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Arts in the Hotel Industry: Bridging Creative and Financial Goals for a Twenty-First Century Experience

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Arts in the Hotel Industry: Bridging Creative and Financial Goals for a Twenty-First Century Experience

by
Yookyoung Kong

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1. Introduction

1-1. Background and Purpose

Hotels have always been more than lodging facilities; they have been recognised as places of business, public assembly, decorative showcases. Always on the forefront of technological innovation and innovative space design, they provide interesting experiences for patrons. Today, consumers seek out hotels with unique values, such as cultural and artistic features, that can enhance their trip.

The hospitality landscape of cities has changed significantly in recent years: hotels are themselves destinations. The trend is to manage atmospheric interior yet not overwhelming the area with pieces. However, the fine line separating art and design has become increasingly blurry. This article will analyze the implications of displaying world-class contemporary art in hotels. In essence, art has the potential to transform the industry even further. It could even be said that exhibitions can be a boon to hotel business. Furthermore, this paper demonstrates that the emergence of boutique and life hotels will facilitate the movement of displaying artwork in hotels.

Hotels are generally classified into six categories: Full-service hotels, Limited-service hotels, All-suite hotels, Boutique hotels, Resort hotels, and All-inclusive hotels.\(^1\) Boutique hotels are distinct, unique small-properties that often accommodate full service. In order to meet changing guest preferences, hoteliers seek innovative alternatives to traditional lodging products. Identifying specific target groups in accordance with specific hotel features is necessary to hoteliers so that they can confirm their market position. Bringing in museum quality art to the intimate environments offered by hotels will give rise to a new hotel-as-gallery phenomenon. As the hotel industry utilizes the arts as a marketing tool, the face of art will change as well. Art can benefit hotels, as hotels can benefit art.

1-2. Hotel-as-gallery Phenomenon

Relatively new to the industry, art hotels provide the same facilities as traditional accommodations. However, they also focus on delivering a new aesthetic experience with art displays and exhibitions. In addition, they employ art as a key marketing strategy. Marketing in the arts sector has evolved from a functional, as necessary philosophy to a more business driven model. In addition, the demand for such

\(^1\) Tourism Management: An Introduction By Clare Inkson, Lynn Minnaert, 102p
venues is growing. People are more educated, travel more frequently, and show a wider interest in history and culture. Consequently, consumers expect higher quality and value for their money. Hotels often host art exhibitions of temporary or permanent collections, normally in the lobby or a designated area. The guests of an art hotel can enjoy their stay surrounded by art and attend art events and shows without leaving the hotel building. This investigation will 1) clarify the definition of art hotels; 2) analyze the conjugation of art and the hotel business; 3) define a trend of art hotels in New York through case studies. These results are useful in predicting market trends as well as in ascertaining customer needs.

2. Arts in the Hotel Industry

2-1. Arts Marketing/ Arts Branding

Art marketing is a type of cultural marketing that makes use of exhibitions, performances, and other art activities. By using emotional cues relevant to specific consumers, this strategy is a powerful and effective tool. In addition, art marketing is competitive with other forms of outreach. It layers artistic value, especially elements of fine art, and cultivates art codes. Art marketing differentiates itself from other forms of marketing via delivering a luxurious and unique feeling to consumers. In addition, today’s art marketing concept can be explained in a wide range of business and cultural contexts. For example, it can include using art to increase corporate profits and funding the production stage (fabrication) beyond the initial stage of sponsorship.

Brand management through art marketing is expected to continue intensifying in the future. The world of art captivates the public. By blending artistic sensitivity into the product (which produces more profit via satisfying consumer’s aesthetic demand), art marketing is considered to be one of the most successful marketing strategies. Even well-known corporations with an already strong brand presence, pursue art collaborations in order to create higher brand value and recognition. While art encompasses a wide variety of fields, such as fine art, fashion, music, and literature, the connection between brand and the fine arts is most effective.

The relationship between arts marketing and hotel performance is closely linked to the discussion on the strategic role of marketing within boutique hotels. Art marketing started with a passive attitude for the purpose of practicing social contribution through culture and art sponsorship. In recent years, art marketing has transformed into an active marketing strategy that aims to improve quality of life by using art as a medium, while enhancing the brand image of corporations. Three types of art marketing reflect attributes
of art in hotels.

2-2. Types and Effects of Art Marketing Strategies

i. Place Marketing: Creating a space of cultural experience with a specific art theme. Public places and guest rooms are not just space for consumption and relaxation, but rather are complex art spaces where aesthetic experiences can happen. Hotels can also build infrastructure such as art galleries or libraries to enhance their brand.

ii. External Customer Management Area: Hotels induce active consumer participation in the arts. As the arts are becoming more publicly accessible, customers’ high standard of aesthetics can be utilized in new products and customized into the development of new ones. Given the competitive nature of our economy and abundance of options, expectations of better value for money is higher than ever. Utilizing the current digital environment and social media outlets, operating ‘interactive website for art’ is a successful channel to meet these growing customer interests in artistic trends.

iii. Brand Marketing Area (reputation): Art marketing can enhance a hotel’s image by supporting and collecting art (authentic sponsorship of art). In recent years, enthusiastic patronage of the arts has evolved beyond simple donations to partnerships in which corporations and the arts grow together. It provides an opportunity for culturally marginalized residents (neighborhoods) to enjoy art.

