

Strategic analysis of mandarin oriental hotel in london report examples

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The Strategic Issues facing Mandarin Oriental Hotel in London

Mandarin Oriental Hotel in London has been a success story, especially in 2011. Its performance has been boosted by high occupancy and strong demand, especially from the leisure travelers. In its efforts to be recognized as the world's best luxury hotel, the company is faced with various strategic issues, both internally and externally. This section describes the strategic issues.

Internal

Maintaining the brand image - Mandarin Oriental Hotel already has a strong brand name and image; however, maintaining this brand remains a strategic issue. The company continues to invest in exceptional facilities, and creates some of the world's most desired properties. It maintains the brand through delivery of unique style of luxury by combining tradition, quality, and innovation. Delivery of the legendary service to the guests also helps in maintaining the brand. Above all, the company focuses on the core brand attributes which include creative hotel design, architecture and technology, excellent dining experience, and holistic spa operations (MOIL, 2011, p. 9).

The London's newest restaurant Dinner, Mandarin Oriental Hyde Park, has been voted the ' Best New Restaurant' in UK's annual Dining Awards (MOIL, 2011, p. 9), a positive contribution towards maintaining the brand image.

Creating value to customers - The delivery of high level of service to customers is one of the strategic issues the company focuses on. It's committed to creating quality services and facilities that give meaningful

leisure experience to customers, especially the leisure travelers. The employees are expected to provide exceptional levels of service to the guests (MOIL, 2011, p. 7).

Improving occupancy - Occupancy at the hotel remains a strategic issue that affects the performance of the company. Occupancy can be improved by either slashing the prices so that the services are relatively cheaper than the competitors', or offering irresistible and compelling products and services. By providing ample and convenient parking, using signage and visual appeals, providing necessary room conveniences, developing an appropriate marketing plan, and with appropriate staffing, occupancy level is likely to improve. With high occupancy levels, the company is sure to maintain its market leadership position.

Staffing - The delivery of excellent service to customers depends on the capabilities of company's staff. The company can improve the quality of its staff through hiring the right candidates, training, and ensuring that high professional and ethical standards are met by all the employees. The employees should be treated fairly, impartially, and with respect (MOIL, 2011, p. 79), and should be motivated through competitive remuneration, promotions, and good working conditions. With highly capable and motivated staff, the hotel is sure to achieve its goals. The company should continue to invest in its employees in order to get the best out of them (MOIL, 2011, p. 8).

Achieving strong financial performance - The success of the company is measured by its financial well being. The company's efforts are channeled towards realizing strong financial position with significant cash balances and

low level of gearing (MOIL, 2011, p. 13). The company remains focused in improving its operating performances.

External

Competition - The Company operates in a highly competitive industry. It must therefore compete effectively in terms of price, quality of products, and levels of service. The hotel directly competes with independent hotels in the area, such as Bulgari Hotel, and Berkely Hotel. It also competes with other luxury hotels globally (MOIL, 2021, p. 83). The company must therefore remain focused on improving the quality of its products, level of service, and the price of its products in order to beat its competitors and enjoy the competitive advantage. Offering " Five Star" hotel service and other luxury services is an added advantage. The strength of the hotel management team, the staff, the brand, and all the support provided by the corporate structure, are aimed at achieving competitive advantage and being at a top competitive position in the market. The supplemental offerings and amenities should be enticing in order to attract more customers. The lounges, food service, fitness facilities, spa tubs, recreational features, personal services, and the electronics, should all be attractive. Currently, Mandarin Oriental Hyde Park Hotel, London, has spacious rooms and suits, with exquisite decorations, furnished to respect its past and to provide warmth and comfort, and built with the requirements of a modern super-luxury establishment. The public spaces display beauty and elegance. The restaurant serves modern European dishes with fresh seasonal ingredients. The Café provides an informal setting for international dining. Other

amenities include bar, garage and Car Park, laundry service, state-of-the-art gymnasium, internet access, telephone, safety deposit box, satellite TV channels, local TV, Money Exchange, hair dryer, among others (LHO, 2012).

Market Penetration - The Company should focus more on penetrating into new markets. With its well established market in leisure travelers, the hotel should focus on attracting more business travelers. In penetrating new markets, entry strategies like incentives, special offers, and promotions, such as reduced prices, discounts, free amenities, and special coupons, can be adopted. Currently, the hotel's prices are reduced by 10% as compared to those of the competitors; the hotel provides gift cards, and a discount of up to 30% (LHO, 2012). Generally, the hotel prides on its rates as the best and most flexible. Other offers include a complimentary third or fourth night (extra night), with a spa credit and breakfast (MOHG, 2012).

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