

Marketing of ritz- carlton hotel company

Business



Ritz-Carlton Hotel Company: Goal: a truly memorable experience
Market: top 5 percent of corporate and leisure travelers
Company: 35 hotels in several continents

Market-Oriented Definition: " We create the Ritz-Carlton experience - one which enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests."

Achievements:

1. inaugurated the guest-history system in 1992; has boosted guest retention by 23 percent and customer satisfaction of 97 percent
2. One of the top 15 U. S. city hotels - Forbes
3. One of the top six business hotels and Ritz-Carlton knows about delivering quality - Fortune
4. Winner of the Malcolm Baldrige National Quality Award in 1992 and 1999. Only one other American company has received this award more than once, and the Ritz-Carlton is the only company in the hotel industry to have been recognized.
5. Achieved 121 quality-related awards in one year alone.

1. In this chapter, requirements for creating and delivering customer value were discussed. How does the Ritz-Carlton Hotel Company meet those requirements

The Ritz-Carlton Hotel Company uses individual marketing or one-on-one marketing to provide superior value with quality to its customers.

Made possible through integration of information technology, total quality management and flexible operations to customize the hotel experience.

Simple illustration: Meeting customer Expectations + Providing Quality = Customer Satisfaction -> Customer Loyalty

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How does the company provide customized service and gather data

1. Through informal observation and data gathering of hotel staffers on each client recorded on " guest preference pads."
2. Gathered and transferred to a corporate-wide " guest history database"
3. Every morning " guest historian" at each hotel reviews the files of all new arrivals who have previously stayed and every shift a the floor manager advises all employees on current guests

How is this possible

Through efficient and integrative marketing, function and communication of customer, company and employees.

Company

CustomerEmployee

Benefits of delivering value

Sales to increase revenues

Lifetime value of a customer

Less price sensitivity

Can demand higher margins

Lower organization's costs

Cost structure is the amount of resources required to produce a specific amount of sales

Cheaper to maintain than acquire new customers

2. Relationship marketing creates interactions with customers that make it unnecessary or even difficult for them to switch to a competitor. How has the Ritz-Carlton used this marketing Strategy Invent several ways the company could form one-to-one relationships with customers. How could each of these initiatives influence customer perceptions of quality

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The company has made a customized relationship with its clients through its integration of information technology and its business.

They have used this strategy to give the customer the perception of higher quality since they would feel that they are being taken care of.

Point: The main difference of a person living at his house and a hotel is the evident fact that in your house, you already set it up just the way you want it or based to your own comfort. When you go to a hotel, the hotel tries to emulate this feeling by trying to make your stay convenient and comfortable. In more common occasions, the hotel falls short of this and the guest would need to frequently or occasionally call for room service just to be able to make the hotel more comfortable. Therefore, with their personalize system, you don't really need to call room service anymore because it is already automatically provided for and it gives the hotel the opportunity to call and inform the guest for point of interest that they might enjoy.

Empathy is made possible through the frequent observation of the company to their guests, enabling them to understand them and make things work for the guest.

Through their continued and consisted service since they started its system in 1992, the company is able to gain the Trust of its guests to maintain and even surpass its quality expectations

Commitment - the company is committed to provide superior quality to their guests therefore they would do anything to fix any wrong or insufficient service that might have occurred.

Rewarding loyal customers. - Through constant visits in the hotel, more data would eventually be gathered for the guest. Therefore, making it possible to give even more precise and better service to its guests.

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They have reduced the buyer-seller relationship to a more personal hotel experience with big and small details that makes the customer feel special.

Some examples:

Greeting clients by first name - makes the customer feel that the company knows every single one of its clients and would take good care of them.

Coordination with the concierge - the concierge could initially inform the guests of events, restaurants, etc. in the local area that could be of interest to the guest if the " guest history" shows.

Food preference - knowing the food preference not only makes it convenient for customers to give the company decisions for their own food, especially convenient for people who would stay for a considerable amount of time and make a routine service for food. It is like having a personal cook which knows what you want to eat without telling them. Also, it helps the company prepare the food before hand, thus cutting preparation time.

No need to call for room service - Since the hotel would know what each client would like, there would virtually be less need for clients to call room service. Also, employees could initially engage the guest for potential request rather than the guest calling on the hotel staffer first.

Amenities inside the room is already in place - " Everyone has their own way"

People have many preferences with regards to their room. For some, a riverbed of pillows or 3 sets of towels for an individual would be a must.

Therefore, the company would automatically provide these customer preferences even before the guests could even request for them.

3. The diversity of tastes and preferences is a challenge for customer-centered marketers. Identify several different groups (such as those with <https://assignbuster.com/marketing-of-ritz-carlton-hotel-company/>

disabilities or the elderly) and develop initiatives the Ritz-Carlton could use to provide them with superior customer value.

Different groups

the business executive

These are the executives who are currently on a business trip.

Provide secretarial services for the executive

Provide business services inside the room, to make it a mobile office

the exhausted/relax executive

these are the executives who work hard and just want to stay mostly inside the hotel or within the vicinity just to have some personal time alone.

Since this type of executive would stay most of the time inside the hotel, provide an optional guided tour of the city and provide extra-comfortable amenities inside the room.

Vacation - Family

Provide restaurants, events and other attractions that family usually enjoy near the area or within the city

Provide additional amenities that the family would enjoy in their food or in their room amenities (ex. If there is a baby provide extra towels or provide baby stuff for the customers convenience) Also, a baby bed would be a good addition to the room.

Provide babysitter option

Vacation - Group of Friends

Provide restaurants, events and other attractions that friends usually enjoy near the area or within the city

Newly weds

Provide restaurants, events and other attractions that couples usually enjoy

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near the area or within the city

Provide special themed rooms for the newly weds, in their food or in their room amenities (ex. Rose petals on the bed)

Provide special offerings/gifts for the newly weds