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Business Modelling of a Dementia Friendly Hotel

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Abstract

The dementia challenge has been recognised as one of the future trends for the hotel business in the Dementia Project by Okada, Igarashi, Nomura & Tokuda (2013) who refer to the need for travel and stay in hotels as a significant factor for wellbeing. The paper describes the Business Model generation process of a hotel business that is offering short term hospitality to customers suffering from Dementia and to their caregivers. The standard canvas of Osterwalder&Pigneur (2009) is being adopted for business model analysis. The model is analysed and evaluated according to possible alternative market scenarios. Conclusions provide some initial insights provided by international developments in the area, after discussions with 17 groups of business administration students who went through two dementia awareness lectures as part of groupwork on quality management requirements by businesses with dementia customers and interviews and group discussions with twelve caregivers that took place at the Entrepreneurship Living Lab of the TEI of Thessaly, Greece. Possible strategic decisions in the hotel business that relate to the selections and evaluations being analysed are identified.

Keywords: Hotel, business model, strategic analysis, dementia friendly

5. The Dementia Friendly Hotel Challenge

There has been considerable research work on the living spaces for dementia patients. This work has been focused mainly on homes and care facilities until now. There is considerable research work also on designing spaces for disabled people that is useful for dementia patients to a large extent. The challenges for the hotel business from this relatively unnoticed market segment has been identified by blanas, Kilindri&Chrysikou (2016) and can be described shortly as [a] the rate of new dementia patients grow in the vicinity of 4.6% and 8.7% where the smaller number correspond to the more advanced European Countries and the higher ones to North Africa and Middle East, while an estimated percentage of 5% are younger than the age of 65, [b] persons with dementia do not experience an identity loss and consciously try to evolve through their disability with leisure being an important engagement tool for them, [c] caregivers for persons with dementia are estimated to be about double the figure of patients and they play a significant role in this engagement, [d] patients but also caregivers lose significant freedoms of choice in their lives, the patients because they depend on help by the caregivers but also the caregivers because of this continuous dependence from their patients, [e] hotels can play an important role as social intervention and health support hubs where people with dementia and caregivers can help themselves and others. People seem to prefer the hotel rather than the health care living spaces for a number of reasons related to stigma avoidance and bringing beautiful memories and experiences back in life.

The availability of suitable hospitality solutions in the hotel industry that provides opportunities to increase freedom of traveling for dementia patients and their caregivers have started to appear in UK, the country that is leading by far the developments in this area. This trend of hotel being hubs for social intervention and health support to dementia patients is quite new and there has been no description of a business model for a dementia friendly hotel yet in the literature.

6. Dementia friendly hotel business model generation

In the following paragraphs we will analyse the dementia hotel paradigm using the nine sub-sections of the Osterwalder&Pigneur (2009) business model generation canvas. As baseline we will use a dementia capable hotel business model and we will only add what constitutes the “friendly” part in the model. As dementia capable hotel we define the establishment that has common spaces and a number of rooms designed to be accessible by people with body disabilities. Our approach is to investigate whether we can take this hotel business model a bit further in order to be able to service people with dementia using the prescribed strategic analysis methodology. Dementia capability is needed for older people with dementia who develop body disabilities at some stage of their illness.

a. Key partners

The key partners building block describes the network of suppliers and partners that make the business model work. Most of the partners are suppliers of goods and services but there might be strategic partnerships with non-competitors and competitors and joint ventures.

The key partners of a dementia friendly hotel can be distinguished as follows:

At the local level:

1. Dementia doctors and nurses to be available on call for emergency situations. Such a need is in cases of accidental worsening of patients condition because of unexpected causes.
2. Pharmacy with availability of dementia related prescriptions.
3. Dementia trained external caregivers employed on a need basis.
4. Trainers – advisors of staff in dementia awareness if not in-house.
5. Knowledgeable designers and builders of dementia friendly environments that will make the necessary redesign and signage that will facilitate the patients to find their way to their rooms and facilities.
6. Maintenance and support of information systems related to improving the service of dementia customers and their caregivers and especially to avoid the dangers of disorientation and loss in space.
7. Maintenance of special equipment used for health support.
8. Organisers of social functions in cases where they do not exist in-house.
9. Local elderly and dementia associations.
10. Care centres where available opportunities for travelling can be posted by patients, caregivers and admin staff.
11. Travel bureaux specializing in organizing travel for the elderly and the disabled are expected to add this market in their offers.
12. Other hotels in the area that cannot cater for the dementia patients as customers and we have cooperation with.
13. Other business people in the area that have undertaken training in dementia awareness.

From the above numbers 1,2,6,7,11 are mainly suppliers. Number 12 is strategic partnership with competitors. All the rest are strategic partnerships with non-competitors.

