

Heritance kandalama
marketing strategies
marketing essay



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HK is being managed by the well known Sri Lankan blue chip company, Aitken Spence PLC. The hospitality sector is a one out of four operations of Aitken Spences. Services, logistic solutions and strategic investments are their other operations.

There are a range of hotel brands managed by Aitken Spence; Heritage in Sri Lanka, Adaaran in Maldives and Aitken Spence Hotels in India and Oman. At same time they provide both in and outbound tourism, airlines agencies, conventions and exhibitions, elevator agency, financial services and insurances throughout the national and international markets under their service sectors.

‘ Heritage’ is the famous brand of Aitken Spence’s in Sri Lanka. The word ‘ Heritage’ is derived from combination of the words heritage and inheritance.

‘ Heritage Hotels & Resorts are a collection of resorts that are architecturally unique and blend in with their natural environment’ – Quoted from Aitken Spence official web site. <http://www.aitkenspence.com>, retrieved on 23rd of February 2012.

HK facilitates 152 rooms, three restaurants with a seating capacity of 295 including outdoor dining and recreational facilities, a banquet hall, three unique pools with two bars, a business centre, indoor and outdoor sports, shopping arcade and a fabulous nature garden overlooking the Kandalama lake with numerous flora and fauna.

Kandalama hotel's client base on eco friendly travellers who are looking for a mouth watering food extravaganza, serene privacy, luxury and a unique experience.

2. Heritage Kandalama marketing strategies

2.1 Forming the marketing strategies for HK.

HK's hotel strategies are formulated on the Aitken Spence's corporate and hotel sector strategies which are mainly based on the marketing concept and societal concept. Heritage brand strategy and marketing slogan is ' Where tradition is alive'. HK hotel is the flagship of sustainable green tourism strategies and Corporate Social Responsibilities (CSR) strategies practices.

Figure 2. 1: Porter Generic Strategies for HK

Competitive Advantage

Competitive Scope

Broad

Narrow Low Cost High Cost

Overall Cost Leadership

Differentiation-HK

Cost focus

Differentiation Focus

Source: Porter 2010

As Figure 2. 1 shows, HK is taking competitive advantage under ‘ differentiation’ strategies by catering to a broad market with a higher price compared to other eco friendly resorts in Sri Lanka. As predicted above, they have a broader market sector which they cater for each and every type of market so they can charge premium price as Heritage is a nationally and internationally well reputed brand with their unique location, luxury services and extraordinary facilities, and well established marketing communication strategies.

2. 2 HK Hotel and Marketing Strategies

Throughout the HK hotel they use societal and marketing concepts as their main marketing notion; however still they use other concept too.

Societal Concept – Sustainable tourism, CSR practices, Green auditing

Marketing Concept – Nature conscious architecture, Heritage ingenious food experience

In order to practice their ‘ Where Tradition is Alive’ marketing slogan and against to their competitors, HK differentiates their location, interior and exterior, products and service, and its green philosophy practices.

Appendix 1: Aitken Spencer hotel annual report 2010/2011

Positioning

Royal suites with VIP luxury amenities, wedding package & documentation for foreigners, balloon rides, mountain & cave tracking,

Targeting

Honeymoon package, excursions, cultural activities & cultural triangle tours, green philosophy, CSR concern guest

Segmentation

Eco & nature lovers, adventures, cultural tourist, love & romance responsible tourists

Figure 2. 2: Segmentation, targeting and positioning for HK

Source: Author

Kandalama value proposition is ' Where Tradition is Alive' .

Luxury : Royal suites, the Six Sense Spa.

Culture : Excursions to Punaragama village or the cultural triangle.

Adventure: Night mountain hiking and Jungle tracking. – Excursions

Love & Romance: Wedding Packages.

Family: Eco Park, special children's menu, in and outdoor sports.

Business: Conference facilities, Six Sense Spa, serene environment away from the busy city.

Sustainable and Nature: Green philosophy and CSR practices buy and promote community products, green architecture.

