

Four seasons: strategic directions



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The firm creates value by performing a series of activities that Porter identified as the value chain. To achieve a competitive advantage, Four Seasons must perform more value creating activities in a way that creates more overall value than do competitors.

Identify Four Season's core competence

Isadore Sharp was graduated architecture degree. This subject was including buildings, design modules and so on. It assisted Sharp in building and designing hotel more uniqueness, sharp and feature design etc. In technology development activities support the inbound logistics, Four Seasons was innovation constantly, such as Sharp build luxury hotel with then-modern amenities and provide air conditioning service, Four Seasons also combination of a motel and a down town hotel result in success immediately. Four Seasons hotel's design in such can meet with ergonomic to make more comfortable. These valuable activities enable Four Seasons to implement strategies that improve more efficiency.

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Four Seasons possess these unique capabilities in building and design the hotels. The talented person (Sharp) was not easy to imitated and no equivalent strategic capabilities. For that reason Four Seasons hotel has superior innovation capabilities for developing and exploiting innovation ideas.

In its operations, Four Seasons hotel offered accommodation. Also, it satisfies different customers different demand such as offer workout options, spa etc. The support activities of firm infrastructure are support the Four Seasons sustainability develop and create valuable resources. Nevertheless these operations can be copied by other rivalry.

Four Seasons in order to continue to refine exceptional quality. In its outbound logistics, the first one provided 24-hour room service. E. g. when the guest arrive the hotel and check in at night, receptionist will allocate the room to guest immediately as if serves to guest in a day. As this result, Four Seasons had been transferred their service to their customers.

For human resource management, Four Seasons was strong focus on hiring superior employees their attitude in particular and trained them extensively in order to treat others to provide friendly services which enable the hotel on the island became number one.

In its firm infrastructure, Four Seasons had a clear strategic direction, planning, market needs and understand the market position currently. E. g. focus on build small to medium sized hotels of exceptional quality. Four Seasons in order to offer excellent service, it hired employees of different

working time group i. e. night shift employees, it make Four Seasons can support to open 24-hour room service.

These support activities support the outbound logistics. By this means, it created a significant value contribution to success. Four Seasons offer exceptional service to provide 24-hour room service. The first hotel chain open 24-hour room service in North America enable outbound activities was very rarely. However it is not easy to sustain its competitive advantage.

In its marketing and sales practice, Four Seasons sustained build luxury hotel until current possess operate 72 hotels in 31 countries and became a leading player in luxury hotel. The brand name spread over luxury hotel business worldwide, because Four Seasons acquired very much hotel quality recognition awards. As the result Four Seasons was a very well-known brand. In the eyes of the customers, Four Seasons just like luxury feelings. Moreover, Four Seasons specializing in hotel management. Four Seasons had laid down performance standard enable the staff provided comprehensive service to customer so that the hotel even more famous. In firm infrastructure support the Four Seasons to international expansion, F. S. George V gave an easy way to enter the Paris market help Four Season can signed a management agreement with HRH Prince, it enable Four Seasons own unique capabilities to international expansion. Four Seasons create a famous reputation throughout worldwide; it provided a real distinctiveness that rivals cannot match.

Four Seasons hotel provided more convenience services to customers, such as overnight service, room service breakfast and so on. In its firm

infrastructure and human resource management to support that can provide good customer service capabilities and better quality service relative to rivals. Four Seasons to enforce the corporate culture down to the front-line employees, encourage self-discipline and setting performance standard so as to provide excellent service. Four Seasons service able give the guests feel at home. These valuable and rare capabilities that are difficult to imitate or substitute can contribute to sustained competitive advantage.

Weaknesses

Four Seasons hotel had not focus on an independent procurement department; it may lead to cannot purchase the lowest price and highest quality for the activities of the company. Thereby, it may affect go down attractiveness and reputation. Also, Four Seasons suffer recession in the early 1990s, result in plummeting stock prices and big losses drove Sharp sold almost all the ownership. These reflect that Four Seasons weak finances, poor cash flow and only dependent on luxury hotel revenue.

Clear Identification of Core Competencies

Four Seasons has a superior innovation, famous reputation and unparalleled service of core capabilities. These core potencies can provide a particular benefit to customers. Core competencies cover an integration of skills, knowledge and technology. This combination can then leads to Four Seasons possess competitive advantage.

1b)

Identification Of Generic Competitive Strategy Based On CCs

Four Seasons sustain to pursuing differentiation strategy and increasing the value of a service offering in the eyes of customers. Four Seasons clearly differentiated by its core capabilities to charge a premium price. Four Seasons provides its guests with a wealth of amenities in prime downtown locations, richly designed rooms, elegant restaurants, room service and unparalleled service. Its guests pay a premium for this clearly differentiated product. Also, Four Seasons possess unique capabilities to expand international market and owned a very famous brand. These unique capabilities were superior to that available from most competitors.

Four Seasons current marketing strategy is to target the luxury traveler and to target the growing affluent people in the markets and provide them of luxury travel and accommodation. Four Seasons initiating the transformation of the traditional hotel into a sort of ‘dream home’ for guests.

Although Four Seasons were possess core capabilities to charge a premium price. However, no competitive advantage is sustainable; everything can be duplicated, so Four Seasons pursuing differentiation persistently. A differentiation strategy will give the Four Seasons a competitive advantage so it can capture more consumer demand.

