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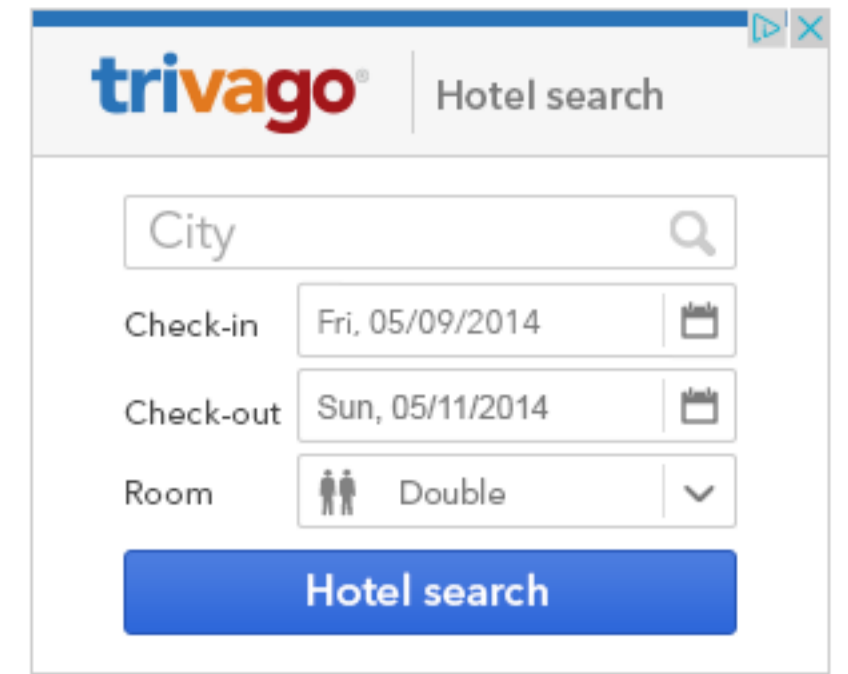
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Pop-Up Hotels: From Tulum To Mykonos, Design Hotels Pushes A New Model Of Curated Luxury

Over the past decade the concept of luxury has gone through a dramatic transformation as globalization has made what was once unique available to more and more people. Curation, or the concept of tailoring specific experiences to the customer, rather than developing the most encompassing, yet high end services, has come to represent the new standard of excellence in the world of luxury in order to battle commoditization. As this trend has caught on, from spirits and liquors to high-end fashion, it has taken a particular expression in the world of hotels through the concept of the boutique hotel.



Design Hotel's Papaya Playa pop-up in Tulum, Mexico



As that model has consolidated, some are experimenting with a new idea, the pop-up hotel, which depends on temporariness to derive its uniqueness. Among those championing this new model is Design Hotels, a publicly traded firm in Germany run by Claus Sendlinger that has polished the model putting Tulum, Mexico on the map, following that up mounting a successful operation in Mykonos, Greece.

“For me, luxury is the freedom of choice, and the access to the right information to make the right choice,” Sendlinger explained, adding, “it has to do with how fluent you are in the concept of luxury.”

Sendlinger stumbled on the concept of the pop-up hotel by chance over the past few years. His business, Design Hotels, was the result of fusing an events and marketing operation with a small Silicon Valley firm focused on graphic design and online reservations systems. For 15 years, their business focused on consulting, providing handpicked properties with their insight in different areas, from design and guest experience to booking and reservations. Sendlinger built a portfolio of exclusive hotels who also became fee-paying members.

Having been involved in the nascent techno and house music scene in the late 1980s, Sendlinger was looking to fuse the bohemian and nomadic nature of that new generation with a certain appreciation for the high-end and expensive. He came across the concept of “gypset,” Julia Chaplin’s marriage of gypsies with jetsetters and noticed that was exactly what he had been looking for all these years.

“Today in luxury hotels across the globe you can find all sorts of people,” explains Pedro D’Orey, former head of Conde Nast Traveler in Italy and Spain, “you don’t have differentiation.” D’Orey, who was also editor in chief for Vogue Men in Brazil, sees high-end hotels trending away from “customized” services and toward “offering everything but evident luxury.”

Design Hotels’ first pop-up hotel opened in Tulum, Mexico, a small little known beach town 80 miles south of Cancun. Following his gut, Sendlinger thought he’d found the place, so he “pimped out” 80 cabanas on the beach and helped the owner, a prospective Design Hotels applicant, deliver the experience he envisioned. Bringing together a mix of domestic and international staff, redecorating the cabanas, and relying on his extensive rolodex, Sendlinger tripled average daily rates which used to run around \$40 a night and took occupancy from rates from 30% to nearly full.

“Doing what we were doing we hadn’t figured out a business model,” Sendlinger told *Forbes*, “the Tulum project wasn’t strategically planned, but things like that you don’t plan strategically,” he said. While the Papaya Playa project may not have been a success financially, it put Tulum on the map, attracting high-end spenders that fit the gypset target and leading to an explosion in interest in the once barren beach town. Many of his clients, Sendlinger noted, were looking for a sense of community, much like they had experienced at Burning Man, a cultural and musical festival held in Nevada’s Black Rock desert that espouses the same type of gypsy-nomad concepts Design Hotels pursued.

This summer, Design Hotels partnered with the San Giorgio in Mykonos, another prime jetsetter destination. Design Hotels didn’t invest its money as they did in Tulum, rather, they partnered with the San Giorgio near downtown Mykonos. Applying their expertise, they turned what was a barebones operation with an average summer occupancy rate of about 50% worth about €50 a night (\$66), to a prime destination where guests spend around €200 per day (\$265) and about 80% of rooms are taken through the summer.

“Our model is not to invest ourselves [to develop our product] for six months, that’s not a business model,” Sendlinger explained. “[Rather] we work in conjunction with our partners who provide the real estate, and we turn around properties real fast,” he says. Rather than helping partners figure out specific portions of their business through consulting, Sendlinger believes the “consolidated” model allows them to fully express their creative and business experience in select properties.



A view of the pool at the San Giorgio, Design Hotels' pop-up in Mykonos, Greece

Design Hotels doesn’t work along the lines of major chains like Marriott and Hyatt, which look to international expansion as means for growth, and it by no means looks to replicate the model of the Wynn’s and [Las Vegas Sands](#) LVS -0.26% of the world, which look to bring every possible experience under one roof. Despite being partners with Starwood, Sendlinger’s firm focuses on its niche and works on few projects to avoid overextending itself and watering down its core experience.

The next frontier? Brazil, ahead of the 2014 FIFA World Cup and the 2016 [Olympics](#). While he sees Trancoso as the “Tulum of Brazil,” Sendlinger is focusing on Brazil’s two major cities: Rio de Janeiro and Sao Paulo. “Our idea is to create a community platform for our friends from around the world that want to come to Brazil” as these global sporting events unfold, applying their particular brand of bohemian experiences and upscale services to attract and serve the right crowd.

Sendlinger is optimistic. “The longer we stayed in Tulum the more I liked it,” he said, “and the longer we ran our company remotely, our team got better,” he noted, highlighting the benefits of not being able to micromanage his executives. After learning in Tulum and perfecting in Mykonos, Sendlinger and Design Hotels will face their true test in Brazil.



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