

Banyan tree – hotel and resorts



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2/9/2012 Table of Content Company Background SWOT Marketing Mix Main factors of Banyan Tree's Success Brand & Communications Strategies Brand Portfolio Social responsibility Potential problem from new market: Americas, Europe, and the Middle East Company Background Established in early 1994 by Ho Kwon Ping & his wife Clarie Chang Operate in the boutique resort, residences and spa industry and provide naturally-luxurious, ecological, culture-sensitive experiences.

Manage 25 resorts and hotels, 68 spas, 65 retail galleries, and two golf courses in 55 locations in 23 countries Rewarded: • • • • • " Best Resort Hotel in Asia-Pacific" 2002 " Seychelles' Best Resort" & " Seychelles' Best Spa" 2003 " Best Hotel for Room" 2006 " Best Hotel (Luxury)" 2007 " PATA Gold Award - Ecotourism Project Category" 2008 " Favorite Overseas Hotel Spa - Winner" 2010 1 2/9/2012 Destination & Experiences Provide " a sense of place" to reflect and enhance the culture and heritage of the destination Target Customers

Banyan Tree Hotels & Resorts focus on wealthy customers who want to enjoy local flavor, luxurious feel in complete privacy. BTHR is also target on middle class who really want to enjoy special BTHR's services but can not afford premium price (Angsana Hotel Spa). 2 2/9/2012 Products & Services Products: BTHR offers premium resorts & hotels individual villas " intimate moment" package wedding package Services: spa retail outlets Others projects: BTHR cooperate with local people to educate them to make valued crafts & create the Banyan Tree Gallery & support local business

S. W. O. T Analysis Luxury & premium resorts leadership Hotel & resorts industry leading growth: well established, renowned brand name Improve brand awareness through expanding & launching new brand Angsana Spa, diversifying services with Banyan Tree Galleries and Banyan Spa Galleries Untapped segmentation Cost efficiency: using minimal advertising Conduct business in an environmentally responsible manner Well-trained employees Using global distribution system - GDS Best combination between main services and enhancing services

Weak experiences in city hotel market. Danger of dilution the brand when BTHR to extends to middle class. High cost for maintaining quality and high standard services. Natural hazards and current environmental issues in some local countries 3 2/9/2012 SWOT Analysis Fast countries development will be created more millionaire, it will lead to increase demand in this segment. Increasing demand in using ecofriendly and recycled material The laws take priority to developing ecological projects. Strong potential natural resources. Strong potential market in others ountries such as Europe, Americas or new development country with political stability like VIETNAM. . Due to the fast and crowded development of hotel, resort and spas industry, it will make noise and create new demand for current and prospect customers Due to economic crisis, high inflation and bankrupt, it is good chance for Hotel and Resort that are focusing on middle class. New entrants to the markets Facing with high costs of expanding its business outside the Asia. Challenge of translating and maintaining the success of the niche Asian hospitality into various market segments in the world.

Challenge of maintaining the balance of exploitation & preservation limited natural resources: coral, rainforest, turtle,... Customer behavior are always changing Laws or regulation changing Threat of economic crisis. Marketing Mix • Luxury & intimate resort • Wedding packages • Spa • Other services: handicraft gallery, retail outlets, spa outlets • High price: premium -\$1, 200 – \$7, 000 – €1, 500 – €4, 200 • Website: [www. banyantree. com](http://www.banyantree.com) • Global distribution system – GDS • Social organizations: UNDP, Green Communities, Singapore’s National Heritage 4 /9/2012 Marketing Mix • Guests are offered free some environmental activities, marine biology sessions or to take part in the Green Sea Turtle Headstarting Projects. • Booking on line [www. banyantree. com](http://www.banyantree.com) • 640, 000 terminals of travel agents • Other distribution partners around the world • • • • A sense of place Local flavor Luxurious feel Intimacy moments • Well-trained the basic establishment • Got taste of the “ Banyan Tree Experience” • Have power to exercise creativity and sensitivity • Have various amenities of work and generous welfare policies

What are the main factors that contribute to Banyan Tree’s success? 5

2/9/2012 Main factors lead to success Be the first company to create and penetrate into high-end segment. Provide a unique of hotel & resort and spa that meets high-end customers need. Well-trained for staffs with five – star standard service and measure by efficiency and productivities. Launching new brand to meet a middle class, Angsana, on time and providing to market more product portfolio like Gallery and The Museum Shop. Smart in distribution products and services thru GDS.

