

# Sector in tourism and hospitality



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According to above structure the hotel premier is under accommodation sector in tourism industry. Premier Inn is one of the biggest budget hotel brands in the UK, including more than 47, 000 rooms in about 650 hotels. In 1987 it was mainly starting under the “ Travel Inn” brand name, during its entire operation it has been owned by Whitbread and was ready to fulfil with the Travelodge brand, Forte was the owner that time. The company is paying 70% of their whole benefits of Whitbread. In a number of areas Premier Inn operates hotels such as suburbs, City centres and airports. Internationally they are serving in Middle East (U. A. E), India, Republic of Ireland and whole UK.

Website Address: <http://www.premierinn.com>

Stakeholder analysis and their interest of Premier Inn:

A stakeholder is anybody who can affect or is affected by a Hotel. “ People or small groups with the power to respond to, negotiate with, and change the strategic future of the organization” (Eden and Ackermann 1998: 117). There are two type of stakeholder.

Internal stakeholder: In the hotel Premier Inn Internal stakeholders are board of directors, Managers, employee and governance.

External stakeholder: External stakeholders in hotel Premier Inn are customers and government.

Premier Inn has six main stakeholders whose are very important for the organization they could effect on company any time and they have also some interests.

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Board of directors

Managers

Premier Inn

Government

Employees

Customer

Governance

(Figure: 1. 2 field work)

Employees: The energy and dedication of our employees is a key part of our 'customer heartbeat' strategy. Employees are most important stakeholder for premier Inn, not only for premier Inn but also for all other companies. Because of their high quality service premier Inn made their overall performance. As benefit they get reward/prises and salaries.

Board of directors: board of directors are another vital stakeholder for the premier Inn they are providing and checking report from the companies' different sectors. During the year, they appointed two non-executive directors both are highly talented with international experience. They bring extraordinary skill for the Whitbread board in UK and throughout the world. Direct got social status, commission, position etc.

Managers: managers are the most important stakeholder in hotel premier inn. They are managing all staffs and they meets with all activities

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thoroughly. They do budgeting, planning, organizing and financial management. In Premier Inn manager promoting and marketing the business. And also they are dealing with customer complaints. They got different interest like salary, promotion etc.

Customer: Customers are the main source of revenue of hotel premier inn. They are paying for everything. Premier in have different nations of customer not only that but also premier Inn doing business all over the world. So they need to make them happy otherwise customers can greatly impact on the company. On the other hand customer different accommodation which they like.

Governance: Governance is the ruler of the organization. They are managing and controlling company's all circumstances. Basically in premier Inn the main governance is chairman and directors also managers.

Government: Government is the most important stakeholder for any company. Premier Inn has to maintain government rules and regulations and benefit for the government, they are getting tax, other VAT, remittance from their overseas branches.

PESTLE analysis of hotel premier Inn:

The PESTLE framework is an analysis tool that is used to identify the key divers of change in the strategic environment (Johnson et al., 2008). Pestle analysis includes Political, Economic, Social, Technological, Legal and Environmental factors.

POLITICAL

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ENVIRONMENTAL

ECONOMIC

PESTLE

TACHNOLOGYCAL

SOCIO-CULTURE

LEGAL

Figure: -1. 3 – Pestle analysis (lecture note)

Political:

The Premier Inn's product petition could be influenced by increasing or decreasing of indigenous, provincial or national government taxes like-

- VAT (value added tax)
- General sales tax rate
- Alcoholic beverages taxes.

Premier Inn is doing a global business, so they have to follow different nation government policy and also about terrorism.

Economic:

The Premier Inn hotel has stated their revenue had enhanced after one year when before it had 7. 9% let fall in sales as the recession knockout last year. (BBC, 2009). Customers have less purchased power because of recession.

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But hotel business is luxury not necessity. So customer have extra money then they will come in hotel for enjoy.

Socio-cultural:

Family constructions have been changed to more single families and divorced couples. Eating out habits has risen as well. Premier Inn has to maintain multi-culture and social behaviour as they are doing business in different country through the world that's increase company expanses.

Adaptive peoples who are speaking in English.

Technology:

By improving their check in system namely the Self-check in system which reduces the time from ten minutes to one minute, which indicates the time and financial cost, would be reduced.-Druse (2010). Premier Inn has some strong technological factor these are -

-Strong research and development facilities.

-online booking system.

-offers are available their website and travel agents

Legal:

Employee must be given by their employer a minimum amount according to law. Premier Inn should check in each October the national minimum wages.

