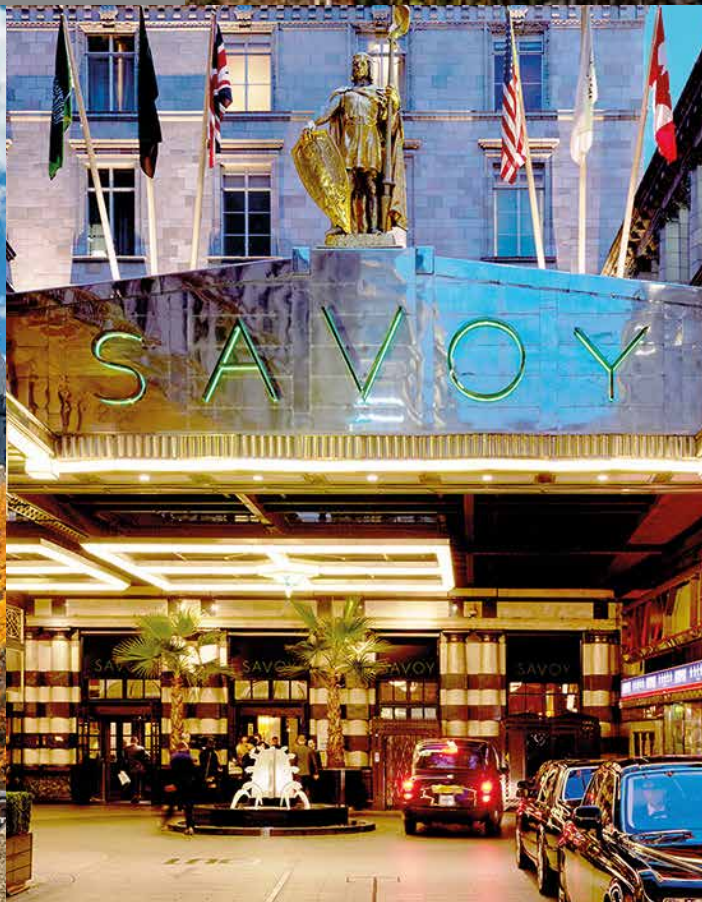




STEWARDSHIP OF ICONIC AND HISTORIC BUILDINGS

Luxury Insights Report

Volume **1**





1.0

INTRODUCTION

In a world that offers travelers more options than ever before, what is it that ultimately makes them pick their destination and accommodation? What factors influence this decision? The very definition of vacationing has undergone a cultural shift; travel in its very essence is not only a means of recreation, but a bespoke and meaningful experience. Today's traveler wants to be captivated, inspired and completely absorbed by their destination of choice. And, while many seek to immerse themselves in the cultural heart and history of their destination, they do not want to forgo the luxuries of modern living. It is this desire that Fairmont Hotels & Resorts caters to.

“Our guests want to be captivated, inspired and completely absorbed by their destination of choice. They seek to immerse themselves in the cultural heart and history of their destination, without foregoing the luxuries of modern living. These are the desires we strive to meet at Fairmont Hotels & Resorts.”

- Jane Mackie, Vice President, Fairmont Brand

Think of your favorite landmark hotel — chances are it is a Fairmont. Historic icons, elegant resorts, modern city-center properties and a worldwide reputation for excellence define this luxury brand. With a distinctive collection of more than 70 heritage and iconic properties and many more in development, Fairmont is a recognized leader in the global hospitality industry. Fairmont is committed to the stewardship of landmark hotels and resorts across the globe, restoring and preserving historic buildings with the utmost care, while equipping them with the latest guest amenities and advanced technologies.



FAIRMONT SAN FRANCISCO



Fairmont places great emphasis on collecting guest feedback and conducting extensive research on what guests want and why they continue to choose Fairmont properties. One such study found that Fairmont guests can be categorized as “Social Architects”- travelers who look for luxury through relationships rather than objects, and believe that “experience defines excellenceⁱ.” A separate study showed that more than 75% of 5-star travelers feel that “capturing the local culture of the destination” and “having a beautiful hotel” is extremely/very important for leisure tripsⁱⁱ. These insights inspired Fairmont to embark on a research project to determine why guests choose its hotels and what sets its luxury portfolio apart from the competition.

This report is a presentation of these findings and discusses Fairmont as a steward of iconic and historic buildings through in-depth analysis of current travel trends, research and experiences. Fairmont's goal is to provide a lens on the significance of historic travel destinations, and detail the guest mindset in choosing the brand's properties.

As Fairmont maintains, “many of our iconic properties have been integral in the development of cities, had an impact on the course of history or even altered the social fabric.”



2.0

MOTIVATIONS

The influx of choice for consumers has also led to a transformation in the concept of luxury – no longer only product or brand synonymous, luxury too is viewed as an experience, particularly when it comes to travel.

