

Brief Analysis to Advantages and Problems of Atour's Development

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Abstract. The Chinese hotel and lifestyle brand Atour boosts its development in recent years and can also be considered as a leader of Chinese hotel industry with characteristic ideas. Thus, the author finds it greatly meaningful to do some research, attempting to offer several points for potential progress. This article analyses the advantages of Atour in terms of its jointly-design products and individual hotels, the significance of the fourth space as well as the humane services, which could be considered as the long comings belong to this group. However, Atour is also faced with various problems like price, decoration and staff quality. Based on the analysis of these advantages and problems, suggestions for promoting Atour's further development are provided as well. In general, the author holds such an expectation that Atour could seize opportunities in this era of experience economy, keep on enhancing itself and manages to attain further achievements, contributing to the going-up of Chinese hospitality industry.

Keywords: Atour; advantages; problems; suggestions for further development.

1. Introduction

As the time of experience economy is approaching, an increasing number of people have also a demand on high-quality accommodation where they can gain special experiences. Atour – which is assimilated to a dark horse of Chinese hotel industry, is a good choice, as it for one has very advanced ideas varying it from other popular brands and for another has achieved incredible profit. However, on the other hand, even if Atour keeps moving forward steadily, Atour still has a lot of problems to cope with [1], for examples, the price seems too high than its real level, the services are not as wonderful as described, the facilities are of great quality but not advanced enough and so on. Based on the questions pointed out, this article will give some suggestions from various perspectives, aiming to help Atour get conscious of some questions discovered by researchers and customers and promote some improvements. Generally speaking, it will be of tremendous value that academic circle does some research to promote the potential of further development of Atour, the characteristic hotel and lifestyle brand full of Chinese culture and hospitality ideas.

When people search academies related to Atour on academic platforms like CNKI or Google Scholar, quantities of papers about Atour referring to specific fields or report of one selected hotel of Atour can be seen. However, comprehensive analyses to its positive and negative aspects are relatively rare. Therefore, this report might be able to provide some points and suggestions which are beneficial to relevant academies and, expectedly, Atour's development under circumstances of experience economy as well.

2. About Atour and its cultural ideas

Atour is a Chinese lifestyle brand running also high-end hotels of Atour's series. In 2012, Mr. Ye Lvyin, the founder of Atour, captured the demand on the accommodation upgrading of middle class who has enough financial support as well as pursues high-quality life. Thus he established a hotel brand named as Atour one year later, aiming to provide customers with not only a place to sleep but also a fourth space which enables people to achieve more interesting and social activities [2].

Starting with accommodation, Atour has already developed to a high-end lifestyle brand with the products philosophy of humane, warm and interesting and the mission of leading the high-quality life. And with years of development, the status of Atour has also been consolidated in the high-end market

of hotel industry in China, with six major hotel brands, more than 700 hotels countrywide, over 70,000 guest rooms and 3 major sub-brands about home life, which are considerable numbers and businesses for a domestic hotel and lifestyle company. Apart from that, Atour's organizations of diverse community activities have gained favorable receptions too.

Based on the information above, it is quite clear and convincing to draw such a judgment that Atour does have a high style, stick to high quality and attach great significance to the consequence of culture in living and consumption, which can be understood as that the experiencing of their consumers are particularly meaningful to Atour. Consequently, Atour's ideas and products answer precisely to people's demand in the time of experience economy. When it comes to the conditions, on the one hand, Atour possesses its unique advantages in not only facilities and operation system, but also more importantly in the field of culture. On the other hand, there are indeed some problems that may restrain the further development of Atour. In the following two parts, such positive and negative points will be analyzed and the suggestions of the author on the possible improvements under circumstances of the experience economy will be given as well.

3. Particular Advantages of Atour

3.1 Chic Individuals with Unified Management and System

The concept "chic" here refers to the idea and actual running of jointly-design with other groups or brands. The products of jointly-design are proved to be more attractive to the customers and more popular with the young. Besides, such products can even come into notice of those who originally don't have the willing to consume and increase the rate of repurchase [3]. It is common see that hotels launch jointly-designed products or services with other famous brands (Examples can be the jointly-designed afternoon tea with Lamborghini served by The Ritz-Carlton Beijing and so on). However, a hotel that is entirely jointly designed cannot be seen anywhere – but which is exactly the operation of Atour. Some hotels of Atour are associated with the popular intellectual properties (IP) such as NetEase CloudMusic, Zhihu, BITAUTO and so on.