Success in building CSR and environmental conservation, Success in using local culture and heritage that will be served and satisfied their customer,

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these culture and heritage will be differentiated in each county. Bring benefits to local farmer and traders by purchasing fresh product and traditional art, handicrafts. Information Technological System is available with latest updating about BTHR program. it is very convenient for customers. Main factors lead to success Be the first company to create and penetrate into high-end segment: The untapped segmentation in the luxury hotel & resort industry.

BTHR saw potential for offering an innovative niche product that could also bridge the gap price in this market. A good design & innovation in product. A place where guests can enjoy romance of travel around every corner. BTHR provides more than just accommodation, it comprises of individual villas, local-inspired architectural design, and an intimate and romantic escapade. 6 2/9/2012 Main factors lead to success Provide a unique of hotel & resort and spa that meets highend customers need. " A special touch" to wealthy customers.

All Banyan Tree hotels and resorts reflect the concept of providing " sense of place" through architecture, furnishings, landscape, vegetation, and service offers. A complex & perfect spa service. BTHR offers a variety of aromatic oil massages, face & body treatments using traditional Asian therapies in concept of " human touch" instead of energy-consuming, high-tech equipment. BTHR has expanded its network of spas and retail outlets to support its fast-growing spa business. New brand " Angsana" was introduced as a stand-alone spa business in hotels. Main factors lead to success

Well-trained for staffs with five-star standard service and measure by efficiency and productivities. A culture of Banyan Tree. All employees were welltrained the basic standards of five service establishment. And some employees got taste of the “ Banyan Tree Experience”. By this way, employees would understand guests’ experience, and in return, enhance their performance everyday. 7 2/9/2012 Main factors lead to success Launching new brand to meet a middle class, Angsana, on time and providing to market more product portfolio like Gallery and The Museum Shop: As resort market became increasing crowded with similar competitive offering.

BTHR launched Angsana brand to expand their business, it was supported BTHR’s business at spa sector to grow fast. Banyan Tree Galleries are retailer outlet supporting the hotels while Banyan Tree Spa Galleries support the spa outlets, selling more spa-focused merchandise such as signature aromatherapy amenities, essential oils, candles and body care products. The Museum Shop is located in various museums in Singapore and the merchandise sold will be inspired by the artifacts exhibited in the respective museums. The Elements Jewelry sells specialized jewelry and fashion items.

Main factors lead to success Smart in distribution products and services thru GDS: A good & strong brand awareness strategy. GDS - global distribution system is used to further strengthen its brand presence, to transition from a relatively small regional player to a global brand in the huge travel industry. Launching the Museum Shop with Singapore’s National Heritage Board to make history of Banyan Tree more accessible and approachable to the

layperson. 8 2/9/2012 Main factors lead to success Success in building CSR and environmental conservation: A dedicated corporate social responsibility.

They worked actively to preserve, protect, and promote the natural human environment at the local countries. Moreover, they also succeeded in offering many long-running ecological program to get guest involvement such as the coral transplantation. Through these activities, brand image of Banyan Tree is seeded strongly in the communities. Main factors lead to success Bring benefits to local farmer and traders by purchasing fresh product and traditional art, handicrafts: Supporting local business as local farmers and trader by purchasing traditional arts & handicrafts.

It would benefit the wider local communities and enhance the visitors' experiences. 9 2/9/2012 Main factors lead to success Information Technological System is available with latest updating about BTHR program. it is very convenient for customers: IT system is very important for customer to search and compare quality, service with others. Based on these system, BTHR will keep in touch with their loyal customer thru e-mail, BTHR try their best to offer the highest standard service for them. Strong Brand Proposition Banyan Tree Hotels & Resorts (BTHR) is a leading player in luxury resort & spa market in Asia.