While it is clear that the modern traveler seeks authentic experiences, what is it that makes him or her choose an iconic property? The motivations behind why guests choose historic properties are two-fold: the ability to forge an emotional connection to a destination and the growing trend of “experience over commodity.”



THE PLAZA, A FAIRMONT MANAGED HOTEL



We can't touch history because it is gone. The only way to hold onto it is to come to a Fairmont.”

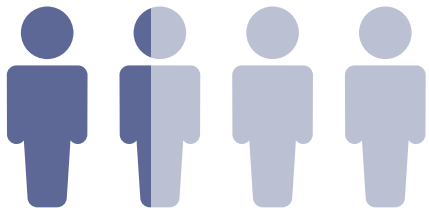
– Fairmont Guest



2.0

MOTIVATIONS

Seeking an emotional connection to destinations is a rising trend amongst many travelers todayⁱⁱ. Interest in “intangible heritage” – the understanding of popular culture, the traditions of a location and hearing local stories about a destinationⁱⁱⁱ – is growing. Today’s traveler also exhibits higher levels of interest in active and creative cultural participation, rather than passive observation – in fact, more than 1/4 of U.S. international travelers consider themselves “sophisticated explorers” for whom “exploring new cultures and their traditions while on vacation” is their top travel motivation^v.



MORE THAN 1/4
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FAIRMONT PEACE HOTEL, SHANGHAI



2.0

MOTIVATIONS

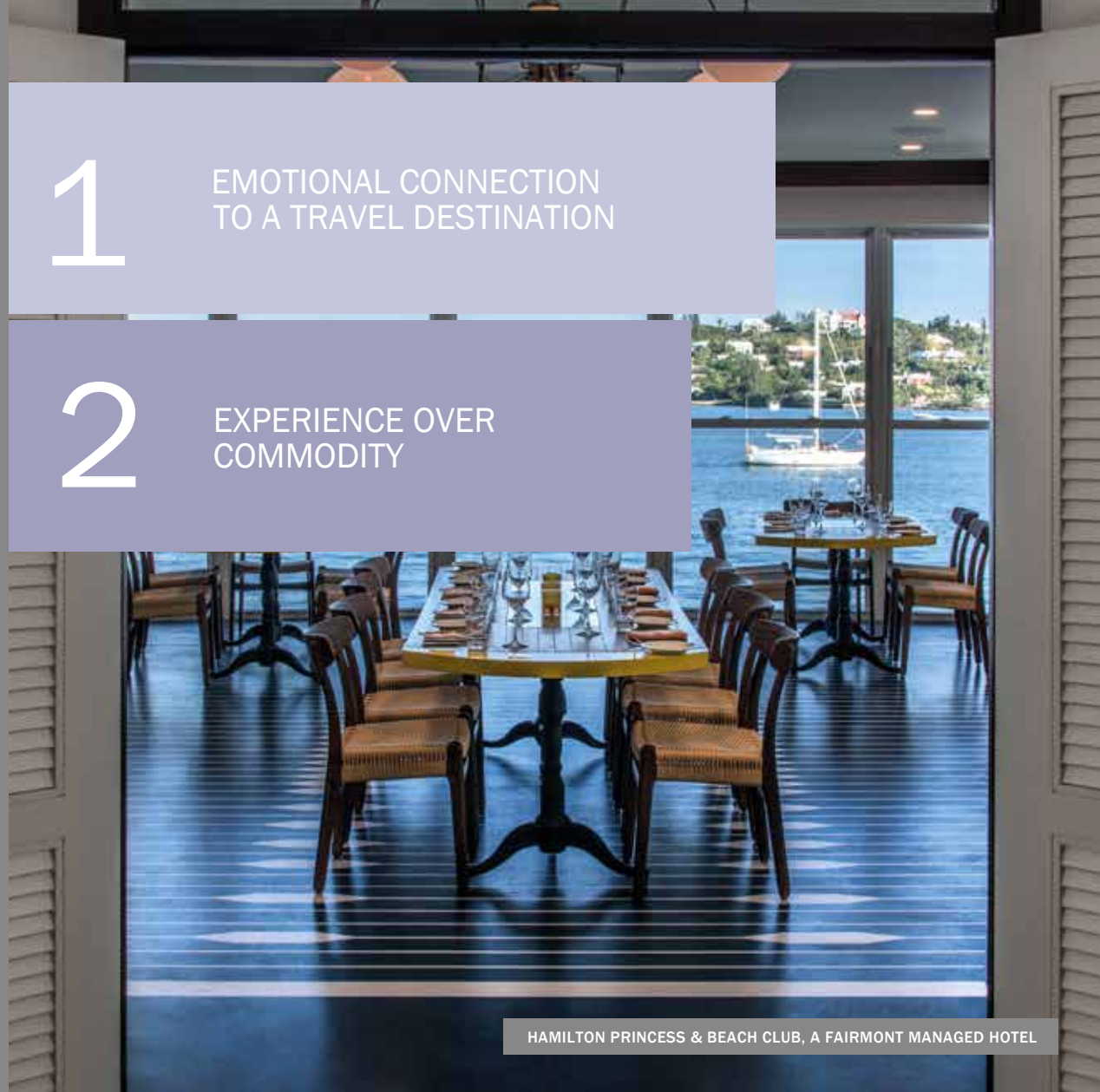
Guest Paul Barbiero noted that being in the Fairmont Le Château Frontenac made him feel like he had been “transcended into another era”; while guest Jack Mundy identified the same hotel as being “a meaningful place to celebrate important milestone events.” Another guest also noted that they read all the placards on the walls to connect to the history of the property, so they can “be a part of it.” Studies show that this love of history and connection to place has a direct correlation to visits – guests like Barbiero and Mundy tend to frequent Fairmont properties four times as often as other guests^{vi}.

