DESIGN IMPLICATIONS IN CREATING A COMPETITIVE ADVANTAGE FOR HOSPITALITY SMALL BUSINESS

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ABSTRACT. The goal of this paper is to analyze the role of design in creating a new and strong competitive advantage for small businesses. The paper points out the specific features for the hospitality Romanian market and the specific trends in the interior design for this domain of activity. During the last period of time, the growing competition in the hospitality market, determined Romanian small businesses to identify new ways of differentiation in the market. The most dynamic and powerful element is design, unused until now in Romanian market, which can bring for small business a private identity, increasing comfort and services quality aspects for clients and assure the efficiency of the production activities. Furthermore the paper presents each steps which should take place in the process of planning and implementation of remodeling the design elements for two hospitality small businesses and the economic and marketing results from these. In conclusion, the design elements and the process of rethinking the role of design in hospitality domain should be consider as keys drivers for development strong and well defined business in a competitive market.

1. Design, a strategic tool in the hospitality industry

“Design today is a marketing move. A beautiful room means people tell their friends about it”. As the primary source of current and future profits, customer relationships are the most important assets of any firm. The continued satisfaction of these assets determines firm success. Studies show that about 5% improvement in customer retention rates result in a 25 to 100% increase in profits. Knowing this, companies spend a lot of money each year on customer research and marketing, only to see that their customers are satisfied. The key to keeping hotel best clients is to develop a compelling customer experience that keeps them coming back.

Is it possible that hotel design can have an impact on the property’s performance? We consider that it can, based on two important aspects:

- A well-designed hotel is pleasing the guests, thereby creating positive first impressions, a strong direct promotion which have an impact on occupancy through grater lengths of stay and more repeat visits. Higher guests satisfaction can also translate to the ability to charge higher room rates.
- A hotel whose back-of-house is well laid out can produce greater operating efficiencies, thereby reducing staff costs, which in general account for over 50% of hotel’s operating expenses. Also a well-designed environments that are pleasant to work can increase morale and productivity, decrease turnover and recruiting expenses.

Branding may have been a positive force in providing reliable standards and levels of service, but it has done little to encourage innovation in interior design. The brand promise of consistency has often become so rigid that hotel rooms become indistinguishable from one continent to another. But times are changing and customer demand is evolving. While the brand

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promise of standardized quality and service retains its advantage, evidence suggests that customers are tiring of this uniformity. A research conducted by the Summit Hotels consortium and Ouffendell West show that the traveler, particularly the business traveler, is looking for experiences, not similarity. This might not mean the end of branding-lead in design hotel, but it does show that a distinct style should be conscious by the hotel management and apply creating the image of the hotel.

More and more hotels use design and style as a way of differentiating themselves from other proprieties or brands, and as a way of attracting clients. Hotels realized that in a crowded and very competitive marketplace, in order to generate world of mouth advertising, should apply the elements of design in the entire services.

Despite all the recent attention on design-driven proprieties, the fundamentals of hotel design have not altered much. Guest rooms are still grouped together in configurations that allow for easy access and efficiency, while public areas and facilities functions are consolidated below. For most proprieties, guest rooms and associated support spaces such as corridors and elevators make up anywhere from 65 to 90% of the total building area and back-of-the -house functions take between 10 to 15%.

Guest room design still focuses on a few core functions:
- a sleeping zone that also permits television viewing from bed
- a working area that supports laptop use
- a full bathroom
- a dressing area with storage space for folded and hanging clothes.

The guest room must be able to function on a number of levels in addition to providing a comfortable place to sleep. For the business traveler, the room should be able to function as office and meeting space. At then end of the day it should also feel more like an entertainment area than strictly a bedroom.