As IP possesses giant invisible value for business and, it's a effective method to build barriers for own business through creating brands with strong identification based on IP [4], this strategy has been bringing great benefits to Atour. First of all, Customers may gain special experience which cannot be found in other hotels, and experience is none other than what Atour pursues. Secondly, Atour gains a huge guest group, benefiting from the quantity of flow which is attached to the partner-IPs. Besides, the interchanges in the cooperation contribute to Atour's data collection of the consumers and can play a roll as the fundament for personalized service. Fourthly, this movement also increases the income of retail business apart from the rooms. Furthermore, as these hotels are still in the unified management of Atour's system, customers do not have to be worried about whether these jointly-designed hotels are formal and proper or other problems like security and membership.

According to Wang Jing, CCO of Tencent, Atour's cooperation based on the differentiated running of humanity has impacted the traditional service standards of hotel industry in China and brought hotels much closer to consumers. Also, the importance of the consumers' experience should not be ignored. In a word, in terms of hotel industry, Atour can be regarded as a pioneer in the cooperation with great IPs in such a pattern of jointly-design.

3.2 Creation and Decoration of the Fourth Space

The idea of the fourth space advocated by Atour refers to a combination of accommodation as first space, officing as second space and socializing as third space, which can be concluded as a life community as well [5]. Atour attaches tremendous significance to its public areas, managing to turn these areas into an open community of high quality and lifestyle. For instance, almost all Atour Hotels are equipped with a public reading area which is beautifully decorated and where customers can read by cups of tea and borrow books for free. It also deserves our attention that Atour names these public

areas beautifully and meaningfully in Chinese. Moreover, Atour organizes a variety of community activities such as photograph and so on and encourages customers to take part in.

Ye Lvyin once expressed: We choose to create an experiential hotel which is different from others. This hotel is not just a place to sleep, but also a community offering the perfect experience of high-quality life to people who have a common purpose with us. Atour is a meaning space which can resonate spiritually with customers. A tendency is that a space full of meaning is the direction of future. Therefore, Atour's effect in this forth space has set a solid fundament for the development in the future and exerted an influence on people that do have common ideas who could be the potential consumer group of Atour.

3.3 Service Procedure with Humane Caring and Distinctive Culture

Atour integrates its pursuit on humane experience in the service procedure. For one, Atour adopts the Peak-End Rule to enhance the feeling of customers. The concretization of facilities, the productization of services and customization of experiences [6]. For instance, Atour divides the customers' experience into 17 key points and then develops 45 service products based on them. And particular significance is attached to the beginning, peak and ending: When the guests arrive and check in, they will be served with a cup of warm tea at front desk. During the stay time, Atour provides complimentary midnight snacks and fine breakfast with local specialties. When the customers check out and leaving, they will be given a bottle of water which is 40 degrees Celsius warm to express Atour's caring to them [7]. Another example can be the Aplus service, for which the members need to choose the items they like and reserve in advance, which can be considered as that Atour offers specific service to satisfy a guest individually and which is beneficial to the preference collection of members. These contribute to the better experiences and thus also the revenue. For another, Atour cares also about the way of hospitality holistically during the stay of customers. For example, the staff is required to greet the guest when they bump into each other as well as during any service, which is responsible for the customers' experience holistically.

And there should be a comparison with other hotels in order to distinguish Atour from them in terms of these services. There are indeed many hotels offering similar services like tea by check-in. However, there is no doubt that among them Atour does the best as it owns the highest satisfaction and is carried out best and most integrally, which means, such a service has never been suspended. To draw a conclusion to this part, Atour not only captures the key nodes related to improving the customers' experience, in which Atour does better with its characteristic culture and ideas than any other competitors, but also seizes the whole body. And through all services the culture and idea of Atour is fully reflected.

3.4 Self-supporting Products and Retail

As a lifestyle company, Atour also runs its own production and retail apart from hotels. Currently, Atour possesses three major brands for home-life products: α TOUR PLANET, SAVHE and Z2GO&CO, which produce respectively beddings, shampoos, lotions fragrances as well as tourism products like suitcases. These three brands are all related to lifestyle, respectively sleeping, bathing and traveling, which answers to the humane spirit of Atour. Therefore, these products can be turned into revenue in virtue of Atour's hotels and its customer group that has the same idea.