Universal marketing is an activity that a company carries out for the purpose of profit seeking; art marketing employs art as the high-sensitive marketing strategy that enhances the image and awareness of business. Products containing art sensibility obtain a competitive edge in all areas of marketing as well as serve various emotional ‘needs’ of consumers. The artistic function of fine art can be regarded as storytelling, records, and portraits, stimulation of the imagination, fun ritual, and decoration. Arts create two major values in the hotel industry: delivering artistic experience to customers and ongoing advancement of culture in society.

As a result, Experience in art marketing requires a new kind of business model or Boutique hotel in hospitality. The definition of Experience is dependent on ‘unique’ encounters for each guest, as it is influenced by customer’s satisfaction. Despite the intangibility of the guest experience, design of this
experience is based on tangible items: room décor, food and beverage quality, and facilities.

3. Boutique Hotel / Design Hotel

3-1. Boutique Hotel Trend

Due to economies of scale, large hotels are not in direct competition with small boutique hotels. Industry leading hotel chains have also captured the niche market of boutique hotels; they have created their own boutique chains via acquisition of existing boutique hotels. The benefits of chain hotels are standardized management utilizing existing management infrastructures, and less financial risk due to brand awareness. Generally, customers seek comfort in familiar brands when visiting unfamiliar destinations. These hotels further differentiate themselves by collaborating with renowned fashion houses and designer brands.

For example, Starwood Capital Group, one of the world’s largest hotel companies, established chain of hotels under the name of Baccarat crystal brand. Baccarat Hotel & Residences in New York allows guests to glimpse into its 252 years of crystal manufacturer history. Paris-based design duo Gilles & Boissier lavished its interior with Baccarat crystal. Parisian art connoisseurs Stephanie and Frédéric Chambre spent eighteen months in Paris auction houses seeking extraordinary collections to be exhibited at Baccarat New York. These collections included original arts and furniture from renowned artists Francois Houtin and Armand Jonckers.

General hotel revenue has been falling, according to data tracker STR Inc.\textsuperscript{2} New York City revenue per available room fell 3.1% compared to the previous year, leaving its RevPar for 2015 down 1.5% from 2014. However, research firm IBISWorld estimates that the boutique hotel industry, comprising about five percent of the market, has grown 6.1 percent per year since 2009. It expects continued positive growth through 2019.\textsuperscript{3} This growth has corresponded with a shift in consumer attitudes towards hotels. Hotels must have something more than just “comfort and convenience”. Due to busy and stressful lifestyles, leisure time is so precious to people. Travelers consequently have very high expectations. They expect great experiences in all facets of their travel, especially a high value in hotels.

\textsuperscript{2} HNN Newswire, STR: US hotel performance for Q2 2016
\textsuperscript{3} Ismat Sarah Mangla, Major Hotel Brands Compete For Space In The Boutique Hotel Trend, Accessed October 29, 2016. \url{http://www.ibtimes.com/major-hotel-brands-compete-space-boutique-hotel-trend-1793168#}. 
In addition, through the use of social media such as Instagram, Facebook, Twitter, and AirBnB, the millennial generation has impacted this growing trend of boutique hotel. The spread of information has never been faster. The Internet has made trips easier. Accurate information and reviews of accommodations world-wide are very accessible. Millennials and millennial-minded travelers seek unique and unforgettable experiences regarding all parts of their trip, especially accommodations.

The definition of *Boutique Hotels* is elusive, especially as the line between small hotels and large-chain offshoots has become blurry. As *Boutique hotels* have evolved from serving a small, niche market into recognizable brands, a standardized definition of ‘what is boutique hotel (art hotel)?’ becomes even more necessary.

3-2. Definition of Boutique hotel

The term *Boutique hotel* was initially used in the United States and United Kingdom to describe hotels which had 10 to 100 rooms. They were small scale accommodations in unique settings with high quality facilities and service. These hotels began appearing in the 1980s in major cities such as London, New York, and San Francisco. Established in 1981, both the Clarion Bedford Hotel in San Francisco and Blake’s London are recognized as two of the earliest boutique hotels in the world. Boutique hotel designs are unique, iconic, memorable, and sometimes eccentric. Boutique hotels tend to place a significant focus on creating extraordinary restaurants and bars. These establishments often earn a reputation for the hotel. Displaying high quality artwork can be understood in a similar context. Bill Kimpton also pioneered the term boutique hotel with his vision is to create hotels where he would want to stay. People were generally anxious and lonely on the road. The intimate and comfortable spaces in his hotels would support people, helping them feel less lonely while being away from home.