Because of their importance in influencing the guest’s perception of the hotel, developers bring innovation in the guest room and guest bath. We could identify some trends in the guest room design, determined by texture or technology used for improving satisfaction:
- communications systems will continue to evolve at an incredible rate and hotels must develop a flexible infrastructure based on TV-cable distribution system. High-speed internet access will become a standard amenity
- guest bathroom will increase in size as guests demand more spa-like features including whirlpool bath and multihead shower.
- designers will continue to explore alternatives for creating a styling in the hotel based on the growing role played art objects, artifacts and antiques.
- using artwork designers will create the “feeling of home” for the business travelers or the “element of fantasy” for the leisure travelers.
- as the public continues to show an increased interest in personal health, hotels will offer more facilities for fitness, massage and other health-related activities
- the renovations of hotels will favor environmentally friendly natural materials and building systems.
- the popularity of postmodern architecture has crested and the modern look using more and more elements that recall the past.
- the growing segment of eco-tourism will become an important competition even in the urban areas; these green hotels which utilize environmentally friendly and nontoxic materials and systems aimed at providing guests with healthier environment became in the last years, due to advances technologies, more economically feasible in urban areas.
2. Trends in Romanian hospitality and hotel design for small businesses

The tourism industry in Romania is about 400 million euros in 2004, expected to grow by 4.3% over the next 5 years. Romania offers a wide range of tourism products from cultural visits to key historical sites to beach vacations. Tourism is an attractive sector for development since it can positively affect rural area and related industries and it can improve the country’s image as a whole outside of the country.

The current Romanian tourism market can be divided into six major products: beach resort tourism, cultural tourism, health/spa tourism, adventure/eco tourism, urban tourism and rural tourism. The total number of rooms offered in Romanian lodging industry raised to 170000 in 2004 and is continuing to grow.

Approximately 80% of the more 10147 companies, which are active in the tourism sector are SMEs. These are often found operating tourism agencies, small hotels, restaurant and B&B facilities. SMEs dominate the rural tourism industry which caters to tourists who are interested in spending modest amounts of money to relax in places that are usually uncrowded.

SMEs in the tourism sector come from several sources. Many tend to be companies that were formed by private entrepreneurs with small amounts of capital. Others, especially micro enterprises, are often family owned and operated businesses, such as Bed and Breakfasts. Often the families running these small bed and breakfasts have sources of income in addition to the renting out of rooms. In rural and eco-tourism, almost 100% of the companies are SMEs, mostly start-up companies begun with small amounts of capital or family owned and operated businesses.

Each of the types of SMEs found in this sector share similar weaknesses, but for different reasons. SMEs that were formed through the privatization process may have more disposable capital, but they were often purchased and managed by people who had no experience in the tourism industry. Many of these newly minted tourism managers have experience in other industries and they invested in tourism with the profits gained from other fields. They often lack industry specific knowledge and know-how. Compounding the problem of their own lack of experience in tourism is the fact that upon acquisition of tourist properties, they often replaced the existing staff of those facilities. Often times the reason for the firing was that the new owners believed that the current staff was dishonest and lacked market orientation. The replaced the staff with people who were generally less experienced and who had little or no background in tourism. Quality and customer service are the area where the lack of experiences most obvious.

SMEs formed as start-up companies may be run by people with some experience in tourism but they also tend to lack experience, especially in providing the level of customer service that is demanded by foreign tourists. Often, managers of these SMEs have experience in providing and managing lower quality accommodations, rather than the high end accommodations most attractive to the foreign tourist market.

While quality and customer service are key for SMEs in the sector, other more systematic problems are also visible. For example SMEs in the tourism sector generally lack long-term marketing strategies and have not been successful in coordinating their efforts to attract tourism. Marketing strategies for these SMEs amount to short term efforts which tend to be sporadic. They lack sophistication needed to entice foreign visitors in an increasingly competitive market. Tourism SMEs have failed to differentiate their products and thus, the consumer is likely to view some B&B as just like another, or as a commodity.
They have tended to segment the market for tourists only based on target clients’ income levels rather than by appealing to other drivers of tourism purchasing such as location, customer service, nearby attractions etc. Tourism SMEs also have failed to coordinate their efforts to attract foreign tourists. A coordinated effort will be needed to raise awareness about towns and regions which are unknown to tourists who live outside of Romania.

Because the agritourism and rural tourism is considered the most dynamic and plenty of opportunities, these weaknesses of the Romanian SMEs, which activate in this sector, could be overtaken through a rational and fundamental definition of their image. This image brings for them a distinguished element, helpful in creating a marketing strategy. Related to this the main part of this image is the building itself and the entire group of design elements used for creating the atmosphere.

