the communication of the hotel is made through the website, social media (Facebook, Instagram and Twitter), magazines and biweekly press releases. The direct communication to customers, when already at the hotel, about the Art District and other events is made with brochures available in the bedroom and in the moment of check-in, when all the important information is passed. The hotel also collaborates with a media company that is responsible for the communication of all the hotels of *Grupo Pestana*. In the opening of *Cidadela Historic Hotel & Art District*, the communication was done during three months before the inauguration and consisted in television advertising, magazines, outdoors and radio. Beyond that, the hotel has special offerings to guests in order to create and increase customer loyalty, which consists in special prices for the art pieces exposed at the hotel and direct contact with the resident artists with a personalized program designed by the Art Concierge, according to the wishes of the clients.

In relation to the offers and events organized by the hotel, there is the Art District and the initiatives above explained which are developed in this component of the hotel. There is also a cultural agenda of the region available in all the bedrooms. The hotel also organizes workshops in the hotel related to art and involving the artists who work in *Cidadela*, arranges trips for hotel guests to the theatre or concerts in the area upon request and the Art Concierge is available to do guided tours through the hotel, galleries and studios. Moreover, the hotel is developing partnerships with museums and art foundations of the area, in order to create a “must

do” tour through all the art available in the city. Ultimately, Cidadela Historic Hotel opens its doors to the public in a special event three to four times a year in which the hotel opens the six Rooms of Authors and all the hotel can be explored by visitors.

## Appendix F: Interview to Tróia Design Hotel

The art concept of the hotel is contemporary art, which was chosen by the hotel’s administration, given its appraisal for art and design. The Collection of Contemporary Art of Tróia Design Hotel consists mostly in artworks from Portuguese artists, who the hotel’s administration is proud to support. The clients’ target of Tróia Design is mainly Portuguese customers and they choose this hotel for business or pleasure, as the hotel has added to its operations a reputed congress centre. Sporadically, the hotel guests show interest in knowing more about the collection. In relation to art programs, customers show more interest in having this experience, namely in going to the Roman ruins of Tróia, as it is an historical place of the region. However, the hotel’s administration considers that its art collection differentiates the hotel from the competition and brings added value do the hotel’s brand image.

Secondly, relatively to the marketing strategy of the hotel, the communication is made through the website, travel agencies and national and international operators. Moreover, the hotel has an email database, composed by hotel guests and potential customers, for whom the hotel sends emails regularly with relevant information, packages or special offers and news of the website. In order to retain customers, the strategy consists on a personalized treatment of quality and excellence, where the hotel guest is not a random person, but the hotel strives to know every guest of the hotel and their needs. In conclusion, the hotel is certain of its ability to retain and create loyal customers with this strategy.

Ultimately, Tróia Design Hotel has an immense contemporary art collection with all the pieces identified, in order to allow the customers to guide themselves through a tour in an autonomous way. When hotel guests ask for more detailed information about the collection, the hotel has a book that describes the process of creation of this collection and has the details about every artwork, this book is available for customers to read in the hotel or to take home with them as a souvenir. The hotel is aggregated to Tróia’s Casino and when the casino organizes events, shows or concerts, the hotel creates special packages with special prices only for hotel guests with the casino’s shows included. Finally, the hotel organizes temporary exhibitions in which all the pieces are available for sale.

## Appendix G: Interview to The Art INN

The hotel arose from the Art on Shoes store and project, on this store was possible to find shoes that are true works of art, made of fabric frame screens painted by the artist Alexandra Prieto. The idea of combining a hotel with Art on Shoes’ store emerged from the hotel’s owner and artist and the concept of art consists in uniting art and personalized rooms with unique themes about the Portuguese culture per room, as explained above. The artworks presented in the hotel are produced by the artist Alexandra Prieto and every piece is available for sale to hotel guests and whoever wants to visit the inn. Every space of the hotel is used to exhibit art, being an authentic art gallery throughout the hotel, and this is the special feature of this hotel in which is possible to connect the stay of its guests with art. The target customers are mostly not special connoisseurs of art, but are people who are interested in this type of innovative projects and like to know these art notes, this being the reason that makes them choosing this hotel and often return. The administration has information that the reason behind choosing the Art INN is mostly due to the art that the hotel presents and given the different concept that it has. Moreover, the hotel’s administration feels that this artistic movement differentiates the hotel from the competition, because of the personalized rooms and art pieces exposed and for sale which enriches the customers’ stay.