It includes-

- Government rule & regulations.

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- Pay taxes

Environmental:

The board of directors is committed to the implemental policy and energy saving policy, by complying with the law regulatory requirement (Whitbread, 2010). Weather and climate effect on hospitality industry, but premier inn is very aware of environment factor. They try to avoid environmental pollution as much as they can.

The main marketing issue:

At this moment the Hotel Premier Inn is facing some problems or issues which are affecting the organization in different way, such as-

New entrants in the current market are creating issue in the business to marketing our product and they are coming with idea and technologies.

Company: - The premier Inn facing some problem internally like staff problem many international students went back to their country local people want more salaries internal grouping, sexual harassment.

Competitors: - competitors are giving offers. Not only they are giving offers, but also they are giving fewer prices than us.

Customer: - Customers are looking for cheap price as recession going on that's another problem.

Supplier: - Supplier increasing their products price as a result we are getting less benefit.

PCI (payment card industry) compliance sometimes the hotel's payment system hacked by credit card thieves.

Task Two:

Market Report

The premier inn is allowing in their marketing strategy by increasing brand value, making relation with customer and also supplier as well. By advertising, sponsoring and in many ways they are promoting their product.

Segmentation, Targeting and Positioning-

Segmentation of the market

Targeting the group

Positioning of product

Figure: 2. 1- segmentation, targeting and positioning (Class lecture note)

Segmentation: - Market segmentation is a marketing plan that involves dividing a broad large unit into various small units which have more or less similar or related appearances.

Targeting: - Hotel premiers Inn identify their potential customers they segment them targeting them to run their overall sales and marketing strategies. That they will include within other sections of their business plan.

Positioning: - Positioning is to keep your service on top of your customers' mind when they are considering purchase it.



**Type of segmentation: –**

There are four type of market segmentation such as

Demographic segmentation: Demographic segmentation includes sex, education, gender, income, occupation, religion, race and nationality. So organisation could segment their market above all.

Geographic segmentation: Geographic segmentation is city, states, nations, regions, countries, neighbourhood, zip code etc. the hotel premier inn is normally used geographic segmentation to segment the market.

Physiographic segmentation: Physiographic segmentation is included life style, social class, personality, values etc. the hotel premier inn is segmenting base on social class like economical, business class etc.

Behaviour segmentation: This kind of segmentation includes service knowledge, user status, attitude and use or response to product. Hotel premier try to find out who come frequently, sometime and use their service.

Hotel premier inn following all segmentation based on your different situation as they are doing worldwide business.

Product & service of hotel Premier Inn –

Hotel is one of the most important parts of hospitality business. Basically Hotel Premier Inn's product and services are food and beverage and room (accommodation). The main product of Premier inn is room service.

Room (accommodation): They have different type of room facilities like lower price, medium price and higher price.

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Restaurant : And also they have Restaurant where they sale several type of foods with a wide range of dishes

Bar: Bar where customer can get different type of drink like cocktail, wine and beer.

Some other additional service and facilities available in Premier Inn such as –

Free Wi-Fi: -hotel premier inn has free Wi-Fi facility for their customer. So, Customer can use free Wi-Fi in hotel premier inn.

Television: – Hotel premier inn has television facility with free view so that Customer of hotel premier inn could see television in their room and spend their time.

Bathroom: – premier inn bedrooms have an en-suite bathroom where customer can do their shower and get refreshment. Toilet cleaner always checking these bathrooms before/after coming customers.

Car park: In the big branch of hotel premier inn has free car parking facility. So customer no needs to pay extra money for the car parking.

Costa coffee: costa coffee can be found in premier inn.

Besides, premier inn has air conditioning system, nicely decorated rooms. In the restaurants music system are also available. Premier inn is trying to develop their product as their customer expectation.

Pricing strategy of Hotel premier Inn: –

Pricing is the most important thing in the business world and pricing is one of the main parts of 4Ps or marketing mix, along with product place and promotion. Premier inn wish to achieve success, by following appropriate pricing strategy and by finding where is the price point. They want to maximise their sales and profit as well.

There are five different type of pricing strategy can discuss-

Premium pricing: – Premium pricing means your company’s product price is higher than company’s other competitors. This kind of pricing strategy can be used when the product is new to the market or unavailable product in the market. Hotel premier inn normally doesn’t follow this kind of pricing strategy.