2 a)

The challenges of entering French market

The global marketplace provides many opportunities for a company to increase their profitability. However not all countries are attractive equally.

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In addition, one of the major concerns of companies competing in foreign markets is whether to customize their offerings in each different country market to match the tastes and preferences of local buyers. Pankaj Ghemawat introduces a 'CAGE framework' which help the company to find out the issue of different dimensions of distance. Mason A. Carpenter (2009) states that " Any international expansion strategy would still need to be backed up by the specific capabilities possessed by the Four Seasons hotel, regardless of how rosy the CAGE analysis paints the picture."

Culture Distance

Different countries have different local cultures and customs. French's vogue taste sensitivity different culture from North American domestic market. For instance French expect world-class restaurant with floral arrangement, but North American Four Seasons restaurant normally understated and providing delicious food. In addition, Different languages also affect management communication problems. Gregory G. Dess (2007) states that " different languages may have the same roots but different meanings or connotations." [1] These differences may influence the success of a strategic initiative.

Administrative Distance

Four Seasons against administrative distance of incompatible. i. e. Four Seasons lay down 800 rules, but some of the rules are incompatible in France, such as waiters leave the coffee pot so that they can refill their cups, this approach viewed as poor service. Besides, ' French laws are more demanding: more taxes, more protection for the employees and more legal constraints'1. The provision of Four Seasons must retain former employees

unless they wanted to leave in France, owing to the some former employees do not reach the Four Seasons hiring standard required that might impede the competitive position of Four Seasons. Besides, the French government is constantly making changes in polices affecting your business.[2]

Four Seasons need hiring policies and service performance standards homogeneously between French and North American domestic market. Also, Four Seasons specialize in medium-sized hotels with French.

Geographic Distance

The challenges face to Four Seasons differs from French's geographic distance. It includes the size of country, differences in climates, information networks, nature of transportation and time differences.

Economic Distance

Four Seasons need to face differs France economic conditions which affect luxury hotel significantly. France provides expand opportunities obviously, due to bulk demand luxury hotels, but enter into France market also need to aware of the stability of a country i. e. currency risks. Currency fluctuations can pose substantial risks. Four Seasons must constantly monitor the exchange rate between own and French currency, even a small change in the exchange rate can result in a significant different in the cost of hotel operation or net profit. Moreover, France economic condition also affect luxury hotel significantly. Fast-growth economies obviously provide opportunities, but also was aware of the stability of a country

2b)

The culture gap of French and North American was totally different i. e. French against luxury restaurant taste. French expect that world-class restaurant should provide elegance amenities with floral arrangement, but North American Four Seasons restaurant normally understated and only providing delicious food. Also, French leave the coffee pot on the table for guests, so that they can refill their cups themselves, but this approach was viewed as poor service in France. As a result of different culture context, therefore Four Seasons must go to meet them in order to provide exceptional quality to reduce the cultural differences. Four Seasons also had to upgrade some of the more tangible amenities to meet the French standards of luxury. Understanding the basis of some culture differences may help people not to react personally to behavior they don't understand. This is shown that Four Seasons persistently pursuing exceptional quality of luxury hotel. It enabled Four Seasons still able to keep its competitive advantages in French market.

In addition, Different languages distance also affect management communication and service quality management. Four Seasons should adopt common language to avoid unnecessary mistake. Owing to Four Seasons expand to France where should adopt French language, it can avoid unnecessary wrong in language aspect. Also, the frontline staff must spoke fluency local language, it enable the guest feeling a tenderness service. Four Seasons should adapt the above of distance when it entered into the French market enable Four Seasons keep the competitive advantage of exceptional of service.

Four Seasons against administrative distance of incompatible in France. A lot of law and regulation were protecting local. Besides, the French government is constantly making changes in policies affecting your business.[3]Also, France government provision protect its local employee, thus Four Seasons must retain of George former employees. However “ some foreign employers find French employees difficult to deal with and lacking in initiative. They tend not to relate well to others: the French are too individualistic. They don’t always identify strongly with the company. One Austrian executive said, “ On occasion the French can be brutal and rude.””[4]Result in Four Seasons need recruit mass employees provide train simultaneously to keep exceptional service and reputation.

The challenges face to Four Seasons differs from French’s geographic distance, the France’s competition environment, market and the labor force problems, Four Seasons must clear understand

2c)

Four Seasons was pursuing a multidomestic strategy. However, Finance and North American culture not the same, therefore culture differences may also require Four Seasons to adapt its local culture when it expands internationally such as service performance standard.. In North American, the guest valued time particularly and productivity. Thus phone calls will be answered before the fourth ring and no guest will wait longer than 60 seconds at the reception desk. Whereas French pursuing living standard such as required staff spent more time take care them. So Four Seasons

need customize its services to meet the specific needs and preferences of local customers.

Also, Four Seasons so as to meet local adapt French guest needs to enlarge rooms, from origin 300 to 245 rooms. It was able to detect potential opportunities for attractive niches in a given market, enhancing revenue.

France governments regulated that required Four Seasons retaining a large number of former employees for new recruiting unless they wanted to leave result in Four Seasons need screen more than 10, 000 applicants to recruit 400 position. Thus Four Seasons must localization to meet local specific needs.

In order to make Four Seasons more localization, Four Seasons choose Didier Le Calvez as a France's general manager. In doing so Four Seasons can decentralized strategic business units in France with considerable strategic autonomy and focuses on the specific competitive forces with France.