

Public relation tactics in the hotel industry



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Introduction

The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself. According to an American educator and writer Peter F. Drucker. “ The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.”

According to Al Ries “ Strategy and timing are Himalayas of marketing. Everything else is Catskills”

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy should be centered on the key concept that customer satisfaction is the main goal

The tourism consumer is the critical judge of successful marketing and public relations activities.

In today’s increasingly competitive marketing environment there has been a shift from traditional marketing techniques towards more aggressive and varied approaches to marketing and communication. The change from transactional to relationship management in marketing over the past fifty years has been marked by improvements in consumer satisfaction and client recommendation of repeat purchase of products and services.

Brands today are often built with effective PR campaigns and then maintained through a blend of marketing and PR tactics.

The impact of the Internet is having profound impact upon PR and Marketing practices enabling PR practitioners to conduct two way communications in order to maintain and enhance customer relationships.

MARKETING

The Oberoi Group

Oberoi Hotels & Resorts is famous the world over with providing the right blend of service and luxury. Internationally acclaimed for all-round excellence and unparalleled levels of service, Oberoi hotels and resorts have received innumerable awards and accolades. The Oberoi Vanyavilas, Ranthambore has been ranked the world's best hotel by Travel and Leisure Readers Poll for 2010, The Oberoi Amarvilas, Agra has been ranked the fifth best in the world, The Oberoi Rajvilas, Jaipur is ranked the thirteenth best and The Oberoi Udaivilas, Udaipur has been ranked the fifteenth best hotel in the world. .

Trident hotels are five-star hotels that have established a reputation for excellence and are acknowledged for offering quality and value. At present there are nine Trident hotels in India. These are located in Mumbai at Bandra Kurla and Nariman Point, Gurgaon (Delhi National Capital Region), Chennai, Bhubaneswar, Cochin, Agra, Jaipur and Udaipur. The Oberoi Group also operates a Trident hotel in the Saudi Arabian city of Jeddah.

The Group's commitment to excellence, attention to detail and personalized service has ensured a loyal list of guests and accolades in the worldwide hospitality industry.

THE OBEROI

The Oberoi, Mumbai (Location)

Located in the city's prime business and shopping district of Nariman Point, The Oberoi, Mumbai has been completely redesigned to be the ultimate destination for contemporary style and luxury in the city. Overlooking the Arabian Sea, the hotel is full of space and serenity. Luxuriously appointed guestrooms have been meticulously planned with a host of innovative features using the latest technology.

The Oberoi, Mumbai is located on Marine Drive, the famed boulevard along the coast in South Mumbai. An hour's drive from the airport and only minutes away from the business, financial and entertainment districts, the hotel is also well located to visit the city's tourist attractions. The hotel offers a rich variety of dining experiences ranging from an all day dining restaurant serving global cuisine, to an Italian Restaurant and a signature Indian restaurant under the direction of a Michelin starred chef. An ideal location for business meetings and conferences in Mumbai, venues range from private meeting rooms at the 24-hours Business Centre to the conference rooms on the top floor of the hotel offering sweeping views of the Arabian Sea. The Oberoi, Mumbai is the ideal hotel for discerning business and leisure travelers.

Porter's five forces model is an excellent model to use to analyse a particular environment of an industry. So for example, if we were entering the hotel industry, we would use Porter's model to help us find out about:

Marketing Strategy of Oberoi Hotels

Marketing strategy is a method of focusing an organization's energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements; identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated timeframe.

Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena, corporate strategies, corporate missions, and corporate goals. As the customer constitutes the source of a company's revenue, marketing strategy is closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement. The Oberoi Group, founded in 1934, operates 28 hotels and three cruisers in five countries under the luxury 'Oberoi' and five-star 'Trident' brands. The Group is also engaged in flight catering, airport restaurants, travel and tour services, car rentals, project management and corporate air charters.

Oberoi Hotels & Resorts is synonymous the world over with providing the right blend of service, luxury and quiet efficiency. Internationally acclaimed for all-round excellence and unparalleled levels of service, Oberoi hotels and resorts have received innumerable awards and accolades. The Oberoi group has tradition of pioneering in the hospitality industry, striving for

unsurpassed excellence in high-potential locations all the way from the Middle East to Asia-Pacific.