1

EMOTIONAL CONNECTION
TO A TRAVEL DESTINATION

2

EXPERIENCE OVER
COMMODITY



HAMILTON PRINCESS & BEACH CLUB, A FAIRMONT MANAGED HOTEL

Ethnographic research conducted by Fairmont Hotels & Resorts highlights sentiments aligned with this trend. Many guests feel that iconic hotels offer unique and ownable emotional benefits due to their ability to evoke “place identity” – properties enable guests to psychologically merge with the history of the hotel.



2.0

MOTIVATIONS



THE SAVOY, A FAIRMONT MANAGED HOTEL

“In Banff I stayed in the Marilyn Monroe suite. I’m sharing the same space at a different time.”

- Fairmont Banff Springs guest
Dr. Felix Roque

The desire for emotional connection and meaningful experience through sense of place aligns with yet another notable trend, which finds travelers today signaling their social status through the consumption of experiences rather than material goods^{vii}.

This is transforming “luxurious” travel – guests are no longer content with simply being pampered – they want their travel experiences to create unforgettable memories. One of the contributing factors to this trend is that an increasing number of travelers are willing to pay more than ever before to immerse themselves in a one-of-a-kind or bucket-list experience. Another contributing factor is the prominence of social media and the widespread sharing of travel photos with friends, families and colleagues. For today's traveler, it is more common than not to maintain constant social media connection and widespread sharing of their favorite moments.



2.0

MOTIVATIONS



Many guests feel that the Fairmont experience allows them to escape, to feel like a different person. Guests commented that they feel almost as important as dignitaries who stayed at properties in the past and will likely visit in the future. “In Banff I stayed in the Marilyn Monroe suite. I’m sharing the same space at a different time.” – Dr. Felix Roque, interviewed at The Plaza Hotel.



Fairmont guests also indicate that Fairmont properties are viewed as something on their bucket list – once-in-a-lifetime destinations that one can almost count as a personal accomplishment.

“All the staff were so friendly and kind, especially the front desk staff. The location, nice view and iconic building, everything was fantastic! I can say Fairmont Le Château Frontenac is one of the best hotels in the world. Merci.” - Fairmont Guest



2.0

MOTIVATIONS

When summarizing the motivations behind why a guest chooses a historic property, it appears to start with the need for an emotional connection that is beyond just another vacation or hotel stay. This, coupled with the growing trend of valuing experiences over consuming goods, makes a property with historic relevance the stand-out choice for many travelers.

