

# Service marketing for budge hotels

[Business](#), [Marketing](#)



When purchasing goods, the consumer can employ many tangible cues to judge the quality including color, style, finish, etc, while when purchasing services, fewer tangible cues exist to help consumers make decisions. In many cases service provider's physical facilities, equipment, and personnel are the limited tangible evidence for consumers (Paranormal et al. , 1983), which is a verity for hotel industry. It was argued that attention to physical surroundings is expected to be more important to hotel business compared to other types of services (Verna, 2000).

However, as a service organization, hotels' service quality, reputation are still the most important for consumers' purchase decisions, as they ranked first and second determinants of Tube et al. (2000) research. Therefore, to explore hotel's service and relationship marketing strategies could be a key issue for hotel business success. In this report, one of the leading budget hotels Holiday Inn Express was chosen to be analysed in 1) the services they provided, 2) the marketing strategies that used to promote the services in economic downturn; and then recommendations would be provided for adjustment of service and relationship marketing. . Context recent happened economic crisis and credit crunch in I-J has affected the whole economic environment in I-J, with no exception of service industry. Hospitality industry is highly influenced for consumers start to cut down their holiday plans and companies also try to reduce their business travel costs. A report by Dolomite (2009) indicated that the economic crisis has driven down the occupancy rate and revenue of European hotels. In I-J, November 2008, revenue per available room (reappear) fell 8.2 percent as occupancy dropped 6. Recent. By the end of year, year- to-December reappear was in

negative territory down 0.4 percent on 2007 to EYE. Dolomite report also mentioned that "2009 will be extremely difficult year for hoteliers across I-J with further substantial falls in reappear to come." However, also according to their report, "the high end hotels, people are not staying so much and downgrading to cheaper hotels because of good PR and costs". In this case, the budget hotel industry in UK is now actually facing a good opportunity of growing.

Then, how to improve service quality and customer relationship through service marketing is very important for budget hotels.

### 3. Case Analysis.

#### 1. Brief Introduction of the Schooldays Inn Express (HE), which is under the management of the world's biggest Hotel Corporation Intercontinental Corporate, is the one of the leading budget hotel companies in the world. Holiday Inn Express matches the increasing demand for limited service hotels with the familiarity of the Holiday Inn Brand, which makes its success since the beginning.

Holiday Inn Express also continues to distinguish itself in the limit-service hotel market with innovative services and amenities, and efficient operation.

#### 2. Product / Service Descriptions

service is the diametrically opposed non-material counterpoise of a physical good. A service provision comprises a sequence of activities that does not result in ownership of the outcome, and this is what fundamentally differentiates it from furnishing someone with physical goods (Wisped source).

In this case, the core service provided for the customer by HE is the accommodation / room occupying service. According to Lovelace and Write

(2004), the supplementary service hotel provides besides the core service also include: information service, such as local, weather information inquiry, or flight and train information inquiry; payment services; consultation service, such as local tour packet consultation and booking; safekeeping service, which include the personal and belongs safety; order-taking service, such as dry-cleaning services or catering services.

In detail, for example they provided the catering services to customers, in-room entertainment services, such as TV/radio/city guidebook, business services, such as Wi-Fi access, conference room renting and reception services, such as ironing call, local information inquiry, etc... 3. 3. Marketing Strategies and Analysis 7 Ass. 3. 1. Product / Corticosteroid is the " thing" (or service) that for-profit companies sell in order to realize profits and satisfy stakeholders and what non-profit organizations use to generate funds needed to sustain itself.

Without a well- developed product / service strategy that include input from the target market, a marketing organization will not have long-term success (Knots source). In this case, we just discussed that the service provided by hotels are mainly the room occupying, which includes order-taking, consultant, catering, entertainment, payment, etc services. In the low market, when hotels are lack of fund to build up more " hardware" facilities to attract customers. The " software" service then become a selling point.

By increasing the quality of the service, such as ask for every single customer's need or keep the time restriction of service, the hotel could gain more reputation and attract more re-visits. Also, to enhance the variety of

services is also important. In some budget hotels, they do not provide dry-cleaning collection services; but HE does. Actually, nowadays more and more budget hotels start to provide these kinds of services to compete with full-service hotels' price cut. 3. 3. 2.

Precipice is what a buyer/consumer pays to acquire products from a seller or gain a service. Product / service pricing is a main topic for discussion when a company is examining its overall profitability. Price is always an advantage for budget hotels such as HE. Budget hotel concept was set up to provide a private accommodation service with a lower price. HE set the room rate from 45 to 90 sterling pounds depends on different area in I-J. With the brand name and good quality room and service, this price is really a advantage for them.

However, in the low market, the price competition is very drastic. So how to maintain a low price that still makes enough profits for the company is very important. 3. 3. 3. Predetermination is very important in the economic downturn. How to promote people spending money during credit crunch is very hard. A lot of hotels have launched new campaigns. HE has just launched it new advertisement with the concept of " smart". This Holiday Inn Express advertisement is part of a campaign announcing that new hot foods are available at the hotel chain's breakfast bars.

According to director of brand marketing Steve Skedaddle, the " consumer insight" at play here was the company's realization that " people want hot food options at breakfast. " Because research further revealed that sometimes people are in a hurry to get to morning meetings, the hotel is

also launching an amenity it terms the " to-go bag". Travelers can stuff these full of muffins-or even greasy fistfuls of bacon-before sprinting out to their cars to eat while driving. They also start to provide discount vouchers for re-visit customers.