The basic strategies of the Oberoi hotels are:

They provide reservation facilities through toll free numbers and online registrations

Oberoi hotels and Resorts has partnered with India's certified airlines to make consumers satisfied.

They promote their service through mileage point which provides customers and travelers some offers depending on their points.

Providing special offers such as Himalayan Adventure, exotic honeymoon, exotic vacations, Business travel plus etc.

Creating and developing customer loyalty

Customer service is important for small businesses of any industry, and developing customer loyalty can increase overall engagement and satisfaction with a company.

The concept of Marketing emerged in the mid 1950s when the scope shifted from a make-and-sell-attitude to a more customer focused sense-and-respond attitude.

In other words the businesses started to find products for their customers rather than finding customers for their products². Direct marketing, Customer Relationship Management (CRM) and other relationship marketing concepts have been a topic of discussion for practitioners and academics for <https://assignbuster.com/public-relation-tactics-in-the-hotel-industry/>

the later part of the 20th century and is widely claimed to be the future of marketing. Some academics have stated that the concept of relationship marketing is the biggest change in 50 years of marketing and is bringing marketing back to the preindustrial era when the producers and consumers dealt directly with each other³.

Relationship marketing is an umbrella term with many subfields and is in general more connected with high-level strategic thinking. CRM has in contrast a stronger connection to marketing strategies over the customer lifetime and understanding the customer's needs, attitudes, life stage, profitability and lifetime value.

Oberoi Hotels and Resorts, Virgin Atlantic, and Enterprise Rent-A-Car ranked number one in hotel, airline, and rental car industry customer satisfaction, respectively in 2009.

In 2009 Oberoi Hotels and Resorts, an Indian brand associated with ultra luxury hotels, earned the highest customer satisfaction score among all hotels (93.7). Midscale without food and beverage (+0.5 to 84.0) improved more than any other segment in 2009.

The customer wants value for money and is generally getting discerning. Modern day research being conducted reveals that customer loyalty is taking a back seat. It is now about being innovative, and it is about fulfilling a need – not saying, “ You're my customer for the last 20 years, and therefore you should be my customer over the next 20.” The Oberoi is an organisation that is training oriented, and which has built its brand over the last 30 years. The Oberoi has also exported its brand to some extent internationally.

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2Kotler et al., 2009

3Sheth & Parvatiyar, 2000

The system therefore that is being put into place is Learn, Perform, Deliver, Reward. A lot of structures are being put into place which are transparent and they created an entire communication drive in order to let people understand how these transparent structures would help them on an ongoing basis. Their vision is to develop their company to achieve world-class standards consistently. The company strategy is based on five important criteria.

Job functions have been made more meaningful with new designations and responsibility levels.

Rewards will no longer be based on a ten-year system but on performance.

With increased responsibility will come greater authority. For greater efforts and increased productivity our people will be rewarded, and

Finally, their people shall have more career opportunities in our rapidly growing organisation. They do both internal & external customer surveys.

When these come in, they have small teams that work towards improvement. Their focus is on Strong People, Product and Processes.

Communication has played a tremendous role in getting people to believe them.

Oberoi Hotel is synonymous the world over for providing the right blend of service, luxury and quiet efficiency. Internationally recognized for all-round

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excellence and unparalleled levels of service, Oberoi Hotel has received innumerable awards and accolades. A distinctive feature of The Group's hotel is their highly motivated and well trained staff that provides the kind of attentive, personalized and warm service that is rare today. The hotel provides best facilities like:

Combining the finest of all that is contemporary and the best in latest technology with the timeless traditions of Oberoi Hotels & Resorts, The Oberoi, Mumbai is the leading choice of business and leisure travelers.

The meetings and conference facilities at The Oberoi, Mumbai are designed to accommodate exclusive and intimate business meetings and social gatherings. The well appointed Business Centre features nine meeting rooms that accommodate up to 20 guests.

Network and relationship marketing

Relationship Marketing was first defined as a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions.

As a practice, Relationship Marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages.