The term *Boutique Hotel* was coined by Steve Rubell in 1984 when he compared the Morgan’s Hotel to the first hotel that he and Ian Schrager opened. Schrager pioneered the combination of hotel and design to create a completely different hotel experience. He stated that “Boutique has nothing to do with size”. Boutique hotels must have a strong focus on attitude, product distinction, and desire to create an

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5 Ting, Deanna. Hotel Pioneer Ian Schrager i=on Airbnb, Donald Trump and the True Definition of
elevated experience. ‘Boutique’ is not solely about design however. It embodies style, distinction, warmth, and intimacy. It’s about manifesting the innate philosophy of each hotel via its different services and facilities. A great boutique hotel starts with simplicity and has good taste. They are characterized by their intimate atmosphere and idiosyncratic style, offering personalized attention and styled accommodations which play on a motif. However, boutique hotels are starting to fall into the same trap of standardization that plagues the industry as the market grows. Replicating the same experience in multiple hotels eliminates the individuality that these hotels originally stood for.

3-3. Lifestyle Hotel Trend

According to the Boutique & Lifestyle Lodging Association (BLLA), Lifestyle hotels are driven by principles such as small, intimate, and modern. They tend to have contemporary design features and are considered as a subcategory of a boutique hotel. Lifestyle hotels are generally more affordable and accessible than boutiques. These properties combine living elements with a functional design that gives guests the opportunity to explore whatever experience they desire. Given this explanation, lifestyle hotels can be thought as ‘franchised boutique hotels.’ According to a Delphi study, boutique hotels are best characterized as small, stylish hotels that offer high quality service. In other words, lifestyle hotels are described as innovative. They provide more personalized service than larger hotel brands, so-called ‘branded’ hotels. Lifestyle reflects individual value and unique feelings, often described as charming, distinctive, quirky, cutting-edge, avant-garde, trendy, funky or classic.

Major hotel groups currently vie for a top space in this boutique hotel trend. Marriott has Edition Hotels, Hyatt has Andaz, and Starwood has Element and Aloft. There are differences between boutique and lifestyle hotels. For example, in 2010 the Hyatt brand opened Andaz 5th Avenue, housed in a 1916 limestone and brick building. Andaz reflects the unique personality of each locale, and is dedicated to creating inspiring and vibrant living spaces where travelers can indulge their own personal sense of comfort and style with attentive and unscripted service. Andaz aims to maintain the feel of an independent, non-chainlike atmosphere. They offer locally oriented programs such as in-house tattoo and graffiti artists. Every Andaz offers a Salon series: a regular series of events and discussion held under the guidance of an event host.

Despite the similarities between boutique and lifestyle hotels, boutique hotels offer more unique experiences and provide high quality in-room features. Lifestyle hotels focus on wellness and life-enrichment. They are not as cultural or authentic as boutique hotels.

4. Case Study

4-1. The Peninsula New York

The Peninsula is a luxury hotel located on one of New York’s most iconic streets, Fifth Avenue and 55th Street. The hotel was initially constructed in 1905 as the Gotham Hotel in an Italian Renaissance style. Its current owner is the Peninsula Group of hotels (the Hong Kong and Shanghai Hotels Ltd) and almost every part of the hotel is new, except the heavily figured lobby ceiling and rear fire stairs. The hotel was bought in 1988 for a price of $127 million and went through $45 million worth of refurbishment. While maintaining Parisian ambience, a curated installation of artwork adorns the hotel’s lobby and Gotham lounge. Circa 1881 curates the artwork in this hotel. Circa 1881 produces art exhibitions and programs for non-profit and private customers. This company was founded by an art collector, Alvaro Leal. Artworks are rented from its ‘Lending Library’ which is comprised of all media works from various private collection. This inventory is available for loan to any institutions, companies and specific projects.

The Peninsula New York features renowned contemporary artists. The 2016 collection marks the seventh collaborative exhibition with Circa 1881. Each artwork on display is accompanied by a label with a unique QR code linking to the peninsula.com website where more in-depth information on the artwork is available.

[Figure 1] Display of Shahzia Sikander’s work (Plush Bush, 2003, Gouache and ink on clay coated paper)
[Figure 2] QR code from Circa 1881

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![Figure 3] Display of lower lobby
[Figure 4] Display of Salong de ning entrance

![Figure 5] Display of Andy Warhol’s work (Untitled(Hairdryer), 1976-86, Gelatin silver print, 4 prints stitched together)
[Figure 6] Display of bar entrance

The New York EDITION is exhibiting over 400 photographs in *The Clocktower* restaurant. These works come from the Trunk Archive. Images are created by photographers whose works can be seen in the best galleries and museums as well as in top international fashion magazines. The Trunk Archive collaborated with the Ian Schrager Company to curate the photography collection at the Edition hotel in New York. Suites feature photography from Melvin Sokolsky’s iconic *Bubble* series (1963) shot in Paris for Harper’s Bazaar. It creates an emotional story that can experienced in different ways throughout the hotel.