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Price

Higher The same Lower **Figure 2. 3: Heritance Kandalama product positioning in market**

More

Same

Less

Benefits

Royal Suite, Six Sense Spa

Honeymoon package

Restaurant Buffet

Balloon rides

Cultural triangle excursions

Diamond club loyalty card

Horse and pony rides

Conference facilities

Punaragama village tour

Source: Author

HK is using different pricing strategies according to their product and service catering to different markets and competing with their adversaries.

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More-Higher: Compared to other eco-luxury hotels HK royal suites are far more expensive than others as their services and facilities are of a higher standard.

Same-The same: Cultural triangle excursion package and price is the same as when compared to the surrounding hotels.

Less-Lower: Punaragama package is not expensive; with this package you can explore traditional village life in Sri Lanka which competitors don't have the facilities for. This is a unique market position for them.

Figure 2. 4: Ansoff Growth strategy and HK

Existing Products New Product

5 star luxury rooms and facilities, honeymoon package, cultural triangle excursion

Balloon rides, helicopter rides, traditional music and cultural events.

Family package with children's' facilities, adventure packages for corporate clients.

Punaragama package, green tourists, community service

Existing Market

New Market

Source: [www. businessdictionary](http://www.businessdictionary.com)

HK is penetrating the market extremely well even though there are other five star resorts there, they have a larger segment of the market due to their

unique geographical position and superb nature blended with architecture. They have developed a new market for children to retain parents by introducing new children's menu's, children's sports, and Kids Club. There is another new package they have created known as the adventure packages for corporate clients; there is an adventurous outdoor management training program immersing to fulfil this. HK developed balloon and helicopter rides for the existing adventure market. Their diversification of unique products is Punaragama cultural village, Kandalama ingénues food experience and cave dining.

2. 3 The 7Ps strategies for HK

2. 3. 1 Product

152 five star luxurious rooms with seven categories, three unique restaurants, pool bars and Kandalama style cuisines, Six Sense Spa with all beauty treatments, three exceptional pools in and our door sports facilities, library and bushiness centre, excursions, activities such as bird watching, trekking, boat trip, horse and elephant riding.

2. 3. 2 Price

Best Available Rates for Bed and Breakfast – inclusive of taxes.

Superior USD 180

Panoramic USD 200

Luxury USD 250

Deluxe USD 260

There is travel agent rates 25%-35% lesser than best available rate.

2. 3. 3 Promotion

Appendix 2: Paper and web advertisements.

Advertising in news paper, official worldwide website, magazines, green philosophy practices, CSR activities, word of mouth, blogs, social medias such as Facebook and Twitter, direct sales promotions, catering for the international events and providing facilities for international researchers to gain knowledge about sustainable and green tourism practices, always being in the limelight of every global and local green and sustainable awards.

2. 3. 4 Place

183km from the Sri Lankan capital, Colombo, Katunayaka Bandaranayaka Colombo International airport, located within UNESCO World Heritage site and Sri Lankan cultural triangle, overlooking the 1200 years old Kandalama lake, Sigiriya and Dambulla citadels. Hotel reservation system, Aitken Spence destination management official website and other reservation websites such as Agoda, Trip advisor, and other travel agencies working as distribution channels of HK.

2. 3. 5 People

Corporate and international customer training programs and other training for staff, staff evaluation and rewards upon their success in customer services such as employee of the month, training & development to encourage lower level staff to higher managerial positions, through

community services and CSR build good relationships between guests, staff and the local community.

2. 3. 6 Process

Awarded with environmental process certification, CSR and green philosophy practices, Reduce, recycle and reuse practices on their resources, hotel standard guidance book, SLS certifications

2. 3. 7 Physical Evidence

Internationally awarded Geoffrey Bava's architectural design, eco and environment conscious landscaping, interiors and exteriors, energy conservations system, colours and design blended with nature to have the minimal impact on the environment.