Penetration pricing: – penetration that kind pricing strategy where price is designed to capture the market share by setting relatively low price than competitors. As a result organization can attract the buyer. Premier inn sometimes uses this pricing strategy in order to generate word-of-mouth.

Economy pricing: – Economy pricing strategy is very familiar pricing strategy. Hotel Premier Inn is using this pricing strategy in their organization. In economy pricing strategy organization keep very less price in order to make interested some specific customers.

Price skimming: – Take some competitive advantage from competitors. By designing price and gaining maximum revenue advantage before other competitors. hotel this pricing strategy normally don’t use this kind of pricing

Psychological pricing: – Psychological pricing strategy is a pricing strategy where origination design their price which eye wash of customer. For example, hotel Premier Inn offering room per night £29 instead of £30.

Though, Hotel premier inn giving cheap accommodation facility but they have the business class room for the business class customers.

Promotional Mix: –

Hotel premier inn using “ Promotional mix” and AIDA to promote their business

Promotional tools are included advertise, sales promotion, direct marketing, public relation which aware the customer about your products and service. Hotel premier inn gives most priority for promoting their product and service by different promotional tools.

Promotional tools are normally used by hotel premier inn.

Advertisement: – Advertising is any paid form of non-personal communication of idea, goods and services delivered through selected media channels. Hotel premier inn advertising via television, radio, magazine, newspaper, press, out door, internet and branding so that people could now about their product and service.

Direct marketing: – Direct marketing includes send directly some mail, leaflet and telecommunications to the customer. Hotel premier inn does direct marketing sometimes who are their loyal customers by sending good offer and deals.

Sales promotion: – Sales promotion is like promote your sale by giving buy ‘ one get one free’, competitions, coupons, free offers. Premier inn does sales promotion to increase their sales.

Personal selling: – Personal selling is face to face selling. “ The presentation of products and associate potential clients, employed by the supplying organisation” (Baron et al).

Sponsorship: – Sponsoring an event or location for promoting business. Hotel Premier inn doing very little sponsorship to promote their business.

Public relation: – “ Public Relations is the planned end sustained effort to establish and maintain goodwill and understanding between an organisation and its public” (Institute of Public relations (IPR)-UK). So, By creating and maintaining good relationships with their customers, consumers (providing good service), agents, employee, business partner (giving good benefit), government, the local community and pressure groups Hotel Premier Inn trying to promote their business.

Internet marketing: In this modern world internet marketing is very important to any business. Hotel premier inn also focus on internet marketing and they are doing advertising, selling and promoting their business through internet.

AIDA: is stand for

get Attraction

hold Interest



Via Agents: – Distribution directly manufacturer to Agent (online agent) and Agent to consumer.

Direct method: – In direct method of distribution manufacturer direct sell product to consumer/customers. It is also called direct marketing.

Extended 3Ps of Marketing Mix:

Marketing Mix: – “ Marketing Mix is a conceptual frame work which highlights the principals, decision marketing managers make in configuring their offerings to suite customer needs” (Lecture note). Another definition on Marketing Mix “ The set of controllable tactical marketing tools – product, price, place, and promotion -that the firm blends to produce the response it wants in the target market” Kotler, 2nd European Edition. (1999)Principal of Marketing. London; Prentice Hall Europe.

Marketing Mix

Place

Price

Product

Promotion

Physical Evidence

Process

People

Figure: 2. 2 marketing mix. (Othm workbook)

Marketing Mix are 4Ps and extended 3Ps, in total 7Ps. 4Ps are-

‘ P’ Product:

‘ P’ Price

‘ P’ Place

‘ P’ Promotion

Extended 3Ps are: -

‘ P’ People: In Marketing Mix service people include both customer and employee. Employee or staffs are the main element in tourism and hospitality industry. Hotel premier inn very aware about their staff. They are recruiting right staff in right place. They are very strict to select the staff also they are following proper recruitment and selection strategy. After selecting them premier inn arranges the training. In the service sector planning is assumed to have great importance because employees have high level of contract with customers.

‘ P’ Process: “ process is ensuring that systems that process are in place and are robust and effective for a smooth delivery of service” (OTHM-cert-3; Workbook). In the process include booking checking in and out, operations service. Hotel premier inn’s service process like booking system, online booking, fax, phone call and website are very customer friendly and competitive.



' P' Physical evidence: physical evidence refers facilities and what the customer can see. Physical evidence is all about the tangibility. Hotel premier inn has tangible features which is their physical evidence like business cards, brochures, complement slips and catalogues. If you walk into premier inn then your expectations are of a clean and friendly environment you will find out.