Related to this idea following we present an example of implication of design and architecture elements for creating a touristic brand which can attract guests only by itself.

Situated in the Moeciu de sus village, Cheile Gradistei Touristic Complex is a very interesting example of how architecture and interior design could create an identity for a SME activating in a rural touristic area where the entertainment possibilities are less comparing with a ski resort.

The touristic complex is situated at the feet of the mountains, at 7 km from the Bran Castle and is composed from a small hotel and 3 villas all at a comfort of 3 stars. The entire lodging capacity is organized on 50 rooms and 7 suites. The complex Cheile Gradistei is a very interesting place where the location and the services offered here made from it a point of attraction by itself.

The touristic complex is a place as a reference point for the Romanian rural tourism, even if from the architecture, exterior and interior design points of view does not have special elements in order to transform it in a unique place.

The buildings’ architecture for lodging were created probably only to be functional because these do not reflect some construction or decorative elements in order to placed them, as an exterior image, in the geometry of an knowing architectonic style.
The restaurant and the bar where placed in a distinguish building, which is near by to the hotel. This place intended to be a point of attraction by itself and uphold the back off activities of the restaurant in order to be more efficient. The location it is very good in the entire resort, but as visual image it suffered because of a lack of materials and surfaces alternation, which play an important role in creating an ordered and quieting view.

An element that become redundant and tiredness is wood. This element lost the role of ennobling the space or making a warm and comfortable atmosphere, because it was used exceeding almost everywhere and the view became overwhelmed.

The floor's element create an aggressiveness view, due to an unhappiness joint of marble flinders mosaic, characterized by their sharp and biting angles which set themselves against with the roundness of rolling stones used for make different levels and for walls.

But what made special for this restaurant is an artistic mix of 3 elements placed near the main entrance, inside of the restaurant. In the east side of the restaurant, on a wall, there flows a brook which springs from the heart of the mountains. The brook starts from a corner where is placed a small mill world wide unique. We appreciate that the placement of it is very good, because it is in the opposite side of the main entrance in the restaurant and, so it is obvious that will be the fist element that a guest could see.
Beside this amazing element, there is an old traditional oven in order to form a special archaic corner where two seasons’ symbols are joint.

Another artifact with a huge impact placed in the middle of the restaurant is a fountain balance which have also an operational role as table bar where it is deposited glasses and cans.

Regarding the interior view of the building we consider that it is necessary to be used some elements for balancing the image, for example plane concrete surfaces with the role of differedenced the decorative elements.

Even if there are some discrepant aspects of interior and exterior design, the touristic complex Cheile Gradistei remain an important reference point for the rural touristic lodging because here we can identify the focus on visual aspects for create an unique identity.

3. Fundamental steps in projecting an interior design identity for a small property’s

1. Start from sources

Architect Marcel Breuer pointed out that the main visual features people focus on are the landscaping and the building finishes. Between this two elements the landscape is more determined.

Related to the place where will be located the property resulted another issue. If the owner wants to create a modern and commercial capacity the architecture and exterior design should bring this elements to the building and the space created near by. If the purpose is to create something traditional, more closed to the life-style of the region should analyze first the architecture style of the place and integrate this elements in the construction and exterior design of the property.
Two types of exterior design:

In order to exemplify the importance of visual elements in lodging system, we present a case study for a future board and lodging placed in a rural area. The building activities for this capacity started near Arad town, in a hill area on the valley of Mures river.

The future board and lodging will be build on the east slope of the hillock closed to the brook Cladova, which cross the valley. The chosen location gave the advantage of natural lighting from the rise until sunset. In rise side the pick of the opposite hill offered a unique view, regarding the geographical location because is wooded by coniferous trees. So the landscape in generous and offer the opportunity for attracting tourists.