At the non-local and virtual levels:

1. Government travel bureaux and private consulting businesses with travel advising information like <https://www.tourismforall.org.uk/Alzheimers-and-dementia-holidays.html>
2. Internet based webpages, some of them on facebookof Elderly, Alzheimer and Caregiver local and international associations providing supportto communities like<http://alzlive.com/spirit/travel/5-criteria-for-an-alzheimers-friendly-hotel-room/>
3. Care centres where available opportunities for travelling can be posted by patients, caregivers and admin staff.
4. Travel bureaux specializing in organizing travel for the elderly and the disabled are expected to add this market in their offers
5. Other hotels in the area that cannot cater for the dementia patients as customers and we have cooperation with.
6. Other businessesin the area that have understood the market value and have taken dementia awareness training.
7. Internet based hotel search and booking webpages, where customer comments related to dementia friendly service have started to appear in the search outcomes. We expect that these businesses will incorporate the dementia friendly hotel signage in their selection criteria in the near future. Two such example reviews follow:
 - a. https://www.tripadvisor.co.uk/ShowUserReviews-g186332-d649437-r85007227-Parisienne_Hotel-Blackpool_Lancashire_England.html
 - b. https://www.tripadvisor.co.uk/ShowUserReviews-g186259-d193876-r138667132-Corbyn_Head_Hotel-Torquay_English_Riviera_Devon_England.html

From the above number 5 is strategic partnership with competitors and all the rest are strategic partnerships with non-competitors.

The web search using the keywords “dementia friendly hotel” resulted in very few webpages, mainly in UK, that appears to be pioneering in all of the areas listed above, ieat the government, the association, the business and the customer (patient and caregiver) levels. Very little documentationhas been published on what is happening in the rest of the world.

The above key partners are additional to the ones serving the current business model of the hotel including possible extensions like restaurant, health facilities, in-house shops etc.

Most of the results on key partners have been identified in group co-creation discussions with business administration students studying the quality management module at the TEI of Thessaly during the last academic year after they went through a short dementia awareness program and worked on several related to quality management approaches group projects for businesses potentially serving dementia customers and caregivers.

The following building blocks contain information that has been produced from informal in depth interviews with 12 caregivers in the city of Larissafollowed by focus group discussions of selected issues that took place at the Entrepreneurship Living Lab of the TEI of Thessaly, Greece.

b. Key Activities

The following three main categories of key activities that may exist already in a hotel require an upgrade in order to be able to serve people with dementia along with their association with their caregivers.

1. Hotel front office and other staff coming to contact with dementia patients.
2. Social functions for people with dementia.
3. Health activities for people with dementia.

All the above activities have a prerequisite: Staff training and practice at the human contact level and at the operational support system level including the information systems and hardware equipment.

c. Key Resources

As key resources we can identify the available experienced people in all kind of activities and the additional systems for operations management that have to do with the dementia patients and their associations with alternative caregivers.

d. Value Propositions

Provision of a social support hub for patients and caregivers that improves their quality of living.

Provision of an effective increase of freedom to both patients and caregivers.

An effective circumvention of the stigma at individual and social level.

e. Customer Relationships

Staff develop friendly and understanding relationships with customers at a level of understanding of illness rather than of the patient and the relationship is more complex because of the intervention from one or more caregivers.

f. Channels

Personal face-to-face communication. Communication becomes more sophisticated with body movements and clues being more important than verbal communication.

g. Customer Segments

A large percentage of dementia patients and their caregivers during the first stages of the illness.

h. Cost Structure

The cost increases because of

Training and extra personnel time required for support and communication.

Additional investments in systems and equipment for management and health support.

Availability of external special support from doctors, nurses and in some cases caregivers.

Improvements in the design for larger rooms with special furniture and bathroom arrangements, and also in common spaces and signage improvements.

For the moment the additional cost pays for the disable capable hotels and the hotels with limited season duration.

i. Revenue Streams

Season duration extension since most of the reasons for the customer to visit the hotel are not related to weather or season.

Increased occupancy because of the need for continuation of enjoyment that value propositions offer that are linked to the specific friendly space.

Increased price for increased value that cannot be offered by most competitors..

7. Conclusions and points for further research

The expanded business model of a dementia capable or disabled capable hotel seems to open up to many more external links as seen from the Key Partner paragraph. These openings might overtake the existing hotel management capability to deal with the external world.

The key activities and key resources require an in depth training and a different kind of experience that only a caregiver actually gets. This might create loss of interest to personnel who do not have the caregiver's abilities developed.

Value propositions are great not only for dementia patients but for all people, especially for the elderly. They can add considerable sustainability for the business if a standard quality is achieved. Smaller family businesses could succeed easier in this because of the quality social capital that can be developed.

Customer relationships require the development of non-typical social connections part the ones with the patients being of different nature than the ones with the caregivers. Channels with patients are limited while the whole range can be used with caregivers. The good thing with both customer relationships and channels is that someone trained to work with the illness [s]he understands that what remains is the mood of acceptance or denial and of trust in the end rather than what has been discussed.

The cost structure requires considerable investment but the revenue streams can give great results if the quality of value propositions is high.

This paper contains in many ways the views of the authors as compiled from discussions with students and caregivers and they do not constitute a concrete proof detailed recommendation on what hotel should or should not apply the proposed model. It provides though several very important strategic answers that can be of great help to those who want to test the sustainability

of such an option before they invest their money. In order to get a better understanding of the strategic choices to be made we would like to be able to get first hand answers from the pioneering hotel businesses in Britain that operate with the proposed business model already.

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