

HYB26

Annual Edition

Converging Forces – The Future is
Hybrid by Design



The Hotel Yearbook

Foresight and innovation in the global hotel industry



HY8



**Forget infinity pools.
Cultural capital is
luxury's real
advantage.**

Cultural capital

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Creative
Supply

Youri Sawerschel, Founder of Creative Supply, warns that luxury hotels are drifting into sameness and that infinity pools, marble lobbies, and "local experiences" are no longer enough to justify a premium. He argues that in an AI-fuelled copy-paste world, the real long-term advantage will come from building cultural capital – a clear cultural point of view, active cultural production, and carefully curated communities – so that luxury brands become genuine cultural forces, not just nice places to sleep.

A couple of weeks ago, I spoke with a group of young Saudis working in tourism development. I asked them about luxury hotel brands, which ones they liked and why. Their answer was straightforward: most luxury hotels "feel the same" and "aren't exciting anymore."

While innocent in nature, their response was actually putting the finger on a critical challenge increasingly facing luxury hotel brands: brand homogenisation.

Over the past twenty years or so, luxury hotels have perfected the luxury hotel brand playbook. On the product side, marble lobbies, celebrity chef Michelin restaurants and infinity pools are the norm. Luxury interior design has become a global affair; a lobby in Shenzhen can look almost the same as one in Chicago. On the service side, service quality has become standardised thanks to (or because of) quality frameworks like LQA. Brand stories all sound similar, promising to "reflect the essence of a destination through curated experiences, great design and personalised service." Soft brands have multiplied, all expecting their affiliated hotels to offer signature experiences that promise to "surprise and delight."

The formula has worked remarkably well. The luxury segment is still expanding, with brands such as Aman and Four Seasons announcing new resorts, yachts and even private jet itineraries. Yet with thousands of new luxury properties entering the market, the performance gap between top- and bottom-performing luxury brands has widened from 5 to nearly 7 percentage points over the past decade, according to CBRE.

Fast forward a decade, and the world will have thousands of new luxury hotels that offer facsimile experiences. Guests, more sophisticated and knowledgeable than today, will ask: why should I pay a premium to stay at this hotel compared to another? Or simply: is this hotel meaningful to me? Even a slight dip in demand would create an oversupply of hotels competing with the same set of tricks.

Brand homogenisation is both the result of hyper growth (opening dozens of hotels every year forces you to streamline), globalisation (taste and trends have become less local), and digital culture (copy-paste and remixing is native to social media, think TikTok trends). In the face of growing sameness, luxury hotel brands have got to evolve if they want to stay relevant. What got them here will not get them there.

THE EVOLUTION OF HOTEL VALUE

Thankfully, luxury hotel brands have always been gradually shifting their value proposition. In the early era of grand hotels, value resided primarily in real estate: location, architecture, sheer physical impressiveness.

The next wave emphasised operations: service excellence, consistency, anticipatory hospitality. This is where brands like Four Seasons built their reputation, not on having the grandest buildings, but on having the most polished service culture.

More recently, the industry has pivoted toward experiences, typically localised "authentic" activities. Hotels now compete on who can offer the most compelling cooking class, the most exclusive access to local artisans, the most Instagram-worthy sunrise excursion.

Each level built upon the previous. But "local experiences" themselves are becoming a cliché in the industry. When every luxury hotel promises a "curated journey into local culture," the phrase loses meaning. Luxury hotels have to elevate their brand and value proposition to a more symbolic level, with the intention to differentiate themselves in ways that cannot be easily replicated.

In a nutshell: luxury hotels have to build cultural capital, the ability to generate cultural meaning and shape taste, becoming a cultural force that influences not just where people stay, but how they think, behave, and connect both with each other and with themselves.

WHY CULTURAL CAPITAL MATTERS NOW

Cultural capital is valuable because it is hard to imitate. It elevates the role of a hotel far beyond its functional qualities. For luxury hotel brands, this means not only referencing culture but actually generating it.