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Circa 1881 offers new ways of experiencing art in public spaces. Partnership’s, like the one between Peninsula hotel and Circa 1881, are becoming the standard in the hotel industry. For instance, The Park Hyatt New York also places its art display in the hands of Art & Advisory LLC. This hotel is curated by Erica Samuels. Their collections include well-known artists such as Ellsworth Kelly, Sol LeWitt and Richard Serra. Her collection consists of over 350 pieces, ten of them specifically commissioned for the hotel. The interior is designed by Yabu Pushelberg, a New York and Toronto-based design firm. Works are displayed on the second floor meeting room and stairway. Guest rooms show prints by James Nared and third floor sitting rooms exhibit Christian Marclay’s watercolor work. Park Hyatt hotels also publish a contemporary art magazine ‘Artphaire.’ Launched in 2013, it provides original perspectives from the world’s leading artists, collectors, and museums. Art has become the essential element for hotel interiors and marketing. Artphaire, a digital publication, shares insights of the art world’s most forward thinking visionaries, collectors, and museums. As a result, the Park Hyatt New York sets itself apart from other hotels with its attention to extraordinary contemporary art.

In 2015, The Peninsula New York installed a largescale, site-specific light sculpture by artist Grimanesa Amoros on the front façade of the hotel. This LED light work Pink Lotus activates the entrance and drew attention with its various shades of red, white, and pink lights. This was part of an overall campaign to blend art and philanthropy together. As a part of “The Art of Pink” campaign, hotels use art in order to provide support to national charities.

[Figure 7] Grimanesa Amoros, Pink Lotus, 2015, Site-specific installation

4-2. Gramercy Park Hotel

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Gramercy Park Hotel is different from other hotels due to its appreciation for the arts and its eclectic décor. Located at 2 Lexington Avenue, at the corner of Gramercy Park North, each of the 185 guestrooms is furnished with a mix of flea market finds and custom-made furniture. The hotel was built in two stages – the first completed in 1925 by architect Robert T. Lyons and the second in 1930 by architects Thompson & Churchill. Not only did Joseph Kennedy and his family live in the hotel, but also the armory show started in 1994 as the Gramercy International Art Fair. It was held in the rooms of the Gramercy Hotel by New York art dealers Paul Morris, Pat Hearn, Collin De Land, and Mathew Marks.9

Currently the hotel is owned by the real-estate firm RFR Holding LLC, a real-estate investment company founded by Aby Rosen and Michael Fuchs. Aby J. Rosen’s art collection is one of the most popular, a top attraction for the hotel. Rosen utilized the artwork for enhancing the value of his real estate brand. He mentioned that “Collecting has a purpose far greater than that of a massing assets”. Gaining access to the exclusive Gramercy Park is one of the main reasons why this boutique hotel is unique. Julian Schnabel renovated and designed the interiors in 2006 with developer Ian Schrager on a budget of $200 million. The concept was Renaissance-revival, incorporating the vivid colors of the era. Schrager wanted to capture the kind of spontaneity and creativity that exists in an artist’s studio or an artist’s home rather than instead of a gallery or museum.

Julian Schnabel is the painter, sculptor, director of films, and creator of music for the hotel. His first Schrager project was the renovation of the Gramercy Park Hotel in 2006. Previous, he had only completed small interior projects for friends, and projects for his own houses in Greenwich Village and Montauk. He successfully served Schrager’s need of the new moment look through Gramercy Park Hotel. He said “I’m not a designer, but I’ve always built things.”10 The custom Schnabel-designed Aubusson rug that underpins the entire lobby and high, curving shelves are placed at the back of the main bar called Jade bar. The door handles, curtain rods, finials, bronze tables, and chairs are made by Schnabel himself. Over-scale furniture, bronze fittings, lush carpets, and red silk velvet are perfect settings for the monumentally scaled artworks.

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The logo, GPH, is designed by Schnabel as well. Both have obvious inspiration from the style established in the public areas. Schnabel said “The more specific the better. The more personal it is, the more human it feels.”

Through the revolving glass doors, people immediately notice the high ceilings, wooden beams and rich, bold colors of red velvet found throughout the lobby. Gramercy Park Hotel offers Museum-quality Art in an intimate environment. The works on display are constantly and regularly changed. Artworks are displayed throughout the lobby, bars, event spaces and guest rooms. There is Fernando Botero’s Celestina, 2006 above the fireplace and Dan Colen’s to be titled, 2011 is hanging on the right side of wall in the lobby. The golden jubilee series (2008) by Damien Hirst is located near the reception desk. The other work of Hirst, posterity-the holy place, 2006, is displayed at the entrance of the restaurant. The rose bar is full of art works such as Isoxazole, 2010, Xanthopterin, 2009, le caprice, 1998, Love In, 2008, Stearic Anhydride, 2007, Cholesteryl Palmitoleate, 2007, Cytosine-5-H, 2007, Behenoyl Chloride, 2006. The artwork list is specified in the last page of the bar menu. Top of the Hotel is the rooftop garden which leads to the outdoor dining and entertainment spaces. There are oeuvres of Andy Warhol, Enoc Perez, Michael Scoggins, and Richard Prince. The drawing room is illuminated by approximately 4,000 light bulbs. Gramercyparkhotel.com describes more in detail the collection with images. Therefore, guests can search for information and find out more about the artwork. Artwork is rotated every few months.

