

Boutique hotel target market



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Boutique hotels are believed to have been invented in the early 1980s.

(Anhar, L, 2001) There is no single definition of a boutique hotel but most of the boutique hotels do share some common characteristics. The first,

boutique hotels put more emphasis on design and architecture than

traditional chain hotels. (Anhar. L. 2001) Creating unique design with

additional lifestyle amenities in order make hotel guest feel ‘ something

special’ than others. For example each guest room in Blakes Hotel in South

Kensington, London was designed by celebrity stylist Anouska Hempel. This

kind of hotel is very individual and focuses on their ‘ look’. (Jones. P, 2002)

The aim is to create an environment with sense of style, warmth and

distinction which they are willing to pay premium room rates. Second, the

common feature of boutique hotel is superior personal service.(Drayton. P &

Rodwell. K, 2001) Providing personal service guide to hotel guests is

importance to enhance guest experience rather than efficiency, to truly be in

touch with hotel guests rather than ignorance them when they faced to

problem, to makes guest with unforgettable memories will come back on

next time rather than terrible service that not return again. Furthermore,

boutique hotel tend to provide a higher quality and wider range of guest

amenities; such as pillow menu, complimentary candies and nuts. (Reich. M

&Ho Jung Kim) The third feature is the number of rooms. The number of

room should not exceed 150 rooms to maintain the intimacy between the

guests and the hotel staff, and the personalized attention by the staff.

(Anthar. L, 2001) However, there seems to be not upper limit on the

maximum number of room; for example among properties operated by Ian

Schrager, Pramount Hotel has 594 rooms and Hudson Hotel has 821 rooms.

(Ibid) The last common feature of boutique hotel is the target market. The

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middle to upper income group of people tend to be target market of boutique hotel. In addition, the image of boutique hotel is major element for promoting through media, fashion, entertainment and advertising companies that are attracted to the trendy design and lively atmosphere. (Jones Lang Lasalle report)

Location of the boutique hotel can be classified into two types. The first is the city destination hotels. Accordingly, most existing city boutique hotels are located in urban edgy and chic neighbourhoods in major cities like New York, London, San Francisco, and Miami. (Anthar) Nevertheless, more companies are targeting less cosmopolitan cities. Location of traditional hotels often seeks for convenience to their customer but for boutique hotel, they are often located in cities with big fashion capitals to best attract their target market. The second type of boutique hotel is located in generally well-hidden, tucked always in deserted corners of the island or the mountains. Each boutique resort hotels promote the non-existence of electronics and communication devices in guestrooms as a competitive advantage.

Q1 Every company will face problems and challenges

Boutique hotels tend to serve their guest with high degree of service quality therefore the greater of customer contact, the greater degree of interaction between the service system and the customer. (Jacobs. R, Chase. R, 2008) Service systems with high degree of customer contact are more difficult to control and rationalize rather than low degree of customer contact. In high-contact systems, the customer can affect the time of demand, the exact nature of the service, and the quality, or perceived quality of service

because the hotel guests are involved in the process. (Jacobs. R, Chase. R, 2008) This is reason why boutique hotel manager should take into account on this particular area of service design process. This is not easy as all customers are different and have different expectations of what the service will provide.

Perhaps a boutique hotel guest tend to wait for too long to check-in at resulted he or she might not come again due with the expectation on their speed of their service provided was disappointment. Hence, boutique hotel can offers several counters with different type of function such as registration check-in, check-out counter, and complaint counter to shorten the time of waiting by other guests. Flexibility approach take part on this challenges, Service process must be short and accurate in order to SOA(219) Service Blueprinting 211

As mentioned above, for boutique hotel the customer indeed is greater extent involved in the actual delivery of the service. The service employees by boutique hotel have frequently work together with their customer thus the behaviour if employees is likely to have a major effect on the customer's perceived level of service quality.(Greasley. A, 2009) Unlike tangible products, technology can be replaced the workforce on certain jobs but in services, it is difficult to replace the element of human interaction completely. (Greasley. A, 2009) For service industry, the service operation for boutique hotel greater ' front office' tasks by adding value to their customer both input and output of the operation while ' back office' task is lesser. (Figure 1. 1)(Greasley. A, 2009) Boutique hotel as a mass customization operate at high volume and high variety because the <https://assignbuster.com/boutique-hotel-target-market/>

customer require high levels of contact with the service provider and a customized service. Human resource development: Some of the services required in the tourism and hotel industries are highly personalized, and no amount of automation can substitute for personal service providers. India is focusing more on white collar jobs than blue collar jobs. The shortage of blue collar employees will pose various threats to the industry Lack of skilled hotel employees can become an issue for boutique hotel that tend to provide superior personal service. STANDARD

The hotel boutique employees are expected to know their guests needs very well with caring, polite, friendly, and etc. Hence, the manager of Boutique hotel has to invest on a series of training program in order to maintain the quality of the service provided by their employee especially front-line employees which interact with customer most of the time. Assume a boutique hotel employees does not know well about a potential customer whose is vegetarians, but sending meal with chicken to the customer. This in the result, the potential customer will feel very disappointed on the careless of service provider by particular boutique hotel. The customer definitely switches to other brand of boutique hotel and not to return again if there is no a good service recover to resolve the problem. Service is unlike product that can be easier to argue back but in service industry especially with high service quality provided by boutique hotel, customers tend to be correct most of the time.

