

# Club med is the biggest tour operator marketing essay



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This report analysed how Club Med is able to create value proposition to its consumers by adopting a total perceived quality model that is aligned with its corporate image of providing higher service quality and making customers happy. This report also analysed the evolving role of the Gentil Organisations (GOs) that should be strongly focus on customer service, evolving their role toward the role of an advocate and providing more empowerment than ever and using technology to facilitate and enhanced service quality and delivery. Additionally, the blueprint of the service process was developed to analyse how to implement and maintain an excellent customer experience like ensuring consistent service delivery and determining the training need of the staffs as well as area of customisation to deliver delights to customers. Finally, this report identified two major challenges that Club Med needs to address to up keep its consistent service quality and corporate image that can affect its competitive advantage and its most valuable human capital.

## **Introduction**

Club Med is one of the biggest tour operators in the world. It provides worldwide premium all-inclusive vacation experience for 1.2 million people every year with annual revenue of more than €1.3 billion. It is today the only world brand that offers all inclusive premium and multicultural vacations for families and couples. [1]

With the restructuring of the global economy, an internal-led growth model of China brings several business opportunities to the world. The number of China's domestic travels reached 1.9 billion in 2009. In this very promising Chinese market, Club Med has formed a strategic partnership with China's  
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Fosun international that aimed at building comprehensive cooperation in upscale resort construction and operation. It aimed to open five Chinese resorts by 2015 and it would open its first resort or village this winter in Yabuli, Heilongjiang Province, the largest ski area in northeast China. Its goal is to attract 5% to 10% of potential Chinese visitors to its four and five star vacation resorts by 2015, representing just 0.2% of the total Chinese population.

## **Value Creation**

Customers' expectation plays a vital role in affecting how services are delivered as they can be either confirmed or disconfirmed during the experience of the transactions that make up a service. As Club Med is positioned as an upscale resort and luxury brand, the image of the company has a profound influence on customers' expectation on how they receive the service and how they experience the simultaneous production and consumption process.

As shown in figure 1.0, there are two basic quality dimensions on what the customer receives and how the customer receives it; the technical result or outcome of the process (technical quality) and the functional dimension of the process (functional quality).[4] Thus, improving the service process and service encounters become the basis for quality programmes. Thus Club Med should look at developing the functional quality dimension to add substantial value for the customers in order to create the competitive edge. Another word, Club Med can win the competition if it is able to provide customers with more and better services where the functional quality is emphasised. It

should be noted that the technical quality of the outcome of a service

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process is normally a prerequisite for good quality. So it has to be at an acceptable level. The definition of an acceptable level depends on the strategy of a company and the needs and expectations of its customers. However if the outcome is good enough, this becomes transparent. Good technical quality alone does not mean that customers perceive that the service quality is good. If customers are to consider total service quality good, the functional quality has to be good as well. In a situation where a number of companies are competing with similar outcomes or technical quality, it is the functional quality impact of the service process that counts or is important. In this situation, Club Med must compete based on its service processes. However, if technical quality fails, total perceived quality fails as well. [4]

For Club Med, the technical quality should include like:

Elegance, stylist and comprehensive amenities.

All type of adventures, recreation, and activities program catering to all ages of the guest. Necessary equipments and facilities should be available.

Spas, pools and indoor waterparks, playground for guests to recharge and relax

Great and fun restaurants catering great foods for all ages of the guests

Good security and safety measures around the resort.

Excellent customers service like listen to customers, responding to customer dissatisfaction, manage failures and service recovery.

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GOs or activity leader who are well-versed in all kinds of sports and are able to coach the guests.

Other innovative service can include environmental education, nature-oriented activities, outdoor living skills and conservation skills since there is a lot of focus on going green.[5] When designing the activity programs, GOs should understand what the guests are expected from the programs like learn a new skill, share a talent, gain prestige, make friends or belong to a group or get in shape etc. Need assessments can help to maintain customer loyalty while at the same work to recruit new customers.

### **Important of Perceived Service Quality in value creation**

With reference to Figure 1. 0, quality experiences are connected to traditional marketing activities resulting in a perceived service quality. Good perceived quality is obtained when the experienced quality meets the expectations of the customer which is the expected quality. If expectations are unrealistic, the total perceived quality will be low, even if the experienced quality measured in an objective way is good. Based on Figure 1. 0, expected quality can be influenced by marketing communication, word of mouth, company image, price, customer needs and values.[4] Since customer expectations have a decisive impact on customers' quality perceptions, Club Med should not overpromises it services delivery as this raises high customers' expectations and consequently customers may perceive that they get low quality. Many quality development processes are destroyed by too much overpromise of improved service. Club Med marketer has to be very careful when designing external marketing campaigns and activities, so that it avoids making promises that cannot be kept. In fact, it <https://assignbuster.com/club-med-is-the-biggest-tour-operator-marketing-essay/>

may be wiser to try to keep promises on a lower level than actual customer experiences. In this way customers will at least not be dissatisfied with the quality they perceive but rather it allows the resort to offer its customers unexpected surprises that is much more effectively in creating loyalty customers.