Figure 9] Display of Fernando Botero’s Celestina and Dan Colen’s To be titled

Figure 10] Damien Hirst, Golden jublee series, 2008

Figure 11] Damien Hirst, Posterity, The Holy Place, 2006, Butterflies and gloss household paint on canvas

Figure 12] Rose bar display, Damien Hirst

Figure 13] Rose bar display, Damien Hirst

Figure 14] Bar menu, list of the artworks

Figure 15] Display of Gramercy terrace, artwork of Enoc perez

Figure 16] Display of Drawing room, Julian schnabel’s Light Bulb Ceiling Insallation

Aby Rosen’s collection
While most developers keep their relationship with art under wraps, Aby Rosen takes the opposite approach with his massive collection of contemporary art. He is a prolific collector who owns more than 900 pieces of art, including 100 pieces by Warhol. He loves photography and American art from the 1950s, 1960s and 1970s. Rosen’s art collection has steadily grown over the past 15 years. It includes works by Jean-Michael Basquiat, Andy Warhol, Jeff Koons, Damien Hirst and Alexander Calder. It is worth well over $500 million. Rosen is a model citizen in the art community, as a chairman of the New York State Council on the Arts and co-founder, with art dealer Alberti Mugrabi, of the Lever House Art Collection. In addition, publicly sharing his photographs of art shows and galleries raises public awareness about global art exhibitions. Rosen is known for his discerning eye for art and design; his spectacular art collection can be found on display at his hotel properties, which include the Gramercy Park Hotel, the Paramount Hotel, and the newly opened 11 Howard in SoHo. His success had changed over the last 28 years in this industry. He knew that adding color, a design, great architecture, some landscaping, and even selection of flowers impressed people who visit his hotels. Since the boutique hotel industry became more competitive, growing attention to more differentiated products offering in the lodging sector was inevitable. Rosen considered the fashion, art, and luxury.

Ian Schrager

Since the 70’s, Ian Schrager has achieved international recognition for concepts that have revolutionized the entertainment, hospitality, retail, and residential industries. His passionate commitment to the modern lifestyle has been expressed through a series of pioneering concepts and the creation of numerous original innovations in the industries he has been involved. In the 1980’s, Schrager and his business partner Steve Rubell turned their attention towards hotels. Their first hotel, Morgans, opened in 1984. This was the introduction of the boutique-lifestyle hotel to the world. Following the success of Morgans, they opened Royalton hotel and Paramount hotel, both designed by Philippe Stark. With these properties, Schrager introduced “lobby socializing,” whereby the hotel lobby became a new kind of gathering place for hotel guests and “cheap chic,” where affordable luxury was offered in a stylish

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environment. In addition, he thought that there’s something wrong with globalization and branding that created. He used the ‘art hotel,’’ which created the recent boutique hotel trend with intention of differentiating his hotel from other hotels with no specified character.

4-3. 11 Howard

11 Howard tires ‘conscious hospitality’ that approaches each aspect of the hotel from design to modern service with thoughtful consideration. This upscale 211-room hotel in Soho was opened by RFR. It was sold to German asset manager Commerz Real for $170 million. It has works of art hidden everywhere. Anda Andrei is creative director who has worked with Ian Schrager and Philippe Stark. Space Copenhagen is Danish interior design firm, known for using natural materials and subdued colors. The property is an art spectacle in itself due to collaborations with standout contemporary artists. Art pieces are from Aby Rosen’s personal art collection. Custom artwork was handpicked by Rosen and Andrei for guest rooms and suites.

Arts in 11 Howard

11 Howard features soaring ceilings with Alexander Calder mobile from 1976 in the lobby. Hotel collaborates with Oliver Gustav Studio that acts as a showroom and boutique. Their reinvented social spaces called ‘The Library’ shows Hiroshi Sugimoto’s photography. When you passed this multifunctional space, there is an event space (creative studio). Holly Fowler, painter and fashion designer, put two silk murals and displayed her sketches on the shelves. The Blond is a bar and lounge and the entrance with spiral staircase exhibits Dan Attoe’s work complicated animals, made with neon light and animation. Rick Owens and Vincenzo De Cotiis produced the armchairs inside. There are many photos, several of which are provocative photos created by Araki Nobuyoshi. 14 pieces of bronze animal masks are made by Charming Baker. The rooms are occupied with Katie Yang’s ceramic wall sculptures and each one installed differently by artist. Rosen curated works for every nook both emerging and renowned artists and also created 150 foot-by-50-foot mural (The Spirit of SoHo, 2016) on the building’s southern wall. The site-specific mural was created under a partnership between a group of young artists from New York