Quality is a particular challenge for boutique hotel in both the tangible and intangible aspects, for example the quality of the food served, the quality of the mattress in the room and service of the staff must meet quality

standards in order to retain customer. However, intangible service may be difficult to measure and often depends on an unpredictable interaction between the service provider and customer. (Greasley. A, 2009) The boutique employees cannot predict what the next will be happen thus they have to get ready to resolve problem at anytime. However, there are three authors; Parasuraman, Zeithaml, and Berry (1985) define the quality in service with five principal dimensions that customers use to judge service quality which is Reliability, Responsiveness, Assurance, Empathy and Tangible based on a comparison between expectations and perceptions of the service quality.

Marketing strategy: For the side of marketing view of point on boutique hotel, the image is very important to enhance the quality of the ‘ hotel’ itself to their target market. What are so special about boutique hotel compare to other hotel chain without paying high price of room rate? This is why Integrated Marketing Communication (IMC) gets involved to work together to promote the brand and image of boutique hotel. A good service cannot be successful without the demand in a market. To open a new boutique hotel in a market place obviously is very fresh on the particular ‘ brand’. Hence, branding can become one of the challenges to a new boutique hotel. At that point, the new brands that were ill-conceived and lacking clear definition and marketability ultimately become the weaker performers which are then often “ absorbed” by the stronger ones.(ISHC Annual Conference, 2007)Investing on brand proliferation to attract consumer interest toward the new boutique hotel. Marketing research effort should not be neglected by collecting information on favourable design of hotel room, service encounter and etc.

By doing marketing research better performance outcome in order to meet customer needs.

Virtual advertising can be useful to let customer know more information about the boutique hotel. An addition, online booking hotel becomes more convenience to customer in the purchase processes. A system that can let customer choose the theme or design of the room that they prefer including the menu of pillow, type of food to serve and etc. Public relation is also a powerful tool to get useful public opinion from the public.

Distribution channel renovation : In 2006, it is estimated that \$24 billion worth of hotel rooms in the US alone will be booked through internet sites representing 27% of US hotel industry room revenues — up from \$15.5 billion just two years ago. (INSH, 2007) Meanwhile, this is current challenge of distribution management, manage and market to the consumer in the online world. Without understanding online consumer's buying behaviour, the possible investment on marketing will be wasted. Buying process change rapidly nowadays with advancement of technology device support. Brick and Motor Directors of Sales & Marketing and Directors of Revenue Management must understand at least the basics of search engine optimization, pay-per-click marketing, link popularity strategies and web traffic analysis. (INSH, 2007) Connection between the service provider and their potential customer is linked. Expanding ' distribution revolution' preserves the relationship with their customer. (INSH, 2007) Click and Mortar approach can be applied on boutique hotel strategy in order to serve the best quality by using online or offline form of service provided.

Construction cost: To build up a new boutique hotel, cost definitely has to take into account because it involved a huge amount of money on constructing, furniture, equipments and labour cost. The cost of raw materials for construction such as wood, steel, sand and so on is categorized as dramatically changes according the demand of the world. For example steel prices experienced a 48.8-percent increase in 2004, which was preceded by significant increases in scrap iron and steel prices in 2002 and 2003.(INSH, 2007) By constantly monitoring changes in the markets for both construction materials and labor costs, a developer has to ensure that a project has a better than even chance of being completed on time and on budget.(INSH, 2007)

Adoptability and Knowledgeable on new technology system: In this 21th century with all digital-based of world with high-technology advancement that can improving the effectively and efficiently of doing things.

The research and development (R&D) department have to gone through emphasis on the design of the room in boutique hotel.

Supply and demand service capacity : skilled employees or unskilled employees Training

Demand of the market : middle to upper class. Fashion , media

Finance

Q2

Mass processes that produce high-volume and low variety products are termed line or mass processes. Because of the high volumes of product it is cost-effective to use specialized labour and equipment. Because of the low variety, setting up of equipment is minimized and utilization of equipment is high. Examples of mass process included automobile plant, television factory, vehicle manufacturing, DVD production and food processes. (pg78)

Customization processes is special customized to the need of the customer. High variety of product but low volume. This customization processes can be applied on goods such as big size shoes, special design for wedding cake and while service on or services like facial treatment, cosmetic, and hair style that can meet individual needs. The target market is niche market with a small group of people with the similar needs. High degree of customization, in order to meet individual customer needs. For example Because the need of specialized, time-consuming to finish on certain number (usually with low quantity)

However, the variety is very low for mass processes, customer could not have much choices. Meanwhile, with the customization goods and services the price is trend to expensive. It is difficult to meet individual needs with low cost. It can be either want to pay higher price to meet individual price or low price but no choice.

Based on the statement above, the trend of the layout process changed to Mass customization. What is mass customization? Mass customization is processes that combine the Mass and Customization feature in one which mean high volume and high variety at a relatively. (Figure 1. 2) An attempt

to combine high-variety and high-volume output to provide the customer with customized products at a relatively low price. (Greasley, A, 2009) was typified by

For example, Dell is the world's largest volume producer of personal computers yet allows each customer to 'design' (albeit in a limited sense) their own configuration. (Slack et al, 2007, pg47) Customer can select the features of specification of the computer that they wanted after that make an order. Once Dell received the order, they will make customized computer requirements by the customer and delivery to them within two weeks.

Another example on Land .

Feel different from others. Repeat buyer. Capture their interest and follow up by sending greeting card to welcome back to the boutique hotel interested like music. Event singing competition.