Figure 1. 0

Moreover, due to the nature of intangibility and simultaneity of services, consumers may feel insecure about what they will receive for their money. It may be difficult to imbue confidence about quality when the service is yet to be experienced or difficult to evaluate. In such cases, customer-based pricing and price bundling should be used to infer a certain level of quality to differentiate service and value to its customers.

## **Managing Service Quality**

To provide high-quality service, all members of the staff from the highest to the lowest level on the organisational chart must view the guest as the highest priority and delivering high-quality service is based on an attitude of serving customers which must be aligned to its mission of serving happy customers. Without happy, satisfied customers and repeat patronage, the business will not succeed in the long term.

## **Evolving role of Gentil Organiseurs (GOs)**

Club Med frontline GOs are staff (i. e. activity leaders) who spend a lot of time mingling with the clients and making sure they are comfortable and offering them a wide variety of services. With new and enlarging markets

displaying new tastes and make new demands, the role of GOS will need to change.

As consumer become more sophisticated, it is important for Club Med to maintain its perceived service quality. Customers have many alternatives for fulfilling their needs and it is easy to compare these alternatives using all of the information that is available like CRM system. Through CRM, GOs would be able to offer customised services to the customers based on her previous experience and stay. Additionally using guest historical data, GOs can become aware if a hotel guest has requested a specific type of pillow previously. When this guest checks into another hotel operated by the chain, the items that were previously requested can be waiting without the guest even having to request them. This help to streamline operation and improve productivity. Hence, staff must be well versed with such technology in order to utilise it to deliver customer satisfaction.[2]

With the stronger the competition, there are more incentives for customers to switch service providers. Hence, there is an ever increasing need to emphasis on the needs of individual customers. Understanding the behaviour of the guests is among the most important challenges facing the hotel industry.[3] It is critical that staff remain in constant communication with the guests and pay close attention to consumer needs so that they will be ready to change their service mix when consumer preferences, wants, or needs change. For example, in recent years many consumers have demonstrated an increasing emphasis on healthier diets. This concern has led them to request or demand menu choices that are healthier. Resort and restaurants have responded by providing menu choices that are lower in fat and salt and <https://assignbuster.com/club-med-is-the-biggest-tour-operator-marketing-essay/>

adding more fresh fruits, vegetables, and grains. The products and services made available to consumers must respond to the changing needs of the target market segments. [3] There is a strong need for GOs to be service-oriented by understanding the internal influences on consumer behaviour (personal needs and motives, experience, personality and self-image, and perceptions and attitudes) and external influences on consumer behaviour (culture, socioeconomic level, reference groups, and household). This is illustrated in Figure 2. 0

With the requirement to be very focus on customers needs, empowerment is vital for GOs or frontline employees who deliver service to guests as front desk clerks, cashiers, switchboard operators, bellhops, concierge, housekeeping employee, facilitator or mentor. The process of empowering employees would require front office managers to analyse the flow of guest services and determine how the frontline staff interact with the guest.

There is a stronger needs for GOs to be continued to be trained to deliver hospitality and customer satisfaction. An effective training process starts with a performance analysis. Management must analyse the various jobs to be done in serving the customer well and then spell out the knowledge, attitudes, and skills required of the person doing the job. [6]

Based on Figure 3. 0, the role of GOs are playing more active role of an Advocate as opposed to a Therapist or Executor.

Figure 3. 0



## **Service Blueprint**

Service blueprint provides a customer orientation overview that allow employees to relate her role and identifies potential bottlenecks or fail points. It allows management to identify empowerment issue, identify service issues, conduct, root cause analysis and modify process to ensure that the performance of the services is optimal and reliable.

From the blueprint, we noticed that reliable, stress-free, credible, responsive and accessible service in term of arrival, check-in, service consumption and check-out are vital in ensuring good quality service. Also, customers may need privacy and security during their stay in the hotel. As front-line staffs are the interface with the customer, they must have good communication skill, pleasant, friendly, and helpful in delivering such services to the customers.

One key element of providing excellent customer service would be to empower on-stage employee or service front-line staff to exercise their discretion (judgment) in how and to what extend the service can be tailored to better meet the customer's needs (i. e. customised).[5] Although services should be delivered in a standardised and consistency manner, service heterogeneity can be opportunity if more service product is located toward the professional advice end of the service continuum in order to exceed customers' expectation.