In terms of this field, Atour adopts the strategy of self-producing, self-recommending and self-selling. Compared to the common models of hotel retails, Atour's pattern has these advantages. Firstly, it conforms to no conventional pattern that hotels' retail in China just focuses on festal gifts like mooncakes, zongzis and so on that are expensive and cannot ensure their own quality. This precisely reflects the idea and pursuit of Atour, which could be more attractive to Atour's customer group. Secondly, these products are firmly related to the hotel accommodation. For example, the beddings and lotions as well as their quality can be experienced by customers more personally than the mooncakes or zongzis mentioned before, which indicates a bigger possibility of purchasing. Besides,

these products can expand the popularity of Atour and is also beneficial to gaining extra retail, which eventually results in promoting the revenue and market status.

Atour can be considered as a pioneer of the new accommodation economy. Due to its innovations in ideas, products, services, culture and many other fields, Atour has indeed a strong competence to share the market of high-end and even luxury hotels. If Atour can consolidate and continue to enhance these advantages which contributes to enhancing customers' experience, it would do contributions to further success in potential.

4. Some Existing Problems of Atour

4.1 Price cannot Bring Advantage to Competence

As Atour positions itself as a high-end hotel brand, it also sets a commonly high prices which may not be able to be accord with its actual status in terms of the holistic industry that is not merely limited in Atour itself. According to Ye Lvyin, the leading advantage of Atour's major hotel brands is the middle and high-end market whose price range is between 400 Yuan to 600 Yuan. And some hotels of Atour even set a much higher price than this. However, this doesn't mean that Atour's services and quality are not able to cover the price, but that whether this high price is on the same level with its facilities and then contributes to marketing. Thus, the Autor holds an attitude of doubt whether this price is really appropriate.

Firstly, in terms of the price range between 400 to 600 Chinese Yuan there are actually plenty of high-end hotels and even some luxury hotels of low categories that can be selected, whose facilities are much superior to Atour's. In that case, the competence of Atour could be impaired. Secondly, even if customers who are regarded as the selected group of Atour can accept such high price, the majority – that is yet not fan of Atour but could be potential consumers might not be satisfied with the price and then decide not to choose Atour. This can lead to the loss of potential consumers and an increasingly narrower group of guests.

4.2 Similar Interior Trim can Lead to Aesthetic Fatigue

When the travelers are always stricken by beauties with the same or similar character that stimulate the customers in the same way, the energy and consciousness of them would be expended and benumbed, leading to such fatigue and then the decrease of both customer's preference and revenue [8]. In terms of the perception, Atour's room design could be a problem which occurs mainly to the brand Atour (This Atour refers to the hotel brand Atour Hotel, rather the company), the most widely distributed brand as well as the only one which is named directly after Atour. According to the room information and pictured posted on Atour's official booking program, it can be captured that most of rooms of the Atour in different cities look extremely similar to each other: From design, layout and decoration to the furniture and facilities. The greatest difference might be the photography of local place. On the other hand, there are indeed some hotels belong to this group equipped with differently designed and decorated rooms, however, these hotels belong usually not to the brand Atour.

Such an excessive similarity does have the possibility leading consumers to the aesthetic fatigue which accounts for not only the reduction of customer number, but also the boredom to a brand or a company in the long-term perspective. In consequence, this brand might expose itself to a variety of detriments in potential such as loss of customers and even decrease of public reputation.

4.3 Quality of Part of the Staff cannot Reach the Standard

According to Atour's position and ideas, how the staff serve the guests, which is also directly up to their quality, is an essential element for whether its standard can be reached. However, in spite of all kinds of methods to promote the progress of staff, there are still some whose quality cannot match the requirement. Two reasons can be inferred. Firstly, the professional burnout, which is no rare thing that the occurring to hospitality industry, is impacting Atour severely. According to the research accomplished by Zhu Ping, the burnout can result from four aspects namely emotional exhaustion,

low sense of achievement, stress from position and workload. Meanwhile, even if there is support from society, this phenomenon hasn't taken a turn to better [9]. Secondly, the low quality of part of the staff can also be the consequence of the Chinese hotel management education. As the fact is that most hotel management education courses are only offered in technical college and some universities merely of general level. For example, some of the staff cannot use the decent or normative words to communicate with customers and even that someone just shouted in the dining room due to the hard work and impatience during working.

Even if this is just a problem for part, the especial attention is also necessary. The nice customer experiences are nothing but unreal image if the good work of the staff cannot be guaranteed. Generally speaking, these mentioned problems can lower the guests' experiences, reduce the number of customers and even possibly restrain Atour itself from further customer groups in potential, which eventually does damage to the reputation and revenue.

