

Marketing strategies and the positioning of hotels tourism essay



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A hotel's positioning is a crucial determinant in developing its subsequent marketing strategies. Incorrect hotel positioning will lead to an unclear vision of the hotel's development and eventually affect the profitability of the hotel (Ransley & Ingram 2004, p. 37).

Our hotel has been positioned as a 3.5 star hotel that sits in the middle of the competition. This is a very strategic approach for our hotel to proceed with as it allows us to target upper-end of the market since our hotel has the resource and capability to do so and simultaneously attract other market segments such as leisure and family holiday makers since our price and products are very competitive compared to other hotels in the same category.

Hotel's targeted market segments:

Corporate

Our hotel will continue to set company executives and business travellers as our priority of focus, since this market segment has always been a major proportion of the hotel's business in terms of the number of rooms sold and incomes from the room sales. This market segment would also bring additional revenue to the hotel such as onsite dining and purchase of other facilities. Therefore, meeting, business and conference related facilities needs to be developed to meet these customers' needs.

Leisure

The city which our hotel is suited in is a destination of family and leisure vacations and our hotel's location itself imposes a unique marketing

advantage as it is located on the seafront and close to the main shopping centres. Therefore, with the competitive marketing advantage, if we could offer a mix of quality products and services, in fact, all of our hotel's guest's rooms are able to accommodate families and other services such as Pub and full service restaurant are integrated to deliver a desired level of convenience. Scale of economy is another critical element that attracts leisure and family holiday makers, however, simply reduce our room rate is not a strategic action to take. Therefore, special discount can be allowed for weekdays bookings in order to maintain the level of room occupancy rates and design various packages for the weekend in order to improve the sales of F&B facilities.

Tour

Tourism has boomed in this region, there are various venues take place in the city throughout the year. This induces a great opportunity to improve our room occupancy rate and ultimately to increase our overall profitability. As tourists have similar features with leisure and family holiday makers in terms of scale of economy and convenience of hotel's location. Our hotel should come up with different and differentiate packages to suit various venues so that our customers can receive and perceive added values from our hotel. For example, we can assist our customers in booking the tickets for some of venues such as the International Music Festival and International Dance Festival. Internally, we can offer special check-in and check-out channels for group tourists in order to diminish the hassles for them. Additionally, it is essential to have multi-lingual staff at the front desk as we expect group tourists from overseas.

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Weddings

Frankly, we cannot host ant weddings prior to our conference facilities in place. Therefore, at this stage, with the available resources and capacities in terms of our rooms and restaurant, we can arrange Honeymoon specials for the new married couples. Once we obtain any honeymoon bookings, we can pre-decorate the rooms with romantic features and ambiances to provide a physical environment which allow those couples to have intimate times together. Additionally, we can also offer discount for new married couples to have dinner in our restaurant with the menu especially designed for the venue.

F&B Services

It would pose a great impact on the operation of our F&B department since the potential resignation of our Head Chef. However, we can take this opportunity to be innovative in terms of turning our restaurant into a completely different concept of dining. Nowadays, F&B services are usually seen as an adhering service to the accommodation. However, the potential ability of F&B services of generating revenue is significant. Therefore, providing we have sufficient financial founds, we can hire another Head Chef who is innovative in culinary arts and develop our restaurant as a dining destination of the region, it is implementable as the local population of over one million in the city ensures the demands of such service if we operate it successfully.

Promotion:

Promotion is a very vital element in the marketing mix (4Ps), as in it builds the hotel's image and increases the hotel's public awareness and helps the hotel to reach more markets (Kotler, Bowen & Makens 2006, p. 539). Our promotion mix will include a number of media such advertising, hotels' website and join in marketing consortiums.

Advertising:

Our hotel will still adopt some of the traditional media such as newspaper, travelling magazines and advertising campaign on radio. These media can effectively reach a large group of audience even though involves costs and cannot receive instant response on the effectiveness until the guests actually come to our hotel. For that reason alone, our hotel should use on-line social networks such as Facebook and Twitter. These social networks has increasingly become the primary information sources for people especially for Gen Y's whose purchasing power has increased dramatically. The social networks allow us nearly zero-cost and can reach to more potential customers.

Hotels website:

Hotel's website is the first impression we give to our potential guests when they intend to choose us as their hospitality provider. Therefore, a well-established, designed and managed website will effectively promote our hotel to those who are very likely to become our customers.

Marketing consortium:

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Since we are an independent hotel and especially with limited budget, we are in a weak position in competing with those international chains in terms of spending money on marketing and promoting themselves. Therefore, joining a marketing consortium is a strategic approach at this stage for our hotel. For example, The Leading Hotels of the World, will give us access to its worldwide reservation centre and they have more than 20 offices in the most important cities and this organization also participates in some of the most popular travel exhibitions and trade shows in the pursuit of promoting its members. However, it charges annual membership fees and additional shares for each room they have generated (The Leading Hotels of the World, 2010).

Other marketing related strategies:

Converting guest rooms into Conference facilities:

Currently our hotel does not gain any business from this market segment due to the lack of conference facilities. Functions and banquets are very profitable to conduct as it requires intensive F&B services which can generate significant profits and also impose the potential of room sales and long-term business relationships with the clients. Therefore, the next strategic projection for our hotel is to turn some of the rooms into conference facilities (our average room occupancy rate was 20% which means 80% of the room inventory have not been generating profits, and hotel rooms are perishable products). This strategy will require additional financial support, there will be risk involved, but it will be profitable in the long-haul.

Merge to gain additional funds:

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Our hotel can merge with another non-hospitality establishment in order to get additional financial support as we are suffering for lack of funds.

Although merge is not as fierce as acquisitions, it still poses a certain degree of risks to the management of the hotel in terms of the absolute authority and power over making business decisions (Beamish 2008, p. 288).

Budgeting for marketing department:

There are two major areas that require enormous funds to complete.

Projected Budget for Regency Hotel-Marketing Department

Converting rooms into conferences facilities

\$1. 5 million

Advertising

\$2, 000 per month

Join marketing Consortia

\$200, 000 per year

Maintaining Website

\$1000 per year

Labour costs

\$80, 000 per year