3. HK Marketing Communication and Public Relation Strategies

HK is having very effective personal and mass communication structure to create new customer bases and retain the existing customers.

Appendix 4: Communication DRIP strategy for HK.

3. 1 Marketing Communication Strategies for HK

HK is using different market communication strategies aligned with their corporate strategies, such as

3. 1. 1 Push Strategies

Push strategy is one of main communication strategy used by HK. As intermediates they use their own sister company Aitken Spence Travel and Tours, other local travel agents and tour operators, international travel <https://assignbuster.com/heritance-kandalama-marketing-strategies-marketing-essay/>

agents and tour operators such as Kouni, hotel representative at airport, trade show and other travel and tourism conferences.

HK Hotel Aitken Spence Travel & Tours Customer

3. 1. 2 Pull Strategies

The growing and vast potential communication strategy used by HK is the pull strategy, as there do not need to allocate intermediary commissions, discount or extra payments. This is very profitable for customers as well as to the HK, however Heritage Kandalama a has to are advertising and communications cost.

HK Booking. com, Central Reservation Customer

Promotion Mix

3. 1. 3 Profile Strategies

Their some of profile strategies are Heritage News letter, Promotion between other Aitken Spence staffs and suppliers.

3. 2 Marketing communication mix for HK

Direct Selling – Aitken Spence Hotel reservation system

Personal Selling – HK Sales and Marketing Department

Advertising – Magazine and Bill board

Sales Promotion – Seasonal offers, Marketing campaign

Sponsorship – Donating to local community schools

Exhibitions

Trade fairs

E-communication – Official website, Facebook, Twitter

Public Relations (PR) – CSR practices

3.3 Public Relation (PR) and HK

Press Agencies: HK has taken full advantages of the PR facilities of their mother company Aitken Spencer which has press release on Aitken Spence websites, National news paper agencies and other public media to promote in Sri Lanka as well as in foreign markets.

Product Publicity: Very detailed information of hotel products and services mentioning in their official website [www. heritancekandalama. com](http://www.heritancekandalama.com)

Public Affairs : They use Green philosophy and CSR as their main weapon through the PR system. HK public affair system well functions through the protecting environment, waste recycle system and 8Rs practices and minimum impact of tourism activities to the nature, local community and natural resources, and HR practices.

Lobbying: Donating and helping government schools. Mainly they set the example to the Sri Lankan government to formulate the law, rules and regulation for the sustainable tourism.

Investor Relations: Returning maximum profits to the share holders and delivering transparency financial and annual reports.

Development : Community services, using local products for hotel operation, promoting the local crafts and goods to the hotel visitors and setting standards for Green Tourism in Sri Lanka.

3. 4 Other PR communication channels.

News and speeches by executive to the media – Executive review in annual reports

Written materials – HK hotel brochures, articles

Audio visual materials – Youtube, Website video clips

Corporate identity materials – Heritage Kandalama logo in stationeries, signs, business cards, heritage uniforms, CSR activities, hotel website and social net works

3. 5 HK PR practices and Sustainable Tourism

From the beginning Heritage Kandalama empathies on sustainability through the construction, operation and disposing.

Figure 3. 2: Sustainability of Heritage Kandalama Hotel

Source: www.ecotourportugal.com

Social: Heritage Kandalama CSR practices, Community services, Donation for local schools.

Economic: Best Human Resource practices and hiring local personal such village flute player, Buying and using local products, developed Kandalama

ingenious food experience through local products and Encourage tourist to buy local community products.

Environment: Green philosophy practices, Minimum impact on environment through green architecture, 8Rs practices (Reuse, Reduce, Recycle, Reverence, Respect, Responsibility, Rethink and Repair).