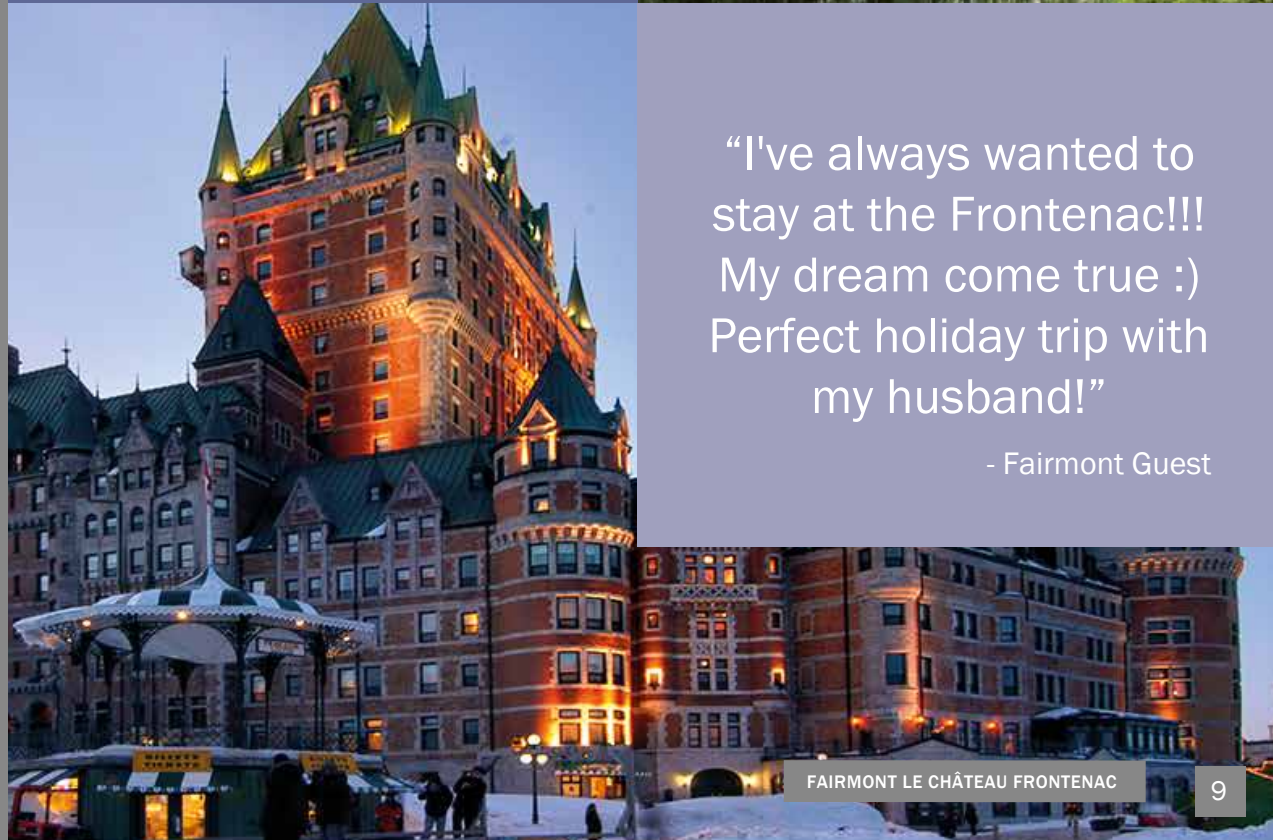
“Well-known landmark hotel in NYC – nice bucket list experience – leads to high expectations which were almost all met.”
- Fairmont Guest



THE PLAZA, A FAIRMONT MANAGED HOTEL

“I've always wanted to stay at the Frontenac!!! My dream come true :) Perfect holiday trip with my husband!”

- Fairmont Guest



FAIRMONT LE CHÂTEAU FRONTENAC



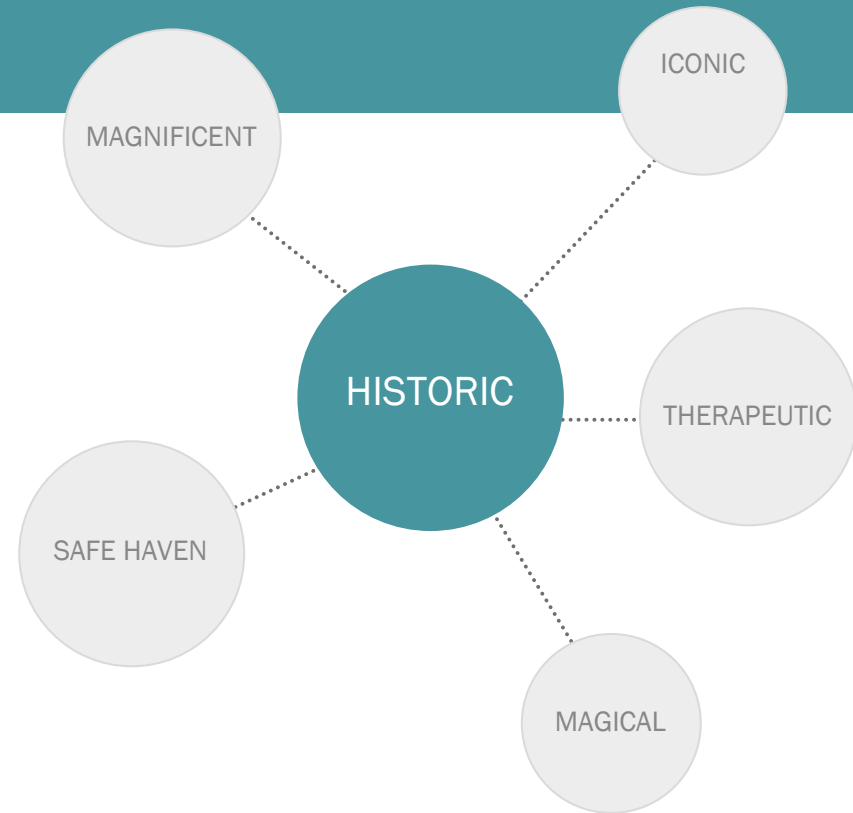
3.0

ICONS OF HISTORY

Understanding the significance of why a guest chooses a historic property leads to the examination of the role that Fairmont hotels have played in the past and will continue to play in the future. A key differentiator for Fairmont properties worldwide is the appreciation of local cultures. This emphasis on being truly steeped in their surroundings is why so many important and well-known events have taken place at Fairmont properties worldwide – and why history will continue to be created for years to come.