With the growth of the internet and mobile platforms, Relationship Marketing has continued to evolve and move forward as technology opens more

collaborative and social communication channels. This includes tools for managing relationships with a customer that goes beyond simple demographic and customer service data. Relationship Marketing extends to include Inbound Marketing efforts, PR, Social Media and Application Development.

Just like customer relationship management, (CRM), Relationship Marketing is a broadly recognized, widely-implemented strategy for managing and nurturing a company's interactions with clients and sales prospects. It also involves using technology to organize, synchronize business processes, (principally sales and marketing activities), and most importantly, automate those marketing and communication activities on concrete marketing sequences that could run in autopilot, (also known as marketing sequences). The overall goals are to find, attract and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Once simply a label for a category of software tools, today, it generally denotes a company-wide business strategy embracing all client-facing departments and even beyond. When an implementation is effective, people, processes, and technology work in synergy to increase profitability, and reduce operational costs.

Relationship marketing also stresses what it calls internal marketing. This refers to using a marketing orientation within the organization itself. It is claimed that many of the relationship marketing attributes like collaboration, loyalty and trust determine what " internal customers" say and do.

According to this theory, every employee, team, or department in the

company is simultaneously a supplier and a customer of services and products.

Brand identity and strategy

Developing a brand strategy can be one of the most difficult steps in the marketing plan process. It's often the element that causes most businesses the biggest challenge, but it's a vital step in creating the company identity.

A strong brand is invaluable as the battle for customers intensifies day by day. It's important to spend time investing in researching, defining, and building your brand. A brand is the source of a promise to the consumers. It's a foundational piece in the marketing communication.

Defining a Brand

This is the first step in the process of developing brand strategy. By defining what the brand is one can create the foundation for all other components to build on. The brand definition will serve as measuring stick in evaluating any and all marketing materials and strategies.

Determining The Brand's Objectives

Critical to effective brand management is the clear definition of the brand's audience and the objectives that the brand needs to achieve. The objectives have to be defined and a plan has to be put into place that would help to succeed in meeting them.

Focusing on Target Audience

The power of brand relies on the ability to focus. That is why defining target market will help to strengthen the brand's effectiveness.

Discovering and Crushing Brand Barriers

When creating the brand strategy for a product or service it is important to perform a careful analysis to determine principal barriers. These barriers are also known as market conditions that can keep the product or service from achieving success.

Brand Packaging and Identity

Branding is someone's identity in the marketplace and the Oberoi brand says what it should. The company image is all about the appearance of the packaging.

Successfully out-branding one's competitors is a continuous battle for the hearts and minds of the customers. The proposition the brand strategy makes must be very compelling, attractive and unique among competitive offerings. The proposition must also be consistently reinforced throughout all phases of an organization, from senior executives to customer service, research and development, business development and even any business partners.

The brand statement, often called the brand promise or proposition, is a derivative of branding research. It states the benefit of buying and using the company's products or services. For Oberoi industry the brand statement is "Our commitment is that every guest leaves satisfied."

Oberoi Hotels which is an Indian brand associated with ultra luxury hotels. Founded in 1934, Oberoi manages 30 hotels and 5 luxury cruises under the Oberoi and Trident brands. All the hotels owned by the company across the many segments in India operate under the Oberoi brand name. The usual

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trend in the international hospitality industry is to have distinct brands for each segment that a hotel group operates in. This strategy ensures that the brand equity is not diluted when the brand enters the business segment or economy hotels segment. But the Oberoi brand has not treaded this path till now. The Oberoi Group has removed the Oberoi brand names from six of its hotels which are not luxury hotels. Simultaneously, it has brought all the luxury palace-hotels previously called “ villas” under the Oberoi brand to convey the brand spirit and strengthen the brand equity.

This strategy ensures that Oberoi preserve their brand equity and also facilitates the expansion to other segments by endorsing the sub-brands with their parent brand names. With the Indian travel and tourism industry expected to grow at an annual rate of 8. 8% to US\$90. 4 billion in 2015, these brand maneuvers become very important to ensure the famous Indian hospitality brands are up to the global challenges.