based public arts organization Groundswell and the artist Jeff Koons. The mural depicts a diverse array of symbolic references from images of Little Italy to Jean-Michel Basquiat. As a result, the design of mural shows the history and culture of SoHo. It encourages the pedestrians to stroll and wander side streets to find new wonders or uncover relics of bygone days. They can feel the history and culture of SoHo. Moreover, they can enjoy the spirit of metropolitan. The collaboration of Jeff Koons and community organization Groundswell has significance for New York City, as the mural developed a visual language from telling the story of SoHo. Its visual images are female figure, pasta, industrial worker, and little crown. A crown paying homage to Basquiat, who was part of the artistic movement that made SoHo famous in the 1980s.

[Figure 17] Lobby display, Alexander Calder
[Figure 18] Lounge ‘The Library’ display, Photograph by Hiroshi Sugimoto

[Figure 19] ‘Creative Studio’ display, Holly Fowler’s mural and sketches

[Figure 20] Dan Attoe, complicated Animals, 2008, Mixed media sculpture – neon light, animation, wires, transformer Approx.
Groundswell, founded in 1996, is a non-profit that focuses on giving disadvantaged youth opportunities to create community-based art projects around the city. Groundswell believes that collaborative art making can produce powerful outcomes in local area and neighborhood. Nearly 500 murals have been completed until now. Their projects beautify surrounding environment, engage youth in societal and personal transformation, and give public dialogue.

In the same manner, the James Hotel SoHo also creates an original public mural in collaboration with artist Paul Wackers. They worked in partnership with Grey Area, a company seeking to push the limits of creative engagement and encourage art through collaboration, installation, and programing. Grey Area commissioned mural to Brooklyn-based artist at the hotel’s 6th Avenue façade entitled “Slow Dance and the Daylight”. The mural depicts the passage of time with vivid colored still life, objects, abstract geometric shapes, and lines. Hotel’s new public art installation engages visitors and locals by establishing a sense of familiarity in an impersonal city.
### 4-4. Compare and Contrast

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Location</th>
<th>Scale</th>
<th>Art and display</th>
<th>Design concepts</th>
<th>Example</th>
<th>Feature</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Peninsula New York</td>
<td>700 5th Ave, New York, NY 10019</td>
<td>Floor count: 23 Number of Rooms: 241</td>
<td>Circa 1881</td>
<td>Luxury, Reflects a modern design reminiscent of a New York apartment</td>
<td>Baccarat Hotel &amp; Residences New York</td>
<td>28 W 53rd St, New York, NY 10019 Ultimate luxury hotel</td>
</tr>
<tr>
<td>Park Hyatt New York</td>
<td>153 W 57th St, New York, NY 10019</td>
<td>- Display: Art &amp; Advisory LLC</td>
<td></td>
<td></td>
<td>128 W 57th St, New York, NY 10019 Luxury and sophistication</td>
<td></td>
</tr>
<tr>
<td>Andaz 5th Avenue</td>
<td>485 5th Ave, New York, NY 10017</td>
<td>A real-life work of art Collection from Aby Rosen</td>
<td></td>
<td>Boutique, Exquisite, Elegant, Renaissance revival style</td>
<td>Julian Schnabel</td>
<td>The New York EDITION 5 Madison Ave, New York, NY 10010 Boutique lifestyle hotel by Marriott, contemporary</td>
</tr>
<tr>
<td>Gramercy Park Hotel</td>
<td>2 Lexington Ave, New York, NY 10010</td>
<td>Floor count: 18 Number of Rooms: 190</td>
<td></td>
<td>Classic feel with Scandinavian design tradition, Natural materials</td>
<td>Ian Schrager</td>
<td>27 Grand St, New York, NY 10013 Boutique hotel, modern</td>
</tr>
<tr>
<td>11 Howard</td>
<td>11 Howard St, New York, NY 10013</td>
<td>Floor count: 12 Number of Rooms: 221</td>
<td>Collection from Aby Rosen &amp; Public art by Groundswell</td>
<td>Classic feel with Scandinavian design tradition, Natural materials</td>
<td>The James New York</td>
<td></td>
</tr>
</tbody>
</table>

[Table 1] Hotel list of case studies

5. Business Analysis

5-1. Target Market: Millennials, older/affluent, FIT(Fully Independent traveler), Yuppie (Young Urban Professional), Arts consumers
The global hotel industry would be hard pressed to ignore the millennial generation who coexist in an online world of social media and transparent digital reputations. Millennial travelers – those born roughly between 1980 and 2000 – and older affluent travelers are the primary target of today’s boutique hotel developers. Millennials are the biggest generational group since the Baby Boomers (people born between 1946 and 964), representing 25.47 per cent of the world’s total population. Already outnumbering baby boomers, Millennials represent 1.8 out of 7 billion people worldwide.14

America’s affluent are households with an annual income of at least $100,000 according to an Ipsos study. Millennials comprise a 22% share of affluent; roughly two-thirds of affluent Millennials qualify on the basis of their parents’ income rather than own. The most highly represented generation is Boomers, who represent 38% of the affluent population.15

Free Independent Traveler (FIT) are people who travel on their own without the assistance of a group tour or pre-arranged schedule. It covers a variety demographic and psychographic groups. FITs have been part of the tourism marketplace prior to the adaptation of the interactive tourism service.