“Historic buildings make you remember.
It’s an opportunity to reflect on what was.”
– Fairmont Guest

This rich history – coupled with Fairmont’s reputation for excellence – is a key contributor as to why guests choose not just the Fairmont brand, but the specific hotel that they visit. Guests used a range of words when asked to describe “historic”, including “iconic”, “magnificent”, “magical”, “safe haven”, and even, “therapeutic.”



“Famous Hotel in Shanghai's history. Visited [Fairmont Peace Hotel] in 1994 – the 20th reunion of the first Cricket side to visit Shanghai.”

- Fairmont Guest



3.0

ICONS OF HISTORY



CLAREMONT CLUB & SPA, A FAIRMONT HOTEL

“It’s an adventure looking at the architecture. Gifted people put it together. I don’t see that with minimal design hotels.”

- Fairmont Guest

ICONIC INVESTMENTS

Developing properties that last for centuries is no easy feat. Fairmont has decades of experience in understanding and anticipating the needs of travelers. In fact, it is part of the DNA of the organization: Fairmont has an innate sense of what should be preserved, restored, updated and developed. Fairmont makes substantial investments in restoring historic properties and developing icons of tomorrow to ensure all properties have the same vision: maintain classic style fused with luxurious design to continue to create unforgettable moments in history.

An exciting and recent renovation in the Fairmont portfolio is the Claremont Club & Spa, a Fairmont Hotel, in Berkeley, California. Following a multimillion-dollar capital investment, the renovations were completed in time for the property’s 100th anniversary celebration. Located on the border of Oakland and Berkeley, this hotel has become an icon as one of the area’s few urban resorts.

The renovation of Fairmont The Queen Elizabeth located in Montréal, Quebec will see a property closure from mid-June 2016 for a full year. Once re-opened, the hotel will be transformed into a contemporary lifestyle space with a mix of 1960s classic style, complete with modern technologies and amenities. The renovations will be revealed in time for the celebrations marking the 375th anniversary of Montréal and the 150th anniversary of Canadian Confederation.

The company’s expertise in restoration and managing heritage properties is often a key reason hotel owners choose to partner with Fairmont on iconic properties. Fairmont shares the interests of owners in achieving the fine balance of preserving the character of the hotel while infusing it with modern touches that meet the expectations of guests.

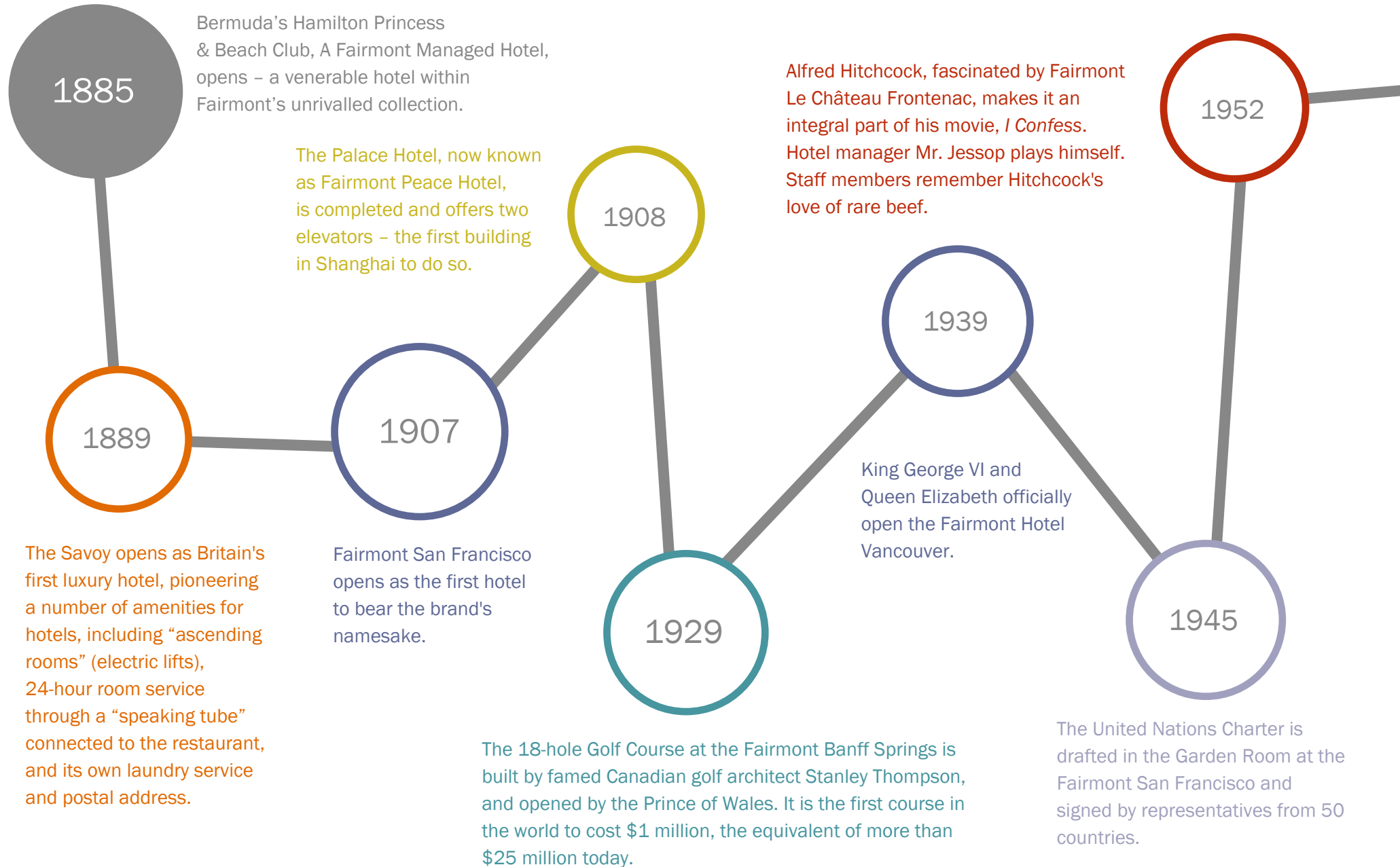
“Developers select Fairmont for our global experience in restoring landmark hotels and industry-leading management of grand buildings both new and historic.”