Task Three.

Market Research:

The objective gathering, recording and analysing of all facts about problems relating to the transfer and sale of goods and services from the supplier to the consumer or user (American Marketing Association, 1961). The market research process a round of separate stages of data interpretation, organisation and collection. Marketing research is important for any organisation because they want to find out the want and needs of customers. Hotel premier inn is doing market research frequently because they handle different kind of customers and they have a lot of competitors who pull their customers. There are five type of marketing research such as.

Product research- what do customers want included in the service or package that they buy.

Pricing research- how much customer prepared to spend? What do they consider to be good value?

Brand research- how do customers view our brand? Are they aware of our brand? Do they view it positively or negatively?

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Advertising research- do customers like our advertising? Is it effective?

Satisfaction research- how satisfied is customers with the package that we offer them? Would they book with us again or recommend us to their friends? Why/ why not?

Step-1

Defining the problem and research objectives  
Plan for market research  
process of hotel Premier Inn:

Step-2

Developing the research plan for collecting information

Step-3

Implementing the research plan collecting and analysing the data

Step-4

Interpreting and reporting the findings

Figure: process of market research (Kotler 1999)

Defining the problem and research objectives: -

The hotel premier inn is working closely for marketing research with researcher to define the objectives and problems. The managers of premier inn, they know about market research that's why they can solve any problem easily which is strength of hotel premier inn. If managers find out any bad feedback from customer try to make them satisfy because they know that in

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the business customer is paying for everything so if customers are happy than customers will make them happy as well. The manager and researcher must set research objectives. so according to manager view; I got the problems and objective of market research.

Developing the Research plan for collecting information: –

This step of market research called determining the needed information and developing a data collection plan. The objective of research must be translated into specific information needs. At that time when premier inn decided to research a new lower price system, it had two goals: to pull customer away from the other competitors and to minimize cannibalization of its own existing hotels this research might call for the following specific information:

1. What features should the hotel offer?
2. How should the new hotels be priced?
3. What are the probable sales and profits?

There are different market research methods, so they might pick up any of them such as.

Primary research:

“ Primary research is going out and doing a brand new piece of researches yourself to answer a particular question in which you are interested. The research in this case does not exist until you do it”. (Workbook OTHM)

Advantage

Disadvantage

Up to date data from customers

It is expensive to collect data

Researcher got data which relevant with your problem.

Time consume to collect data because it is field work

Data interpretation

Well trained researcher need to collect data.

Secondary research: “ Secondary research involves looking at source of data which already exist, and research studies that other people have already done, to see if they can help you to answer the question”. (Workbook OTHM)

Advantage

Disadvantage

Time and cost effective

Inaccuracy of data

Extensiveness of data

May not be specific

Find relation with current scenario

## Time leg issues

### Qualitative research:

Qualitative research inquires in depth, asking questions to find out correctly what people think and why they think like this. Qualitative data they could collect through in depth interviews where they could ask questions and then let them say whatever they like or through a discussion on any particular topic. Qualitative data contains the form of words and text.

### Advantages

### Disadvantages

Provides information about why people behave as they do.

Expensive and highly skilled job to collect

Gives a depth of understanding

Risk of bias

Observation can yield information people are normally unwilling to provide

Lacks statistical accuracy

Try to make every sector clear

Result can be hard to analyse

### Quantitative research:

Quantitative data concern with measurement. Qualitative research is gathering a number of data in the form of statistics. Rather than asking people and simply letting them speak, you would give them answer to choose from in the form of survey.

Advantage

Disadvantage

High level of statistical accuracy

Can be expansive and time consuming

Provides data which used for benchmarking

Gives no information about people's motivations, beliefs, attitudes etc.

Results easy to analyse

Implementing the research plan collecting and analysing the data:

After having decided on the data collection method then researcher actually does the research and collects the data which is needed. So it is extremely expensive to data collection so it is important to make plan the most appropriate method carefully. After that once researches have collected then need to analyse it. This gives researcher a good depth of understanding but findings will not be statistically reliable. For this reason organisation often use qualitative and quantitative data in combination as one gives reliability and the other gives depth of them.

Interpreting and reporting the findings

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This is the final stages of marketing research where researcher will give report to the hotel premier inn and they will take decision against problem. One the other hand in this is the most important stage of the research process for hotel premier inn because they have got actual report against the problem and base on this analysis you need to decide what actions The company should take in the light of your findings. If a manager carelessly accepts wrong interpretations, the whole research will be pointless. So managers and researchers need to work closely organized way when they interpreting research results.