All BTHR are designed for the concept of providing " a sense of place" to reflect and enhance the culture and heritage of the destination. " Banyan Tree resorts are renowned for the superior service and distinctive experiences that make any stay with us so unique," says Mr. Ho Kwon Ping, Executive Chairman of Banyan Tree Holdings 10 2/9/2012 Communication

Strategy Enhancing brand awareness through public relations and global marketing programs. Conveying the “ Banyan Tree Experience” by cooperating with third-party perspective (travel editors and writers) to increase editorial coverage on Banyan Tree and positive worth of mouth.

Centralized the management of marketing activities for consistency in brand building. Focusing promotion & advertising activities with minimal cost Communication Strategy Expanse and strengthen brand presence with launch of its GDS code. Communication strategy came up with concept “ Sanctuary for the Sense” Carried out extensive advertising to gain customer recognition in a short time. Advertising was mainly focus on high-end travel magazine and key markets. Visual advertising through succincting copy and showcasing the awards, accolades won. 11 2/9/2012

How Banyan Tree maintain its unique positioning in an increasingly overcrowded resorts market? Enhance standard of quality and service. Keep training how to serve customer at level of fivestar standard established and added value (insurance for their families member, bonus, opportunities to develop their career). for all employees who work for BTHR because staffs tend to move other with higher salary. Limited to expand Hotel & Resort, but need to focus on middle class by operation Hotel & Spa with the high quality service like BTHR and affordable price. Brand portfolio of Banyan Tree & Angsana

Leading Luxury Beach Resort and City Hotel with concepts providing “ A sense of place” for customers. Creative the private environment friendly with typical traditional destination(Natural landscape, furniture....). Services

here perfectly for customers: providing the traditional food, events (wedding, Thai music....), it create the satisfy experiences customer with lifestyle and culture location Beach Banyan Resort The Spa services in BTHR was created concepts “ Human touch” instead of energy- consuming, high-tech equipment : Offering a variety of aromatic oil massages.

Using traditional Asia therapies treats for faces and body. Using these products were natural, indigenous products made from local herbs and spices. 12 2/9/2012 Brand portfolio of Banyan Tree & Angsana Banyan Tree Gallery where was showcasing indigenous crafts: Selling products were made by local artisans and traditional handmade (Fabrics, garments, jewelry, handicrafts....) Especially, this outlets sell the products in spa for the guests take at your home to recreate the Banyan Tree experiences. BTHR educated for customers about the crafts with the accompanying writeup.

The Museum Shop by Banyan Tree were launched in 2003 to combine with Singapore’s National Heritage Board which designed to inspire and educate shoppers. That Museum Shop makes history more accessible and approachable to the layperson Brand portfolio of Banyan Tree & Angsana The brand portfolio of Banyan Tree and Angsana, as well as beach resort, city hotels, spas, galleries and museum shops can fit as a family: - The city hotel was also positioned similarly on romance and intimacy although it additionally catered to business travelers. There is a heavy focus on spa, designed to provide an escape from the hustle and bustle of the city.

It also offered various getaway/wedding packages for couples to indulge in romance and intimacy. The various facilities, such as spas and retail outlets

were also available at Banyan Tree. - Banyan Tree products and services could be classified into essentially four product lines: hotels and resorts, clubs, spas, and retail shops, under various brands and sub-brands. - The retail shops enhanced and helped to extend the overall service experience through the sale of spas products that consumers might use at home to replicate and remind them of the Banyan Tree experience.

Also, the arts and crafts sold at the shops aimed to reinforce Banyan Tree brand personality as local souvenirs. 13 2/9/2012 Brand portfolio of Banyan Tree & Angsana Recommendations to Banyan Tree for managing these brands and products in the future: - Managing brand extensions and product development. It should be focused on location and cost of its different brands to preserve profitable business even after huge investments in protecting and preserving the cultural and natural environments. Changing market & consumers tastes in the future. New entrants & competitors might come up with yet another concept.