Also with the Priority Cleared, customers can gain points that could be redeemed for free accommodation. 3. 3. 4. Placentas to the new technology development, nowadays to book a hotel is a simple thing to do. Customer can book HE in various ways, such as telephone booking, internet booking, booking through travel agents, or booking at hotel receptions. In recent year, especially the internet booking becomes very popular. HE has also designed their website, where customers can book rooms straight from.

Besides their own website, HE is also available to be booked through all sorts of hotel coking website, such as Landholders, etc. Customers can get an instant confirmation if booking from website. Customers also can benefit from internet booking by comparing the prices every website provided. Even the same hotel, the prices may be different on different website. Attaching to travel package is another way that could help hotels get closer to customers. Some customer, when booking holidays, would like to book the flight and hotels together through agents.

So if HE could associate with more travel agents, they could find more places for selling. 3. 3. 5. Physical evidences refers to where the service is being delivered. Physical Evidence is the element of the service mix which allows the consumer again to make judgments on the organization. Physical evidence is an essential ingredient of the service mix; consumers will make

perceptions based on their sight of the service provision which will have an impact on the organization's perceptual plan of the service. For hotels, this includes the building, the room's environment.

HE has a good reputation for the modern facilities, cleanliness of rooms. The lobbies of HE hotels are all designed similar with a strong sense of company culture simple and smart. Rooms are all very clean, with in-room Wi-Fi service, and in-room bars. However, according to Lovelace and White (2004), physical evidence also includes such as car parks, employee outlook, room keys, elevators, corridors, etc... 3.3.6. Preprocessors to the systems used to assist the organization in delivering the service. Processes exist are complex in hotel industry.

The processes include: 1) reservation process / canceling process / change of booking process: 2) communication process) after-sale ND customer feedback processes efficient service it will foster consumer loyalty and confidence in the company. Such as in the reservation process, customers can book HE through their website and get an instant confirmation of their booking. They can also manage or cancel the booking online, which makes it so convenient for them. Next time, when the customers want to book a hotel again, they will probably consider the most convenient way to do it. . 3.7.

Peepholes here refer to two aspects service personnel and customer. An essential ingredient to any service provision is the use of appropriate staff and people. Recruiting the right staff and training them appropriately in the delivery of their service is essential if the organization wants to obtain a form of competitive advantage. For HE, the staff are chosen very carefully with full

training provided as well. With the big group of SIGH, HE also have the graduate scheme and lift-up program to recruit and promote good quality staff.

For the customer aspect, customer getting involved in marketing is actually quite important nowadays. Some service organization, such as health club provide customer test. Mystery shopper strategies are widely employed in retail industry, etc. However, in hotel industry, customer seems to be less involved in marketing than that of others. 3. 4. Situation Analysis SOTTO. 4. 1. Strengthened by InterContinental Hotel Group (SIGH), Holiday Inn Express is the limited service sub-brand of Holiday Inn.

With SIGH reputation, globally the brand has some 1, 708 hotels with 601 in the pipeline; the I-J has more than 100 hotels with some new hotels currently under development most of the properties are franchised. Also, with the SIGH, the customer loyalty is a very good feature for HE. Holiday Inn Express customers qualify for the SIGH Priority Club loyalty reward scheme; points can be redeemed for free accommodation, Air Miles or other merchandise. That makes a high rate of customer re-visit. HE also set up their mission on customers satisfaction, which is a key strength of this company.

Rooms feature an en-suite bathroom with power shower, direct-dial phones with modem points, a workspace, Sky TV/pay movies and tea/coffee making facilities; a licensed bar and lounge area can also be found at each hotel. The facility and quality of their rooms are with good-reputation. Different from other budget hotels, a complementary continental breakfast is offered



inclusive of room rate. Aimed at the business traveler, 60 hotels include fully equipped meeting rooms and catering packages. 3. 4. 2.

Wonderfulness's competition leading to lack of suitable development sites is a big weakness for Holiday Inn Express at the moment. The I-J budget hotel market is quite mature now; possible locations are occupied by most budget hotels, which make it hard to develop new sites. In service concept, recent years, the budget hotels in UK focus too much on expanding their chains and promoting selling, which ignored the maintenance of service quality in existing hotels sometimes, with no exception for HE.

Also, budget hotel, comparing with full-service hotels, is providing limited service, which makes some employee getting confused and be lack of service focus. 3. 4. 3. Prestidigitation's trend for discounted accommodation fuelled by the low- cost air carriers, and motorway expansions/improvements driving demand give Holiday Inn Express a big opportunity as many HE hotels are linked to holiday packets and built near airport and motorways. The boom in business travel can be key market for budget hotels in I-J, with no exception for Holiday Inn Express.

In the other hand, new technology development like rise in Internet/broadband in the home provides the new opportunities as well: most cost-effective booking method. Besides all these, there are two major opportunities: credit crunch and 2012 London Olympics. Credit crunch brings more customers, who used to book holidays in star- hotels. These customers normally believe in good brands, though they are down to budget hotels,

they still preferred the good brand ones, which just like HE. London Olympics would be another key issue as it will bring UK millions of inbound visitors.

As mentioned, strong inbound tourism market also presents potential. 3. 4.

4. Threats the budget hotel market is in a big competition now. HE is losing the market share due to new budget hotel building up and some full-service hotels price cut-down. Full-service hotels are more focusing on providing a good service. Their staffs are trained to a standard in providing a proper service to customers. Comparing with them, budget hotels, when losing their advantage in prices, may face a big challenge. 4.