4. Brand & Brand Strategies of HK

Heritage Kandalama is a five star luxury resort hotel situated overlooking the Kandalama Lake and is surrounded by five of UNESCO World Heritage sites. There are hundreds of luxury resorts world wide including Sri Lanka, however the HK brand is differentiated from its competitors because it delivers unique brand values to its loyal customers. HK hotel extend their services under the 'Heritage' brand, meaning Heritage and Inheritance within Sri Lanka and their value proposition is 'Where Tradition Alive'

4.1 Brand Attributes of Heritage Kandalama

Image: 'Heritage' brand name, location of the hotel

Design Style: Geoffrey Bava's green concept architecture engraved in to rocks, flora & fauna with minimum impact on its natural environment

Logo: Antique brownish letters gives cultural feeling to the logo

Marketing Campaigns: Through promotion mix

Printing Media: HK brochures, leaflets and news letters

Web site: Official website [www. heritagehotels/kandalama](http://www.heritagehotels/kandalama)

Behaviours: Through guests' experiences of hotel products and services

Appendix 3: HK destination branding.

4. 2 Brand strategies and Heritage Kandalama

Aitken Spence PLC is using umbrella branding strategies upon their main products and services. HK's brand equity is compounded with the sustainable and nature friendly luxury brand giving a unique experience of Sri Lankan culture, tradition, food and foremost thousands of years of well known Sri Lankan hospitality.

4. 3 Customer relationship management practices (CRM) and HK

Tools using by HK for effective and efficient CRM;

The Guest relations department managed by the Guest Service Manager to attend to on the spot guest queries and to enhance repeat customers.

HK has a rapport with their guests by holding cocktail parties by management and engaging the guest with in the local community.

Data base management (DBM): Collect and keep up to date guest information upon registration cards and guests special requests to create a memorable service for the guest when ever they visit HK.

Using DBM to keep in touch with existing customers by sending greetings cards on special occasion's e. g. birthdays, anniversaries and Christmas.

Updating the guest about forthcoming events, new offers, HK special packages through emails and news letters.

'The Diamond Club' loyalty card – For each stay in any Aitken Spence Hotels, guest can earn points and they get 10% out of the total bill value. Free stay, discounts on future bookings, room upgrades, gift vouchers, special offers and free Aitken Spence diamond club news letter some of benefits related to it.

5. Networking, E-marketing and Heritage Kandalama

HK gains higher customer retention and new customer bases through networking, e-marketing and relationship marketing.

5.1 Network Marketing of HK

Through Aitken Spence mother company and other sister companies

Aitken Spence word press, media releases and corporate marketing

Aitken Spence Travel and Tours (pvt)ltd

Other Network marketing

Trip adviser, Booking. com and Agoda booking engines

5.2 Relationship Marketing and HK

Through data base management system and customer evaluation, Diamond Club loyalty card system, HK has a larger group of retained customers.

Customers' experiences can be read about through the official media website of Aitken Spence word press. HK's unique products and memorable services, well trained skilled staff and long running marketing strategies generate a continued great customer relationship.

5. 3 E-Marketing and HK

They have attractive and informative up to date websites, however this is one of marketing tool that still they have not taken full advantage and there are lots of potential.

E-Business – HK is using a intranet system to communicate through the interdepartmental as well as with Aitken Spence corporate sector. MS office, data base management system (Fidelio), e-recruitments and for other communications are also used externally.

E-marketing – HK provides information of their services and products, packages, online reservation and customer feedback through their official website, social networks, and other marketing websites.

E-commerce – HK official website has online reservations and best available rates are associated with other booking engines they have a massive market, e. g. through Last minute booking. com, Agoda and tripadvisor.

Figure 5. 1: Process of social net work communication strategies of HK

Source: Author

5. 3. 1 Features of HK official website

Web contents and information: Regular updating as well as reliable and detailed information provides accurate the knowledge of its products and services. Image galleries and animation of the front page attract the audiences' attention quickly.

User friendly navigation: Using simple text terms with drop down menus, which are easy to understand and find the information.

Search engine optimisation and link building: Appears in search engines such as Google, Firefox and Yahoo and Sri Lanka web directory booking.