Yuppie (Young Urban Professional) is a term that was introduced in the early 1980s and is defined by the Oxford English Dictionary as an individual who is a “member of socio-economic group comprising young professional people working in cities.” They often earn good wages, enjoying the cultural attractions of sophisticated urban life. These people are associated with cultural hub, hip fashion, and cool appearance.

Framing arts engagement as ‘consumption’ is only acceptable in the popular and creative industry sectors. In this perspective, the arts can be consumed instrumentally by the arts consumer. In response to a dynamic cultural and technological environment, art is consumed in increasingly diverse and sometimes even contentious ways for a variety of reasons. There are staggering variety of consumers, consumption practices, and experiences in the arts. Art consumers depend on their prevailing mood, previous experience, and personal circumstance. Not only are the arts functional, but also aesthetic, experiential, and social. Therefore, consumption practices reflect much broader experiential and communicative values. These are


the reasons adopting ‘experientialism’ is a better approach in understanding arts consumption in a dynamic, socio-cultural environment. Arts consumers are specifically people who are engaging in the arts either on their own or as part of a group. They use arts to satisfy their own needs and wants.

5-2. Hotel emphasizes on Experience

Guest Experience (Gx) is the guest perception of the business after considering all of interactions with that business. Guest experience in any hospitality business is their accommodation and service. It is a social experience. In today’s climate, hotels need to deliver more than just the basics of a comfortable bed and clean accommodations. Guest experience is a multi-faceted effort and fundamentally about the human experience. The goods and services offered must bring happiness, comfort, relief, etc.

Artwork is part of the hotel experience. As the demand for experience-based lodging has increased, hotels begin to focus on developing unique atmospheres that comprise of art and architecture as these elements draw greater demand. New concepts of hotel invite guests to spend more time congregating in revenue-generating areas such as in lounges and bars, in turn maximizing revenue per occupied room spent. Guests mingle in lobbies equipped with niche industries like arts, fashion, and culinary. Therefore, hotels emphasize design as a component of hotel’s experience keeping pace with art and art collection. Travelers seek experiential products that reflect their personal values.

Arts is often distinguished from design by the concepts of autonomy and aura. Yet in our contemporary economy, such a distinction between art and design is hard to maintain. The aesthetic collusion of ‘art’ and ‘design’ is the critical artistic practices in commercially conceptualized cultural landscape. Hotel’s art interacts with field of commercial design in some ways rather than the traditional sphere of artistic practice. The distinction of art and design is not as significant in the context of hotel industry because it can be a part of synthetic art.

Particular artistic interactions with design reactivates the critical practice of art in more direct engagement with capital. Capitalism uses the conceptual processes of both art and design to create most effective products. Increasing overlap of art and design has provoked serious concern from art critics who fear that it signals the demise of critical space. At the same time, an increasing number of hotels are using the intersection of art and design as a site for experimentation, exploring how the interchange might provide a cultural experience. Guests crave to get something extra out of their travel experiences, gastronomy, entertainment, outdoor activities, and culture. In this respect, art and design would be taken into
consideration when a hotel is being rated.

6. Conclusion

6-1. Art hotel

The city’s hotel revenue is steadily falling. Thousands of new hotel rooms have a slowdown in demand from foreign travelers due to the burgeoning competition from home-sharing companies like Airbnb. Thus, hoteliers are sharpening their focus and providing unique experiences to targeted groups of hotel guests through the arts. Additionally, hotels that can compete with Airbnb trend when they have an elevated experience compared to those in the home-share market.

Companies established brand-centric marketing strategy as changes of time and this change of social and cultural environment led to demand of art marketing. As the brand paradigm has changed to emotional differentiation, culture is not limited only to merchant activities for enhancing corporate image and has expanded to brand development. In other words, the marketing strategies that focus on functions and service are beginning to change to cultural added value. Therefore, hotels pay more attention to art as a method to get closer to customers and use art as their marketing strategies. Art marketing and art branding are to improve competitiveness of business by combining art with marketing.

The upcoming generation is requesting a uniqueness in product offering. They are yearning for a sense of inspiration and they have revealed special affinity for music, film, fashion, theater, and other forms of art. By creating a pulsating and design-driven culture, hotels induce an air of creativity and adhere to the expectations of new emerging segment.

