

Inventing An Entirely New Way To Stay

The Challenge

It's a good time to be in the hotel business, especially in Asia. Occupancy rates are consistently high and economic development is swelling the demand for hotels of international standards. The big hotels are innovating incrementally around aesthetics, service, and basic features because there is little incentive for larger innovation. While this presents a daunting challenge to potential market entrants who want to play by the rules, it provides a fantastic opportunity for disruptive innovation from a market outsider.

An Asian high-tech firm looking to diversify and expand wanted to explore the possibility of entering the hotel market. The problem: other than frequently having stayed at hotels, as a company they knew next to nothing about hotels other than their extremely high capital expenditure requirements. They asked ?What If! to invent an entirely new business model for a global hotel concept that minimized their required capital expenditure and leveraged their existing technological expertise to compensate for their lack of hotel industry experience.

The Process

Defining A Target

Because of the extremely broad scope of this project, the first task was to identify which segment(s) of the hotel market were ripest for innovation. Extensive research revealed that while hotels were doing a good job of addressing leisure travellers' needs, the rapidly changing and increasingly mobile nature of business had caused the majority of hotels to struggle to keep up with business travellers' needs and requirements. The project's goal became creating "business travel heaven."

Shaping Our Process

In order to confidently create business travel heaven, we approached the problem from two angles: from the consumer's point of view and from an industry/financial standpoint. Working in tandem with a specialized hotel consultancy, we created a parallel project structure that over two months allowed us to develop a concept and a business model side by side.

Uncovering Insights: Be Them, With Them, About Them

During four weeks of intensive research, a joint ?What If! and client team traveled throughout Asia to gather the stories and observations that would fuel our idea generation sessions. We interviewed countless business travellers, we filmed them checking into hotels and followed them to their rooms, we spoke to people with a perspective on business travel including their spouses and their colleagues, hotel staff, airport lounge staff, serviced office managers, limo drivers, and hotel industry insiders. And of course, throughout the process we were also business travellers ourselves.

Revolutionizing Hotels

With the help of hotel experts, we disassembled the contemporary hotel into its component parts and interrogated each, then reassembled them in different configurations, using as stimulus disruptive business models from related industries (car rental, serviced offices, managed apartments, vacation rentals, taxis, and airlines to name a few).

Testing Our Concepts

We showed our concepts to business travellers across Asia who helped us build and refine them and then ran a financial analysis on the resulting ideas to ensure their feasibility.



The Solution

The hotel industry still retains many outdated practices first developed in the nineteenth century when the modern hotel first evolved: liveried bellboys, obsequious service, and an antiquated conception of luxury. Today's mobile business travellers require convenience, speed, connectivity, and much more independence than hotels traditionally provide. More than service, today's business travellers require support.

The Results

Using technology and an innovative business model to manage capital expenditures and simplify operational challenges, we developed two robust and profitable concepts for mobile businesspeople: a practically invisible hotel that is spread out over an entire city and a high-street food and beverage outlet specifically designed to support working and meeting.

"The immersions put everything into context. In India, we were talking to these people who actually ride the crowded commuter train every day, who go to work on that train, and it just made so much difference to actually really feel it by riding it ourselves. It helped us understand these incredibly difficult, complicated categories of decision making. It really made us feel how they do it."

BH, Client

"This is the kind of project we dream about at night—disruptive innovation in an established and conservative market with no burning platform. The challenges were myriad and huge, starting with the intimidatingly high initial capex required just to get into the hotel industry all the way through to the everyday operational and logistical intricacies of running a hotel, much less a whole chain of hotels. The project itself was equally complex, requiring us to constantly juggle consumer insight and concept work and financial feasibility. In this project more than any other I've worked on, it was the interaction between the ?What If! team and the client team that produced results bigger and better than any we could have arrived at independently."

Alex Kauffmann, ?What If!