As web release marketing tool: Hot air balloon offers, honeymoon packages, and connection with the Diamond Club loyalty card promotion web site. Links with social networks such as mentioned.

Build awareness: Knowledge of the Heritage products and services, news and press release, blog spots and forums through the web links: www.aitkenspence.wordpress.com or www.aitkenspencehotels.typepad.com

5. 3. 2 Online Advertising

At present HK is using their official website, other booking engine websites (agoda.com, lastminute.com), social media links (facebook, twitter, flicker, blogger), online classified (lakpua travels), and rich media (YouTube) to advertise, however they can emphasise more on online advertising as mentioned in the recommendations chapter .

5. 3. 3 Guerrilla Marketing of HK

HK uses CSR practices as guerrilla marketing tools in their website.

Green philosophy practices; makes the customer guilty if they do not choose its products against other competitors.

Hotel allows researchers to use them as a sample model of sustainable, green tourism, green and architecture Case studies are in local and international press.

HK advertisements appear on other travel and tourism websites

HK is playing the role of Green tourism standard setter for local government as well as for the Sri Lanka.

5. 3. 4 Viral Marketing of HK

Social Net works – HK has started to build social net work through Facebook, Flickr, Blogger, Twitter,

Word of mouth – HK has built a great customer reputation and they spread the positive image in motivating other clients through web base guest feedback such trip adviser, articles in blogs and personal recommendations.

Diamond Club loyalty point system encourages to use more and more of Aitken Spence products and HK service.

6. Recommendations

6. 1 Porter’s generic strategy recommendations for HK

1. Segmentation strategy recommendations

Family Adventure Packages

Corporate Adventurous management training packages

Elite packages for eco tourism researchers, scientists and high profilers.

Off seasonal bonanza.

2. Differentiation strategy recommendations

Develop HK as centre point of Eco tourism hub of Asia through developing Heritage brand as most sustainable and Eco friendly hotel sector.

Implement and practices the Six Sigma quality strategies to enhance customer satisfaction as Sri Lankan hotel sector have not practices this to date.

3. Cost leadership strategy recommendations

Implementing departmental quality circle and encourage associates to reduce cost and improve the service for guests

Operate Local market bids to obtain more and more local (bio) products

Develop new menu call ' BE YOUNGER' with more nuts, fruits, vegetable and berries for increasing elderly travellers.

6. 2 Marketing mix 7C's recommendations for HK

Product

Kandalama tree house and restaurant

Kandalama lake stage

Price

' Off season bonanza packages' by providing high seasonal qualitative and quantitative service for lower price in the off season.

2. Integrated packages – Provide unique tailor made packages by integrating other hotel packages upon guest request.

3. Create special package prices for Mobile Apps booking guests.

Place

GPRS booking system.

Implement the separate Mobile Apps booking engine with special features integrating with the other booking engines.

Promoting the directory booking.

Become a C-vent web member.

Promotion & communication strategy

Yelp & Qype mobile campaign.

Search engine optimistic and build communication net work between HK service experienced travelers and who looking for HK experiences.

Analyze the e-marketing statistic and take competitive advantages of it.

Use rich media for HK promotion campaign.

Organize FAM (familiarizing) trips for major travel agencies in locally and internationally.

Use voice text bot through the web to answer the guest questions and queries

Build up ' Story Share' link through the HK official website where guest can share their experiences.

Use technology to track down the travel information seekers through the search engine and let connect to nearest the person to that guest who had HK experience to share their experience with new travellers

Introduce E-catalogues, e-brochures and e-coupon

People

Introduce " ease carbon foot print guest" award system

Give extra loyalty credits for above awarding marking scheme in excising HK Diamond Loyalty card system.

Develop repo with guests by web story ' Present time Ibn Battutas' stories.'