This is particularly urgent in the age of AI. Generative tools now make it too easy to copy products, messages, and visual styles. A boutique brand's carefully crafted brand voice can be replicated in minutes. Its signature aesthetic can be reverse-engineered from Instagram. Service scripts, brand guidelines, and even architectural mood boards can be approximated by anyone. When technology flattens traditional branding elements, brands need other forms of advantage, forms that cannot be prompted into existence.

Growing cultural capital is a long game that requires time. But that is exactly why it creates a competitive advantage. Heritage, knowledge, taste, and manners cannot be replicated overnight. They cannot be replicated at all, if they are genuine.

THREE PILLARS OF CULTURAL CAPITAL

How can luxury hotels build cultural capital? At the heart, it comes down to three things: Cultural Point of View, Cultural Production, and Community Curation.

Owning a cultural point of view is the starting point. For luxury hotels, this means defining what they stand for, what they champion and what they reject. The key is to go beyond operational values (delight guests, anticipate needs) which will inevitably be generic, and focus instead on a broader role in the world.

Six Senses built cultural capital by defining wellness not as spa amenities but as a philosophical stance on how humans should live. Its programming, from sleep rituals to sustainability practices, positions the brand as a thought leader rather than a service provider.

An Asian luxury brand looking to strengthen its cultural point of view could evolve from a provider of "luxury Asian hospitality" into a cultural institution, the platform where Asia's emerging influence (economic, creative, technological) is debated and amplified. Rather than "offering warm Asian hospitality," it would champion Asia as a cultural producer, providing the spaces where the region's rising business, creative and intellectual class convenes to shape tomorrow. Articulating a point of view means taking a stand, which inevitably means not appealing to everyone.

Cultural production refers to taking an active role, rather than a passive one, in the creation, translation and support of cultural outputs. Practically speaking, it means converting your point of view into tangible actions. The Beaumont in London commissioned a habitable sculpture by Antony Gormley as part of the building itself. A design-led hotel with a strong architectural stance might commission an annual "Unbuilt Ideas" exhibition, inviting architects to present visionary projects that were never constructed. The hotel becomes the custodian of imagination rather than a passive consumer of design trends. The specifics matter less than the underlying principle: taking an active role in shaping the cultural conversation the brand claims to care about.

Community curation is the final pillar. Cultural capital is only useful if it is recognised. Social recognition, from people, media, and institutions, is essential to legitimate cultural capital. Community curation defines "who is in, and who is not." Community building is as much about shared interest as about discrimination.

Hermès understands this with its Horseshoe Stamp, the label reserved only for custom special orders. The little icon separates mere customers from friends of the brand. The logic applies to hotels. Imagine a luxury hotel brand offering only to its inner circle an exclusive island retreat, or access to a members-only cultural programme that money alone cannot buy. A community must be curated and entertained, far beyond loyalty programmes. Ever noticed that the most prestigious luxury brands in fashion, jewellery and automotive, from Hermès to Chanel to Ferrari, avoid traditional loyalty points entirely?

THE CASE FOR RISK

I can understand hotel brand executives being uneasy about such a strategy. Most luxury hotel brands are expected to deliver on a quarterly basis. Convincing a board to invest in a cultural foundation or an exclusive property running at 60% occupancy is an uphill battle. The value created by cultural capital does not show on a single line in a P&L statement. It is translated in the goodwill customers, employees and partners have toward your brand, the media coverage, the influencer attention, and the defensive moat you build around your business.

Building cultural capital comes with uncertainty and risk. Many companies would rather stick to being "a hotels and resorts brand for seasoned travellers." But in a world where AI can replicate your service scripts, your design language, and your brand voice in an afternoon, the only durable advantage is the one that cannot be copied: genuine cultural authority. The brands that build it now will define the next era of luxury hospitality. The rest will be left competing on thread count.