- Leonard Czarnecki, General Manager, Claremont Club & Spa, A Fairmont Hotel



4.0

FAIRMONT HISTORY





4.0

FAIRMONT HISTORY

1959

Film star William Holden and friends buy a Kenyan property after enjoying a safari, and one of the world's most glamorous and exclusive clubs is born. It lives on to this day as Fairmont Mount Kenya Safari Club.

1966

Truman Capote throws the "party of the century" – the Black & White Ball at The Plaza. Henry Fonda, Rose Kennedy, Lauren Bacall, Andy Warhol, and newlyweds Frank Sinatra and Mia Farrow, among others, attend.

1962

Singer Tony Bennett croons his classic *I Left My Heart in San Francisco* for the first time in the Fairmont San Francisco's Venetian Room.

John Lennon and Yoko Ono hold their famous Bed-In for Peace at Fairmont The Queen Elizabeth. International media converge in suite 1742, where the anthem of the anti-war movement, *Give Peace a Chance*, is composed and recorded.

1969

Fairmont Le Château Montebello hosts the G-7 International Summit conference, welcoming Ronald Reagan, Margaret Thatcher, François Mitterrand and Pierre Trudeau.

1981

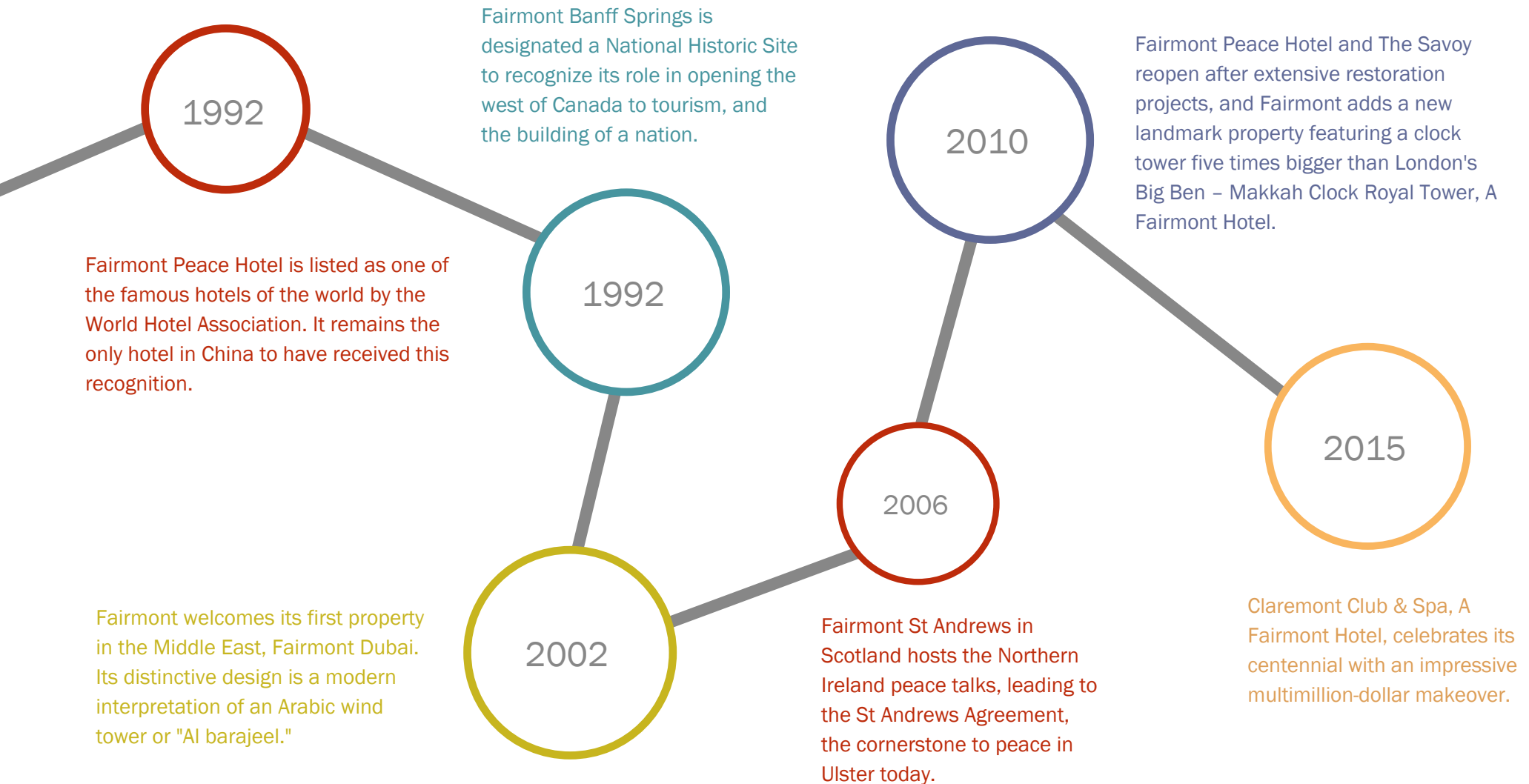
Princess Grace of Monaco officially opens Fairmont Monte Carlo. Built in part upon pillars approximately 49 feet high, the hotel is entirely heated and air conditioned by a sophisticated system that draws water from the Mediterranean.

1975



4.0

FAIRMONT HISTORY





5.0

HEART OF THE DESTINATION

Further to historic relevance, insights gathered show two additional essential elements that heighten Fairmont's appeal: properties are viewed as an integral part of the destinations in which they reside, and more often than not, guests have a genuine connection to colleagues and often describe them as an important part of their overall experience. The long-lasting impressions made by Fairmont colleagues are cited as a significant reason why guests enjoyed their stay and a major incentive to return.



The staff really cares and acknowledges you.
It's an integral part of the equation.”

– Fairmont Palliser guest Stephen Wakeman