This may impact on the specification used when selecting service-providing staff on how they are to be trained, empowered and managed to better exploit staffs skills and improve customer satisfaction. Nevertheless, there

should be alignment toward customisation in term of operation and marketing. The level of customisation may create friction between the marketing and operations function. Service market managers will often see the need for a high level of customisation that poses greater demand on operational staff. Higher levels of service customisation often require employees at the point of service delivery to make decisions based on their own judgment. This means that some employees will require greater levels of training and a wider skill base. For example, a GO who prepares coordinate, plan, and engaged sport activates with guests may require higher level of training in term of communication skill, planning and coordination skill, sports acknowledge, safety and life saving skills.

To maintain an efficient service process and overall excellent customers experience, staffs must be motivated. The motivation can be either extrinsic or intrinsic like employee of the month, bonuses in the former and the latter like more job responsibilities and recognition. On top of this, the reservation system, support process or support system must be user-friendly, consistent and reliable. Live agent should be available 24×365 when customers need help and human touch.

### **Major issues on competitive advantage**

With globalisation, many economies have developed and grown resulting in demand for more hotels grows. One of the challenged for Club Med would be on how to deliver efficient, cost effective and consistent high quality service amidst many competitors that are offering similar services and amenities at a much cheaper rate.

This is coupled with the fact that consumers are becoming more sophisticated as they are focusing more on value and less on quality or price alone. Consumer advocacy organisations having been providing tips for getting bargains and avoiding hotels that have bad reputations. Given such reality, there is an ever increasing need to emphasis on the needs of individual customers. Understanding the behaviour of hospitality and tourism consumers is among the most important challenges facing the hotel industry. It is critical that management and staff remain in constant communication with the guests and pay close attention to ever changing consumer needs. There is a strong need to understand the cultural and social economic aspect of China. It will need to continue to invest in technology to better understand customers needs and behaviour, streamline its operation and continue to train its most valuable resource which is none other than its human capital.

Club Med must continue to learn and manage service operations and improve quality through employee selection and training. The overall performance of the company operation in China can be improved through internal marketing efforts that attempt to communicate with employees and provide them with an environment for success. It should also create venues that encourage customers to voice their complaints so that it can anticipate and avoid possible failures and prepare service recovery strategies and train their employees to use them.

As Club med form strategic alliance with foreign partners and operate more widely in different countries, it is critical to maintain a consistent image of the company and how it is been perceived by customers. A well-known <https://assignbuster.com/club-med-is-the-biggest-tour-operator-marketing-essay/>

image is an asset to any organisation because image has an impact on customer perceptions, communication and operations of the company in many areas[4] like:

Image communicates expectations

Image is a filter influencing perceptions.

Image is a function of expectations as well as of experiences.

Image has an internal impact on employees as well as an external impact on customers

If the image is negative in one way or the other, the experiences of the customers would be bad. There may be problems with technical and functional quality. For example, if management calls upon an advertising agency to plan an advertising campaign offering the message that the company is service-oriented, customer-conscious, or upscale, the result may be fatal. At best, the campaign will be a waste of money. However, there are cases where such actions have had much more serious impact like further damaged to its brand. Image is reality. If market communication does not fit reality, reality normally wins. An advertising campaign that is not based on reality only creates expectations that will not be fulfilled. If expectations are higher than they used to be, but reality has not changed, the perceived service quality will be affected negatively and the corporate image will be damaged. To uphold the well-know image, Club Med needs to provide consistent the service processes are at the heart of its branding. There is a strong need to develop a corporate culture of excellent services that must be

disseminated to all subsidiaries that stressed the need to go the extra mile to make the customer's day.

## **Conclusion**

The concept of service quality will always remain vital in hospitality industry. Consumers form perceptions of a company based on its ability to provide a consistent level of service. Thus, the company must consistently fill the gaps in its service quality process in order to maintain customers' satisfaction and loyalty. Any gap in service will decrease the level of service quality and lead to a decrease in customer satisfaction. Club Med must continue to learn and manage service operations and improve quality through employee selection and training. Only then can the overall performance of the company operation in China can be improved. In addition, it needs to constantly communicate with employees and provide them with an environment for success.

Customer satisfaction exists as the ultimate goal for Club Med because it leads to brand loyalty and repeat purchases. Thus, it must meet or exceed customer expectations on a consistent basis in order to satisfy them. To do that it should encourage customers to voice their complaints so that it can anticipate and avoid possible failures and perform service recovery strategies.