Viral and guerilla marketing

Guerilla Marketing: “ Unconventional marketing intended to get maximum results from minimal resources.”

Viral marketing: “ Marketing phenomenon that facilitates and encourages people to pass along a marketing message.”

The concept of guerrilla marketing was invented as an unconventional system of promotions that relies on time, energy and imagination rather than a big marketing budget. Typically, guerrilla marketing campaigns are unexpected and unconventional, potentially interactive, and consumers are targeted in unexpected places. The objective of guerrilla marketing is to

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create a unique, engaging and thought-provoking concept to generate buzz, and consequently turn viral. The term was coined and defined by Jay Conrad Levinson in his book Guerrilla Marketing.

Guerrilla marketing involves unusual approaches such as intercept encounters in public places, street giveaways of products, PR stunts, or any unconventional marketing intended to get maximum results from minimal resources. More innovative approaches to Guerrilla marketing now utilize cutting edge mobile digital technologies to engage the consumer and create a memorable brand experience

Guerrilla marketers use all of their contacts, both professional and personal, and examine their company and its products, looking for sources of publicity. Many forms of publicity can be very inexpensive, or even free.

Levinson says that when implementing guerrilla marketing tactics, small size is actually an advantage. In *The Guerrilla Marketing Handbook*, he states: “In order to sell a product or a service, a company must establish a relationship with the customer. It must build trust and support. It must understand the customer’s needs, and it must provide a product that delivers the promised benefits.” The Oberoi group has actually implemented this strategy in providing their services and maintaining good relationship with their customers.

Strategic Customer Relations

For larger-scale enterprises like The Oberoi group, a complete and detailed plan is required to obtain the funding, resources, and company-wide support that can make the initiative of choosing and implementing a system

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successfully. Benefits must be defined, risks assessed, and cost quantified in three general areas:

Processes: Though these systems have many technological components, business processes lie at its core. It can be seen as a more client-centric way of doing business, enabled by technology that consolidates and intelligently distributes pertinent information about clients, sales, marketing effectiveness, responsiveness, and market trends. Therefore, a company must analyze its business workflows and processes before choosing a technology platform; some will likely need re-engineering to better serve the overall goal of winning and satisfying clients. Moreover, planners need to determine the types of client information that are most relevant, and how best to employ them. 4

People: For an initiative to be effective, an organization must convince its staff that the new technology and workflows will benefit employees as well as clients. Senior executives need to be strong and visible advocates who can clearly state and support the case for change. Collaboration, teamwork, and two-way communication should be encouraged across hierarchical boundaries, especially with respect to process improvement. 5

Technology: In evaluating technology, key factors include alignment with the company's business process strategy and goals, including the ability to deliver the right data to the right employees and sufficient ease of adoption and use. Platform selection is best undertaken by a carefully chosen group of executives who understand the business processes to be automated as well as the software issues. Depending upon the size of the company and the

breadth of data, choosing an application can take anywhere from a few weeks to a year or more.

4DestinationCRM. com (2002)

5TechTarget (2009) Strategy Checklist: Planning for CRM and Customer Service Success

The three phases in which strategic consumer relations support the relationship between a business and its customers are to:

Acquire: Strategic consumer relations can help a business acquire new customers through contact management, selling, and fulfillment. 6

Enhance: web-enabled CRM combined with customer service tools offers customers service from a team of sales and service specialists, which offers customers the convenience of one-stop shopping. 6

Retain: CRM software and databases enable a business to identify and reward its loyal customers and further develop its targeted marketing and relationship marketing initiatives.

Over the last decade, too many organizations have assumed that their products or services were so superior that customers would automatically keep coming back for more. But in order to compete effectively in today's marketplace, organizations must change their strategy to become more customer focused, not product focused. Strategic consumer relation is the best way to integrate this customer-facing approach throughout an organization.

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6 James A. O'Brien & George M. Marakas (2009). "Enterprise Business Systems". Management Information Systems. McGraw-Hill/Irwin.

Effectiveness of e-marketing

An e-marketing strategy is needed to provide consistent direction for an organization's e-marketing activities that integrates with its other marketing activities and supports the overall objectives of the business.