Process

SIX SIGMA quality practices and enhance HK services

Implement quality circle for each department in order to attain HK quality standard and improve future qualities

Implement a paperless documentation system throughout the hotel i. e. e-mail, website, phones, apps and other advances in technology

Encourage the new innovators by having competitions

Physical evidence

Create a ' Guest Garden'

Use all recycle amenities and product in the rooms; recycle toiletries

6. 3 Public relation strategy recommendations for HK

Hosting cultural events and competitions

Hosting sustainable and nature conscious competitions

Create a stage drama of “ History of Heritage” and promote locally and internationally

Sponsor local adventure events

Open an Eco tourism hotel school

6. 4 STP strategy recommendations for HK

6. 4. 1 Segmentation

Natural health and wellness segment- intergraded with Six sense spa, sister hotel Ayurveda Mahagedara and professional ayurvedic and acupuncture doctors.

Luxurious business market – building a total virtual personal business room.

Green tourism

6. 4. 2 Targeting

Targeting young stylish executives by providing exclusive packages, game room, upgrade the interior stylishly and providing all business facilities in the room

Targeting family with children by adventures packages for children, camping, and nature study lab, kids club

6. 4. 3 Positioning

Become CSR hot spot by creating brand values for community, environment and economy.

Through tailor made packages for customers, create different price scheme which can affordable to elite to budget class customers

6. 5 Ansoff marketing strategy recommendations for HK.

6. 5. 1 Market penetration

Enhance Diamond loyalty card system- to create chain benefit package for existing customers.

Use advanced data base management to create unique personal experience with HK

Create advance data analysis system to use yield room price; collect all competitors prices and data decide daily rate lower than them to gain competitive advantage.

Develop quality circle and six sigma quality assurance to improve the product and gain the customers trust.

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6. 5. 2 Product development

Heritage Kandalama tree house and restaurant

Heritage Kandalama lake stage

Consolidate with Ceylon hotel school and the government open Eco tourism hotel school

6. 5. 3 Market development

Create virtual HK dummy in different continental

Eco marketing campaign to raise awareness about HK environmental, CSR and sustainable practices

Virtual show around, lives show around through skype in all languages using rich media. They can use 3D effects and stimulate the customer by seeing, feeling and hearing.

Directory marketing such in Yahoo Local, Yellow Page and LinkedIn

6. 5. 4 Diversification

Extend the building and develop budget accommodation with basic bread and breakfast packages for adventure and back pack tourists.

Create nature lab for researchers, ecologist, environmentalists and academic researchers.

6. 6 Public relationship strategy recommendations for HK

Sponsor or be host for international and local ' Survivor', ' Travellers' programs.

Hosting cultural and sustainable tourism programs, competitions and events

Calculate and award their guests yearly as 'Least carbon foot print guest of the year'

Corporate with professionals create stage drama, short films about HK history.

7. Conclusion

HK is a five star luxury nature resort situated between five sites of UNESCO World Heritage sites Dambulla and Sigiriya, near by Anuradhapura and Polonnaruwa. It builds on the internationally well reputed of Geoffrey Bava's green architectural concept and building itself has blend with nature as you can't see the artificial buildings. HK has been rewarded with numerous local and international awards such Green global certificate in Asia.

HK's marketing strategy is to provides five star luxury experience to the guests while practicing sustainable and green tourism. Mainly they use societal and marketing concept strategies.

HK uses push communication strategies to promote the hotel and its services via local and international travel agents, tour operators, travel and tourism trade shows and conferences. They practice pull strategies too through World Wide Web marketing, direct selling and campaigns done by the hotel's sale and marketing department. HK has a well build pubic relations system through their services, products and practices. Some of their PR tools are CSR, green philosophy, press releases through their mother company Aitken Spence's [www. wordpress. com](http://www.wordpress.com).

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Mainly HK has a reputation amongst their competitors through the network marketing such as trip adviser and word of mouth and it has become a viral marketing tool for them through hotel blogs, facebook and other social networks.

Thought they have a well reputed market locally and internationally, they still can implement new methods of marketing and there potential to enhance existing markets and explore new markets in the modern era of eco friendly responsible tourism.