II. Interior design

For small hotels the architecture and interior design have to fit in the landscape and maintain an connection with the features of the environment. For example for tourist the main attraction for choosing a hotel for their holidays is the landscape. Based on this interior design of the hotels should bring the specific elements inside in order to maintain the atmosphere of the place.
1. Defining the design concept
The interior design style that a company could select is directly related to its clients and location. Before the company selects a style should take the time to explore the answers to a few important design questions:
- Who is our clients?
- What type of experience are looking for?
- Are there any interior styles that our customers would take away from?
- What image does our existing business have and is that image one that we want or should rebranding it?
- Where are we located?
- How does our locations relate to our interior design style?

Regarding to our case study we proposed for the new lodging an interesting experience offered its guests. We think this space like a reminding atmosphere of the grand-parents house.

The owner think about this place like a shelter in a mountains specific area for habitants from the zone. In the architecture project of the future capacity was already included some traditional features of the geographical zone. Also it was assigned the materials which will be used in interior and exterior designed. Beside the white masonry it was chosen wood, stone and metal fittings for accessories.

The future board and lodging was developed through the following plan configuration:
- basement designed for the front desk and restaurant
- ground floor will be organized for 2 suites
- 2 floor projected for offering 8 rooms

2. Guest room and suite design
Guest room design entails a series of steps focuses on:
- major target market segments
- typical guest room dimensions
- room mix including number and type of suites
- typical guest room layout
- suite and special room layout
- proposed furniture, fixture and equipment.

The guest room design decision which most influences the room layouts and much of the guest reaction to a hotel is the choice of three critical room dimensions: The inside or net width, the length of the room from the exterior wall to the bathroom wall and the size of the bathroom.

For the lodging analyzed in the case study we projected for the guest suites two different spaces: a living room connected to the bedroom.

The guest rooms are defining through the following functions: sleeping, relaxing, entertaining and dressing.

In furnishing suites we choose old wood furniture with small metal fittings. These are projected for offering comfort, being enriched only with some archaic scratched symbols, from wood civilization. With the continuing increase in construction and furnishing costs, it becomes more important to develop innovative layouts for guest rooms, respectively designs that combine function and comfort within realistic budgets. For this reason we think about using fewer individual pieces of furniture and re projecting the furniture based on the features of Romanian rural houses from the beginning of XX century, carefully used to not overload or overwhelm the space. The main idea is to create the visual effect of high size of guest room and suite, due to a rational used of the space.
The entire interior spaces will be decorated with some traditional objects and motifs.

3. Public space design
   While the hotel guest rooms make up the majority of the floor area in virtually all hotels, it is the public space that defines the differences among the various types. Because the lobby, restaurant, meeting and banquet space and recreation facilities vary so greatly, understanding the distinctions among the different hotel types is crucial to programming and designing a successful project. Whatever the type of hotel, an overall objective for the planning and design of the public areas is that they be clustered around the lobby. This arrangements assures that the hotel guests can find the various facilities with a minimum of difficulty and provides the opportunity for functions to overlap.

   A second major objective in highrise projects is to organize the public areas with an understanding of their location in relation to the guest room structure.
The planning start points for restaurant and bars are a high visibility and efficient operations development. Design objectives follow directly from a clear and well-researched operational and marketing concept. Based on the menu and such operational aspects as the type of service, method of beverage service, check handling and use of entertainment, designers create the desired mood, function, layout, finishes, lighting and furnishings.

**Conclusions**

The architectural aspects of the building, of course, are the best observed and the details of the site and exterior design like: landscaping, the entry drive, the garden and other facilities, contribute to the guests' anticipation of their stay. Unlike most types of buildings, hotels and resorts are designed from the inside out, with a greater emphasis on the interior spaces and how the guests will interact within them.

Today's tourists and travelers are better educated, more selective and more socially responsible. They demand more attention to and sensitivity for, local cultural and environmental circumstances and concerns. Successful hospitality design must have a sense of style and offer a special feeling of the place. Architects and designers often have challenges in creating a meaningful image for the property. We focus on the impact that have this image for a small business, because comparing with the main competitors, it has less possibility for improving their customers oriented activities without a special identification. In order to create and think about the marketing strategies first of all the management team have to know how is different from the others, which atmosphere selling there and what types of actions are related with these types of elements.

In conclusion we consider the design activity and concept as a determined elements for all the other marketing policies.

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