Airbnb business is not a threat to the hotel industry as the target markets are mutually exclusive. However, Airbnb has a bigger market share of Millennials. Therefore, the next generation of travel will represent the main customer base of hotel industry in the near future. Hoteliers need to concentrate on addressing this group’s traveling essentials, by evolving and adapting their hotels to maintain the pace with the new millennial trends arising on the demand side of hospitality sector. Millennials tend to share unique, pleasurable moments of their daily routine through the social media. Their patterns of behavior give others the perception they are open to different experiences. They expect and seek for recognition from friends and followers through obtaining “likes” on their Instagram or Facebook. Millennials are spontaneous decision makers and curious explorers.

Boutique hotel is a new concept of hotel that can be characterized by creative spaces and
differentiated services. Boutique hotels reflect lifestyle trends and integrate art. Boutique trends are inevitable in implementing needs of consumers, which are complex and diverse. Therefore, art works in hotels not only contribute to creating an unusual experience and differentiated design and special lifestyle, but also can develop bonds of sympathy between guests. The demand of the times of art marketing gave rise to boutique and lifestyle hotel trend. Art hotels are an important issue that cannot be ignored in the emerging hotel trends.

6-2. Trends of art hotels

There are three trends of art hotels. First, art hotels take count of guest experience and integrity. Boutique hotel guests are looking for something different from others in the general hospitality sectors. It is essential to give them an experience they crave, focused on design and art (Multi-disciplinary focus). Hotels are complex spaces with the latest technology, offbeat decorative elements, and independent spirits that serve the guest demand. Secondly, art hotels keep their authenticity. Hotels are suited to conversions of historic or interesting buildings. Keeping its original structure and material used can offer authentic status in terms of the built environment. Hotel business encompasses architecture, interiors, product design, and the property becomes an art spectacle in itself. This type of lodging facility gains its uniqueness through aesthetics, atmosphere, and level of personalized services that cannot be found in other chain hotels. The last one is the variety of art hotels. Hotels can capitalize on their independence by providing individually designed guestrooms and public spaces with curated collection of artwork. Both works of art and décor play a major role to represent individuality. A thoughtful setting with high-quality materials, designer furnishings, and eccentric touches are often used to create a memorable visual experience.

These exclusive accommodations have great attention to detail. A true art hotel will take time to
choose the finest artworks, to style its guest rooms individually, to incorporate bespoke furniture and using locally-sourced materials in the interior decoration. Whether they are exclusively modern, historic, or a mix of both, these establishments usually focus on aesthetics and offer an exceptional standard of comfort and service. Alternatively, low-cost boutique chic describe the tech-savvy Millennials who seek unique experiences and want to dive into local culture when traveling.

Art hotels can be synonymous with boutique hotels in some ways. Boutique hotel is a term to describe intimate, usually luxurious or quirky and upscale hotel environments for a very specific clientele. However, the similarity to artistic hotel exists due to the boutique atmosphere created to express unique lifestyle. Art hotels are combination of high-end lodging and a work of art therefore, hotels’ guest gain the exhilarating sense that they are staying in gallery or museum. The experience of special hotels also can be created by having unique design and architecture. Consequently, subtle differences in the modern hotel industry makes it hard to classify and identify hotel’s paradigm based on hotel market segmentation. Obviously, social and cultural changes develop new forms of hospitality industry. To provide unforgettable experiences to targeted groups of hotel guests, boutique hotel, lifestyle hotel, design hotel, and art hotel are the way of pushing the limits of our expectations.

Art hotels are usually located in fashion and media capitals therefore, these properties imply the interpretation of modern city – chic, trendy, hip and cool. Moreover, the high revenue potential is driven via the formation of destination such as design-oriented restaurants and bar outlet that inspired people with artworks as well. Most of them boast Michelin-starred restaurants and exclusive bar with interiors adorned with sumptuous materials, fabulous art, and state of the art technology.

There is a common phrase ‘art for art’s sake’ rendering from the early 19th century’s French slogan, ‘l’art pour l’art’. The future for hotel marketing is art that can be described with ‘art for marketing’s sake’. The success of arts marketing in hotels depends upon its capacity to support and reinforce artistic experiences. To attract more tourists and guests, hotel managers have integrated art to their business, especially high-quality art. This investigation of three hotels in New York identified trends of boutique hotels in which art has been blended into its business. By integrating art elements, boutique hotel business owners and managers have been able to contraflow the negative industry growth in recent years. In conclusion, art hotels are described as personalized, customizes, unique, and individual as well as boutique hotels. The most important features of today’s hotels in trend are cultural, historical, authenticity and are
not part of a chain that provide interesting, unique services. Other important defining descriptors of art hotels include, social space such as living rooms, libraries with many, high quality arts and interior features. They seem to attract a niche of customers (Millennials, older affluent, FIT, Yuppie, Arts Consumer) looking for a special and differentiated property able to fulfill their individual needs. An art hotel has its own unique way of communicating with its target market, break up the monotony, making guest feel special, and surpassing their expectations.
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