The way hotels have been preserved – the balance between a property embodying history while offering contemporary ambiance and modern amenities – is essential to how guests view and experience many historic properties.

Staying in an iconic hotel is a kaleidoscope for the senses – the sights and smells evoke something that cannot be found at other properties. Guests regularly express their appreciation for the overall architecture of Fairmont hotels – room décor, design of the buildings and careful restorations – as well as the finer adornments, such as exquisite chandeliers, grand staircases, wood-carved fireplaces, detailed fittings and even antique chairs. These are repeatedly noted as important differentiators for Fairmont properties.

This combination of an inspiring, well-preserved physical space and warm, engaging service provided by Fairmont colleagues creates a profound and memorable guest experience.

“The renovated Fairmont Le Château Frontenac design tells the story of a celebrated hotel from the past meeting contemporary luxury of today. Our goal was to craft a design vocabulary for the hotel’s key public spaces based on a more modern, approachable luxury that references and respects the hotel’s heritage, and the rich culture and landscape of Quebec City.”

– David Rockwell, Founder and President, Rockwell Group



5.0

HEART OF THE DESTINATION



The Plaza in New York, located across from Central Park, a go-to for anyone visiting the Big Apple.



Located in the heart of Banff National Park, a UNESCO World Heritage Site, the world famous Fairmont Banff Springs stands as a landmark in the picturesque Canadian Rockies.



Ideally located inside the walls of Old Quebec, the iconic Fairmont Le Château Frontenac recently underwent a multimillion-dollar renaissance project.



Bermuda's iconic, harbor side Hamilton Princess & Beach Club recently underwent a \$100 million restoration to reflect modern design, amenities and a celebration of its heritage.



The world-renowned Fairmont San Francisco presents an awe-inspiring picture of this historic city.