5. Suggestions

5.1 Continuing Enriching and Sticking to its Cultural Ideas

The suggestions here given by the author are dedicated efforts based on the above analyzed aspects tightly related to the experience of customers' staying try to find a balance point and then promote the market share and revenue of Atour self-improvement. Based on the previous analysis and statistics, the core of Atour's cultural ideas can be concluded as culture, quality and experience, on which Atour is supposed to insist. It is undisputed that Atour cannot slacken anything about its culture and ideas. And the following directions must be consolidated.

First of all, these three aspects must be maintained at least without any decrease, in order to preserve the core competence. According to the negative effect of word of mouth spread, if customers do not receive the service that is able to match their expectations or the improvement of services cannot catch up with how they believe the services should be enhanced, they will come into unsatisfaction and complain about this to more people, and once this happens, it will impact not only on those individuals, but also the group of their associations, as all these spreads take up in certain relations.

Secondly, only maintaining such standard is not enough for the long-term development. For further breakthroughs, new innovations are necessary. Therefore, Atour must also manage to boost new businesses including brands, experiences, service procedures and so on. However, it also deserves an attention that don't make too many new things or something that doesn't comply with the Atour's ideas, so that it may not be gaudy and annoying to guests.

5.2 Enhancing Room Facilities

Better room facilities and quality of staff answers to Atour's ideas as well, as they perfect the quality of hardware and accommodation experiences. Only the abstract culture is not adequate, the thematic culture should be highlighted and expressed both internally and externally [10].

As it has just been discussed that the room types of Atour look too similar to each other, it will be indeed pleasing that some innovations in terms of room decoration and layout can be seen. However, compared to this, another aspect that needs to be improved more is actually the details, in other words, the small cozy items. For example, upgrading the toilet from the conventional type to automatic bidet. On the other hand, some offerings that are only served by Aplus such as bathrobe as well as thick and soft slippers can be turned to the complimentary. After all, the items mentioned above are offered free of charge by large quantities of hotels of all tiers and types like Sheraton, Mercure and even some of Ibis-Lifestyle. From the perspective of competition, only when Atour can keep up with its competitors in terms of hardware facilities, can its software culture and pursuit on experiences become the advantage, otherwise they are just making up for the shortcoming of room facilities.

5.3 Improving the Staff Quality

To improve the quality of staff comprehensively, a series of measures ought to be taken. Firstly, Atour's management method of employee must be systematically implemented. Besides, the improvement courses which differ from the induction training could also be carried out to broaden the staff's horizons and enrich their skills, which is beneficial to both their professional quality and self-improvement as a citizen.

Apart from those, more cautious consideration should be attached to the reduction of the labor cost. As the hotel industry is seriously suffering from the pandemic, many hotels have chosen to reduce the number of employees as the reaction to their survivals in such depressing environment. However, with the restrictions becoming increasingly flexible, the quantities of hotel customers are also recovering, for which the number of hotel workers after reduction and resignation seems not so sufficient. Such phenomenon was extremely apparent in 2021. This way, the workload of the individual staff will lose the balance and then leads to the burnout. In short, it is a tendency that more and more high-end hotels attach especial significance to the employee. If the employee cannot serve guests of high quality, the hotel culture and experiences are just cold.

5.4 Setting Price More Appropriately

This field is the one with the holistic and summative meaning, as the everything that we pay effort on aims at better revenue, in other words, an appropriate price which can attract customers as more as possible. To achieve this goal, decreasing the exorbitant price is of course one measure. But on the other hand, setting price more appropriately doesn't mean merely lower prices, but managing to make the price deserve the services and conditions. Thus, improving facilities and services can be also considered as one method to rationalize the price. Therefore, to set a more appropriate price calls for comprehensive measures from various aspects, not just adjusting the numbers of price.

6. Conclusion

In conclusion, Atour has put itself in general in a rising tendency based on its primary idea of sticking to culture, pursuing quality and focusing on experience economy. And on the other hand, it is also faced with various problems referring to price setting, room design and decoration as well as the quality of staff. According to the author, if Atour would like to look for further and long-term development, it could not stand still and must break its "overconfidence" about their quality and experience. Therefore, suggestions of the four aspects are given, hoping to reach a balance between the advantages and problems - in other words, to highlight the strengths and make up for shortages, and make contributions to Atour's potential achievements. In the end, the author would like to express the best wishes to Atour and expects its further success in bringing more Chinese culture and hospitality ideas to this industry and to more people.

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