

The oberoi groups



For an organization of your choice, outline a new product or process or other form of innovation.

Definition of creativity and innovation:

“ Creativity is the ability to think new idea. (This includes the ability to rethink an old idea, for example to think of a new application for an existing technology.”

“ Innovation is the process by which the new idea is put into practice.”

[(center of competitiveness, 2001)]

Introduction about OBEROI GROUPS:

Oberoi groups are one of the India’s famous private organizations which step into the different markets in the year of 1934. It has a powerful market position for its products and services. Oberoi hotels are well known for its high quality service and luxury. A distinctive feature of the Oberoi hotels is that they got their own highly motivated and well trained staff which provides a good standard quality of services which is really hard to find today.

Apart from the hotel industry, Oberoi groups is engaged in the following business as well,

- Flight catering
- Airport restaurant
- Travel and tour services
- Car rentals
- Project managements & corporate air charters.

Oberoi groups has won many awards which as follows,

<https://assignbuster.com/the-oberoi-groups/>

- It has been ranked as the best hotel chain (outside the U. S) in Conde' Nast Travelers 2007 business Travel Awards reader's survey.
- It has been ranked as the best hotel chain (outside the U. K) in the Guardian, Observer and guardian. co. uk Travel Awards 2008 reader's survey.
- Rated as the second best resorts in India. And lots of other awards.

[(Oberoi hotels and resorts, 2009)]

Mission:

“ Our Guests:

we are committed to meeting and exceeding the expectations of our guests through our unremitting dedication to every aspect of service.

Our People:

We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

Our Distinctiveness:

Together, we shall continue the Oberoi 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.

Our Shareholders:

As a result, we will create extraordinary value for our stakeholders.”

Vision:

We see an organization which aims at leadership in the hospitality industry by understanding its guests, and designing and delivering products and services which enable it to exceed their expectations. We will always demonstrate care for our customers through anticipation of their needs, attention to detail, distinctive excellence, warmth and concern.

[(The Oberoi hotels and resorts, 2009)]

A Tragic year:

The Oberoi hotel in Mumbai is situated in the heart of the city and a few minutes away from lots of tourist attractions and the hotel has a beautiful view of blue sea and sky which attracts most of the tourist. And the facilities and services are always in a good slandered. Oberoi hotel is a good competitor for Taj hotel in India.

But the Tragedy on 27 November 2008 was a major break down for Oberoi hotel in Mumbai. The attacks by terrorist in Oberoi trident in India shock the world by killing more than 100 peoples inside the hotel which include foreign tourists. The attack didn't only spare the life of the innocent people; it destroyed the beauty of the hotel as well. The gun shots, bombs and fire destroyed everything they touched. Terrorist turned the beautiful hotel as the graveyard for the innocent people who died in the attack. After the army killed those gunmen, the hotel reception was almost demolished. Oberoi hotel (Mumbai) was shut down for a while. Oberoi hotel even lost some of its share holders in the market.

Innovation process by the organization:

But all those bad things didn't stop Oberoi hotel to shut down completely. It was flashing in the news and everywhere that the Oberoi hotel was re opened a year and a half after the terror strike with the complete new look. It was published in the press that, " After extensive restoration and renovation costing over 40 million dollars, the Oberoi opened its doors to guests Saturday, announcing its return with front-page newspaper advertisements that simply said: WELCOME BACK."

(AGENCY, 2010)

The Oberoi hotel in Mumbai is back into business now. The transformation of the hotel is completely different and is has brand new look. But what about their customers? Did they able to get back their customers? Actually they have a surprising innovation process in the organization which was highlighting in the news and press which is as follows,

" April 22 (Bloomberg) — India's luxury Oberoi hotel groups will open their flagship Mumbai properties in the next quarter with \$6, 750-a-night suites and butler services to win back tourists a year and a half after deadly terrorist attacks.

The Mumbai Oberoi will reopen on April 24, charging as much as 300, 000 rupees (\$6, 750) a night for 2, 050 square foot rooms, which will include quarters for guests' security officers."