“Travel is usually so anonymous – here I will remember my trip.”

- Fairmont Guest

Fairmont has led the stewardship of restoring and refurbishing more than 80% of its North American hotel portfolio over the last few years, and with 25% of its luxury hotel collection dating back more than a century, it's no secret hotel owners seek out Fairmont for its expertise and experience in thoughtfully updating heritage buildings for future generations to enjoy.



6.0

ICONS OF TOMORROW



Located adjacent to the Masjid Al Haram, the Makkah Clock Royal Tower, A Fairmont Hotel, boasts a prime location as the closest hotel to Kaaba. The property is an iconic symbol of hospitality in the Holy City.



Laying claim to an enviable downtown location, and embracing the city's rich history of art and industry, Fairmont Pittsburgh reflects the cultural rebirth of this urban center. Guests of this LEED™ Gold certified property can revel in its history through a self-guided tour that highlights many of the more than 25,000 artifacts dating from 1840 to 1872 that were uncovered during a 2007 excavation.



Fairmont Pacific Rim features the best of Vancouver's architecture, décor and culinary offerings. The property's impressive art collection showcases local and international artists both inside the hotel and on its exterior.



Azerbaijan's magnificent Fairmont Baku, Flame Towers is a symbol of this country, known as the land of fire. Nestled amid cypress-lined boardwalks and café-filled streets, the hotel can be seen in every photograph of this unique city.



Fairmont Beijing – designed to resemble a traditional Chinese gate – brings unprecedented luxury and hospitality, offering guests a distinctive stay right in the heart of China's capital.

“Fairmont’s classic elegance and contemporary comforts inspire the unique vision for their properties. Each has its own individual narrative that is elevated by the design, architecture and the luxurious marriage of aspiration and attainability that can only be found at a Fairmont hotel.” – Alexandra Champalimaud, Founder, Champalimaud Design



7.0

CONCLUSION

One might think that in today's world of ever-evolving technology, consumers would only be geared towards faster, better and shinier models and experiences. Instead, the trend is toward emotional fulfillment, place identity and cultural immersion. Fairmont's direct guest feedback confirms that guests have a great appreciation for not only knowing, but feeling, the history behind its properties. This desire to commune not only with destinations, but with Fairmont hotels, is a testament to the brand's successful integration of history, sense of place and modern luxury.

Culture-based and heritage travel represents a significant segment of the outbound tourism market. Take the example of U.S. travelers – in 2010, more than 21 million U.S. travelers visited other countries; of these, more than half engaged in nature, culture or heritage experiences^{viii}. Amongst others, trips included visits to historic places, cultural locations and ethnic heritage sites. Understanding these preferences is how Fairmont continues to provide guests with the most authentically local experiences.





7.0

CONCLUSION

The Fairmont Hotels & Resorts culture is one of deep appreciation and pride in its role as a steward of iconic and historic buildings and the development of iconic properties. This role doesn't stop with the preservation of the materials or architecture of buildings, but is kept alive through Fairmont's colleagues and the brand's guest experience. The Fairmont standard of care is consistently present – from guest services to thoughtful programs designed to incorporate local culture. For more than a century, Fairmont's collection of secluded lodges, storied meeting places, beach resorts and modern retreats have hosted everyone from kings and queens, to stars of the stage and screen, and any guest with a passion for history and thirst for travel.

“Fairmont's expertise in the stewardship of remarkable buildings worldwide is a powerful and ownable competitive advantage for our brand.”

- Alexandra Blum, Vice President, Public Relations & Partnerships



FAIRMONT PEACE HOTEL



8.0

APPENDIX – METHODOLOGY

The *Luxury Insights Report: Stewardship of Iconic and Historic Buildings (Volume 1, Fairmont Hotels & Resorts)* was developed leveraging external research on current travel trends and extensive feedback from Fairmont guests. Guest feedback was generated using a combination of insights gathered from 6,559 Fairmont guests in 2015 and 12,736 Fairmont guests in 2014, as well as an in-depth, ethnographic research study comprised of ten guests in 2015. The larger group consisted of guests who have been patrons at Fairmont properties, including Fairmont Le Château Frontenac, Fairmont Peace Hotel, Fairmont Baku, The Savoy and The Plaza. Guests who participated in the ethnographic research study are those that are frequent guests of multiple Fairmont properties. This research formed three key themes that highlighted both Fairmont's legacy of stewardship and the appeal of vacationing in a historic destination/property.

Six (6) Mobile Ethnographies (respondents' onsite and communicating via telephone) allowed respondents to be "in the moment" and connect with their deepest feelings from within the Fairmont Palliser, Fairmont Le Château Frontenac, Fairmont Royal York, Fairmont Hotel Vancouver and The Plaza. Two (2) off-site telephone interviews were also conducted, while two (2) in-person micro-ethnographies took place at The Plaza.





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