\*\*\*Hotel Premier Inn’s survey and Questionnaires:

Dear Sir or Madam!

Good morning/afternoon and welcome to our hotel. We are pleased that you selected and decided to stay our hotel. If you have spent at least one night in our hotel we kindly ask you to participate in a survey which will help us make your future stay here even more pleasant. The interview will take approximately 05-10 minutes and is conducted anonymously.

\*\*\*Mark the appropriate answer. Please provide more answer if possible.

How did you arrive to premier Inn?

By car

By bus

By airline

By train

Other, what: \_\_\_\_\_

Where did you hear about this hotel?

I already knew of it.

The Internet

Friend and relatives

Media

It was part of the travel package

Other, \_\_\_\_\_

Is this your first visit to this hotel?

Yes

No, if no than how many times have you visited this hotel: \_\_\_\_\_

How many nights are you planning to stay at this hotel: \_\_\_\_\_

What were the main reasons for your visit to this hotel?

Rest and relaxation.

Visiting relatives and friends

Business reason



For conference, seminar, other form of education

Culture

Fun

Sports

Health

Other, what: \_\_\_\_\_

Some statements which refer to the general image of hotel. For each statement > 1 < means you completely disagree with it, and > 5 < you agree with it completely.

Disagree Agree I don't

know

1

2

3

4

5

1. Most people have positive opinion.

2. Staffs are friendly to guests.

3. This hotel has a unique image.

4. I think this hotel is popular.

5. Clean and tidy hotel.

6. Information is reliable

Have you had any reason to complain since you have been staying at this hotel?

Yes

No

Who is accompanying you on your current visit to this hotel?

No one

Partner

Family, how many children was under 15 year?

Friends

Business partners.

Other, what: \_\_\_\_\_

When you decided to stay at this hotel?

Less than one month ago

1 to 3 month ago

More than that

Please name your country of residence\_\_\_\_\_

What is your employment status?

Employed.

Self-employed

Unemployment

Renter/retired.

Student

Other, what: \_\_\_\_\_

Year of birth\_\_\_\_\_

Gender

Male

Female

Thank you very much for your time and answer!

Task Four:

Sustainability and Social Responsibilities:

Hotel Premier inn want to make lives better for teams and communities

They wellbeing for customer

Hotel premier inn makes good business which safe guard for local environment.

They give industry leading training for the community programmes which people got lot of benefit.

They provide trusted product and service to customers.

They properly uses energy, water etc.

Support fresh water scheme: Hotel premier inn has own water pump for their customer. Elsewhere they giving 5p for charitable fund from every bottle of water sold.

Passing technology: hotel premier inn donates their old PCs after refurbishment to the school for the student at low cost, to reduce the potential waste.

Look after employee health: After three month hotel premier inn checking their employees' health. Are they physically fit? Are they facing any disabilities? Because, if employee are not fit to their work, business could be affected. Also employees' diseases or virus could effect on the local society. Premier inn also conscious about employees' food and living place.

Campaign of sponsorship: Without any industry or organization support many event or campaigns are not possible to hold. Hotel premier inn sponsoring some event and activities of local community.

Set up a charity fund: Premier inn has own charity fund. They are keeping a minimum percentage of their sales for the charity fund.

Recycle supplies: premier inn recycle all their recyclable materials like after using the cloth, bed seats and towels they send them to laundry and again they use them.

Cycle to work: premier inn encouraging their employee using cycle or walking to come into organisation and leave the car to protect 'greenhouse affect'. They also providing cycle lock, cycle vouchers and eco-friendly products to their employees.

Work with local producer: premier inn collecting food material from local farming community for their restaurant and supporting local farmers.

Protect wildlife: premier inn trying to protect wild life by doing many activities like they are feeding birds. They already made some houses for birds where birds can live.

Reward greener guest: Premier inn offering 50% discount to their guests on car park who will use environment friendly vehicles. They got the list from Energy Saving Trust it includes hybrid cars, alternative fuel cars and electric cars.

Educate staff and client: The 25% of their staff training they are focusing on greens as a result staff can get aware their everyday life. In their food service sector premier inn ensuring environmentally friendly ethos for their clients as they want to be green.

Conclusion and recommendation:

In a nutshell, The Premier Inn is the biggest and fastest budget hotel company in