For many companies, the first forays into e-marketing or Internet marketing are not the result of a well-defined, integrated Internet strategy; rather, they are a response to competitors activities or customers demand.

There is no evidence to suggest that the approach to developing and implementing a strategy should be significantly different for e-marketing. Established frameworks for corporate strategy development or strategic marketing planning should still be followed. These frameworks provided a logical sequence to follow which ensures inclusion of all key activities of strategy development. However, with e-marketing there is an even greater need for a highly responsive strategy process model where rapid reaction can occur to events in the marketplace. The use of Soviet-style 5 year planning does not seem appropriate; a preferable approach is an emergent e-marketing strategy process that is part of a continuous improvement.

E-business or e-marketing strategy process models tend to share the following characteristics:

- Continuous internal and external environment scanning or analysis are required.

- Clear statement of vision and objectives is required.
- Strategy development can be broken down into formulation and selection.
- After strategy development, enactment of the strategy occurs as strategy implementation.
- Control is required to detect problems and adjust the strategy accordingly.
- They must be responsive to changes in the marketplace.

There is four stage models for e-marketing strategy development:

1. Strategic analysis. Continuous scanning of the micro and macro-environment of an organization are required with particular emphasis on the changing needs of customers, actions and business models of competitor and opportunities afforded by new technologies. Techniques include resource analysis, demand analysis and competitor analysis, applications portfolio analysis, SWOT analysis and competitive environment analysis.

2. Strategic objectives. Organizations must have a clear vision on whether digital media will complement or replace other media and their capacity for change. Clear objectives must be defined and in particular goals for the online revenue contribution should be set.

3. Strategy definition. Strategy definition may be denoted by eight factors:

- Target market strategies.
- Positioning and differentiation strategies.
- Resourcing - Internet marketing priorities - significance to organization.

- CRM focus and financial control
- Market and product development strategies.
- Business and revenue models including product development and pricing strategies.
- Organizational restructuring required.
- Channel structure modifications.

4. Strategy implementation

It includes devising and executing the tactics needed to achieve strategic objectives. This includes relaunching a web site, campaigns associated with promoting the site and monitoring the effectiveness of the site.

The travel industry survives as one of the better performing sectors in e-commerce. With no fulfillment and no need for online payments, the hotel industry is well positioned to capture the full potential of ecommerce while avoiding many of its risks. Despite the burst of the Internet bubble, the promise of the Internet for hoteliers is still real: Online distribution can reduce costs, attract affluent customers and lessen dependency on more traditional and expensive distribution channels. The Oberoi group is providing effective e-marketing services to their customers.

Conclusion:

Through this assignment I have found that the main purpose of hospitality and tourism industry is to entertain a guest with goodwill. Oberoi hotel is using all the marketing strategies and has developed good customer relationships, which is the reason for their increasing and worldwide growth. Oberoi hotel is always offering a range of facilities and business services like

as internet, fax machine. I have found that Oberoi Hotels & Resorts are synonymous the world over for providing the right blend of service, luxury and quiet efficiency. Internationally recognized for all-round excellence and unparalleled levels of service, Oberoi Hotels & Resorts have received innumerable awards and accolades. A distinctive feature of The Group's hotels is their highly motivated and well trained staff that provides the kind of attentive, personalized and warm service that is rare today. The Group's new luxury hotels have established a reputation for redefining the paradigm of luxury and excellence in service amongst leisure hotels around the world.

Recommendation:

With the completion of this assignment I know much about how to run a business smoothly and what is required to become a good and successful business man and get good profit. One should be very much clear about what the needs of the customers are and how to satisfy them. Every businessman should give focus on the customer needs because this is first and foremost thing in business. If we make strategies before starting any business then we won't have to face many problems. Organizations should be arranging and delegating work for accomplishment of their goals. Relationship Marketing refers to a long-term and mutually beneficial arrangement where both the buyer and seller have an interest in providing a more satisfying exchange and is essential for any industry to reach high status. A key principle of relationship marketing is the retention of customers through varying means and practices to ensure repeated trade from preexisting customers by satisfying requirements above those of competing companies through a mutually beneficial relationship.