Secondly, regarding the marketing strategy, the communication is made through the website, social media and online operators, namely the booking website. The online operator has a great impact on customers capture, being 90% of total hotel guests who make the reservation through this via, and the other 10% comes because of the power of word-of-mouth. On social media, the platform used is Facebook and also has its impact, because is where Art on Shoes gets more visibility and the ability to attract more clients. Furthermore, the hotel uses a mailing list, in order to communicate discounts and special programs to customers. Concerning the creation of customer loyalty and retention, every hotel guest is entitled to a business card that gives him discounts at a future time and then he is asked in which room slept in previous stays, so this experience will be different and he can sleep in a new room. The customers’ feedback has been positive, given the fact that hotel guests have returned shortly after the first stay at the hotel. The art is used in this hotel as a marketing tool, mainly the project Art on Shoes which is under the creation of this hotel, and can be seen in the website where the art is well advertised.

Lastly, the hotel is simultaneously an art gallery and boutique, where has exposed paintings, photographs, shoes, furniture, bags and other goods, which are truly artworks allusive

to the rooms’ themes and can all be purchased as a way to bring some of this experience back home with the customer. In order to explain in further detail the concept, the hotel has available brochures to customers and the staff is accessible to do a guided tour through the hotel clarifying the idea under the Art INN. The hotel’s website has all the relevant information about this project, which unites a hotel with a boutique and art gallery.

## Appendix H: Conclusions of the Interviews

	<b>Art is considered a differentiating factor</b>	<b>Art adds value to the brand image</b>	<b>Guests show interest in art and art programs</b>	<b>Guests have chosen the hotel because of its art</b>	<b>Art is used as a marketing tool (is advertised)</b>	<b>Art increases/ creates customer loyalty and retention</b>
<b>Four Seasons Hotel Ritz</b>	✓	✓	✓	x	✓	?
<b>Cidadelas Historic Hotel &amp; Art District</b>	✓	✓	✓	✓	✓	✓
<b>Tróia Design Hotel</b>	✓	✓	✓	x	✓	x
<b>The Art INN</b>	✓	✓	✓	✓	✓	✓

Legend of the table above:

- ✓ - means “Yes”
- x - means “No”
- ? - means “Do not have information to affirm this”

## Appendix I: From a hotel to an Art Hotel – Strategy

Strategy	Description
Benchmarking	Analysis of the competition, in order to create a unique offering and to differentiate the hotel from the rest of the market.
Creation of the Concept	<p>Definition of what the hotel wants to do and how art, and what type of art, makes sense in the core values of the hotel.</p> <p>Definition of new events and experiences inside the art concept of the hotel.</p>
Evaluation/Investment	<p>Set the financial budget the hotel can have for this project.</p> <p>Evaluation of the art the hotel has and/or investment in art pieces, given the concept the hotel wants to have to become an Art Hotel.</p> <p>Creation of a unique selling proposition of this new project, in order to be communicated efficiently.</p>
Goals	Set metrics and concrete and measurable goals which the hotel wants to achieve with the implementation of art in a defined temporal space.
Marketing Strategy	Elaboration of a communication/marketing strategy for the new project, based in online and/or offline platforms, according to what the hotel does in the present and how much it has to invest.
Internal Organization	<p>Planning of the internal organization, namely how the project will be addressed by the different staff/departments of the hotel and the responsibilities of each employee in the project.</p> <p>Proposal of new key employees who will help to the good performance of the project in the future, like an art curator, artistic director, art concierge, etc.</p>

<p>Roadmap/Plan</p>	<p>Elaboration of a roadmap for the launching of the project and main ideas/events for the future (first semester, first year, and so on). The roadmap must include all the things that must be done by the hotel, so that nothing fails.</p>
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