As consumer taste changes, the brands personalities may also need to evolve and new products be offered to suit the changing market environment. Make recommendations on facing with brand dilution. Multiple brand extensions might result in brand dilution. Too many brands will cause confusion of potential customers. BTHR should take consideration on the differences between the various brands. Make recommendation on consistency of service quality: spas, outlets, museum shops Managing human resources. So try to make differences arrangement to employees at other place to convey the local culture of unique services - - What effect does the practice of corporate social responsibility have on brand equity? 14

2/9/2012 The effects on brand equity from practicing social responsibility
Build brand value and trust from getting highly appreciated from local residents and committee by working actively to preserve, protect and promote the natural and human environment in which Banyan Tree resorts were located Build relationship between guest and local residents to narrow down the disparity in lifestyles and living standards by setting up a community relations department to develop and manage community outreach programs

The effects on brand equity from practicing social responsibility Build deep awareness in preserving the environment by practical actions: Using local materials Minimizing in cutting down trees Avoiding in extracting water from the underground Using nontoxic and biodegradable materials Treating and recycling water Launching Greening Communities program to plant tree.....

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The effects on brand equity from practicing social responsibility Build brand perception and loyalty in customer's mind by involving them in environment conservation and ecological restoration Guests participating in planting corals Education guests about fascinating marine life and its conservation Getting the contribution from guests in Green Imperative Fund to support community-based and environmental initiatives. => These activities are emotional actions, impress customer's insight.

Through BTHR, guests contribute to meaningful causes like construction of new school, the restoration of coral reefs and the longevity of local village crafts. The effects on brand equity from practicing social responsibility Build

good reputation in local community by applying benefit and welfare of the people: Engaging local craftsmen to produce indigenous art and handicrafts for sale at its galleries Building resorts by material which was supplied by local traders Bringing business to local trader (buying local fresh products from farmers Contributing to local economies by providing jobs and community projects 6 2/9/2012 The effects on brand equity from practicing social responsibility Strengthen brand base from high support and contribution from employees by creating brand ownership among them: Training employees Encouraging employees for innovative and creative Providing good facilities for employees (ex. Full equipment for staff dormitories) Potential problem from new market: Americas, Europe, and the Middle East Given the higher costs in Americas and Europe cannot ensure to bring fame and success as in Asia with the same strategy.

Strategic fit of the company's portfolio of brands, which comprised Banyan Tree and Angsana, also needs to be considered. The success of Banyan Tree, which stood out among its competitors in the resorts industry since it was first launched, had attracted various competitors who offer similar products and services. Banyan Tree has to retain its competitive advantage to prevent losing its distinctive position in the market. 17 2/9/2012 Potential problem from new market: Americas, Europe, and the Middle East The investment cost in America and Europe are much higher since the cost of living in these areas are higher than Asia.

There are also more big competitors in America and Europe than in Asia. Middle East: they cannot bring their tagline marketing as " a senses of place" to reflect and enhance the culture and heritage of the destination, because <https://assignbuster.com/banyan-tree-hotel-resorts/>

in Middle East environment is more to desert and not same as Asia where the environment is tropical rainforest or Green World. Potential problem from new market: Americas, Europe, and the Middle East Tropical forests might not be available in temperate countries, and so the relevance of the Banyan Tree brand in such locations would be lost.

The culture, values, and norms of service staff in other non-Asian countries may be distinctly different from those of Asian countries. Current services of Banyan Tree are also based on Asian therapies and remedies. 18 2/9/2012
How to address the issues Banyan Tree resorts should be built in places that are outside but not too far away from major cities in Europe and America, to make them more accessible to their target market in the developed countries, and yet locate the resorts in attractive, exciting, and exotic places, where cost structures is low and labor is relatively inexpensive compared to the developed countries.

To make sure they can compete with other competitors they need to stay with their brand equity and CSR to show the quality of their products by observation of all competitors at the country as well as to show that their product is best. Launch a new brand name that would reflect the temperate settings of such locations where tropical forests are not available. How to address the issues Need to make sure that Banyan Tree marketing tagline is still the main focus and careful not to dilute the brand.

Try to differentiate product from the local luxury resort and hotel. Promote something new to the customer so they won't feel regret to come again. Other locations may not offer the low-cost structure that Banyan Tree is

currently familiar with. Therefore how Banyan Tree's strategies could be replicated in other countries where cost structures might be different. Build up the compatibility of Asian hospitality in non-Asian settings with different culture, heritage, and norms. 19 2/9/2012 THANK YOU 20