(SF Gate, 2010)

Their innovation is that by reducing the rates and price levels, there might be a chance of getting their customers back into the business. This will also lead to attract the new customers into the hotel. This is a simple trick which is used by any kind of business in the market which is also an effective one. Usually in the market in order to sell a new product or increase the sales of the existing product, organizations normally reduce the price level. Most of the consumers fell for the cheap price. But later on the organizations will slowly increase the price level where the customers blindly buy the same product even though when the price increases.

This is the same technique which the Mumbai Oberoi hotel is using now as their innovation. But this kind of innovation is normally used everywhere in this world. Although it seems to be a reasonable one. People who couldn't afford the price level before terror strikes might be interested as the price level is decreased.

Their innovation in the market:

As there is a recession in the today's market which is pushing the weakest industries and the organizations out of the market, lots of organizations have been kicked out of the market. This is going to be the hard time for Oberoi hotel to win back their customers. Due to the recession, lots of hospitality industries reduced their price level to attract the tourists.

It is surprising that another famous hotel in Mumbai called Taj Mahal Palace was also being attacked by the terrorist on the same day as Oberoi was attacked and reopened recently. They also have reduced the price level

which is more or less same level as Oberoi's. This is going to be a big problem for Oberoi groups.

The first thought comes in the mind of people about the new Oberoi is that as they have invested lots of money in rebuilding the hotel; they are going to charge more prices for their services. But in this case, they have reduced the price level and given an additional feature like a free butler service. So this might be an advantage for the organization.

The second thought is that the security level. People always criticize the poor security of the hotel. But the chairman of Oberoi hotel groups [P. R. S OBEROI], announced the press about their tight and improved security level of the new Oberoi. He stated to the press that, " A big part of the focus has been to improve security. The hotel now has 150 security cameras, up from just 15 at the time of the attacks. It has 50 security personnel, five times the number it had in 2008. Visitors who drive up are greeted by a big steel gate where their cars are searched. The large windows in the lobby that overlook south Mumbai's picturesque, crescent-shaped bay are now made from reinforced, shatterproof glass."

(NDTV, 2010)

Finally more or less they have answered almost every question about the hotel. This may lead the people to think positive about the hotel which is equal to win back their customers.

Disadvantages and advantage of their Innovation:

Even though their innovation seems to be a good one, there are some other few disadvantages exists which are as follows,

- It doesn't fit with the current market situation. Because of the recession, all other hotels have already reduced their price level which makes no difference. Maximum numbers of people will still go for the cheap price.
- Their innovation is very simple one which might not suite the current market situation. A huge amount of money has been invested in re-building the hotel, to win back the amount invested and their customers, there should be a powerful innovation must be implemented.
- This is also the time where Oberoi's competitors will try to overtake and try to conquer the market.

But on the bright side, the one major advantage is that the Oberoi's major competitor called Taj is also facing the same problem. This might be a good chance for Oberoi as it will take time for their competitor to capture the market. In the mean time Oberoi can resolve the problems and get back their market position.

And the other small advantage is that of the new look of the hotel. The old customers may come back to visit the brand new hotel. This will not only attract the old customers, it might bring the new customers as well which is the first step for the success after the tragedy.

How to implement this innovation in the right way:

The following are the major steps to implement the innovation in order to succeed any kind of business,

- First of all, decision making on implementing an innovation should be done by the top level management and should be very careful while implementing it.
- An innovation will survive in the market, only when the organization understands the market and balance it with the position of the organization in the market. And the innovation should be a powerful one where it should be a new one in the market and an attractive one as well, so that it will get the attention of others i. e. new customers. But the innovation by the Oberoi hotels is like a market tactics where it is used by others in the market. It is not a new one as the innovation is bringing something new where no one has seen it in this world. So reducing the price is not just an innovation but they have given an additional facility like a free butler service for this reasonable price which is a new process for their group. It will attract the new customers as they already know that this is going to be the temporary offer by the Oberoi group.
- The innovation should be a flexible one, so that any changes will not affect the any process in the organization. Because the market never remains constant. It will keep on changing according to the time and the factors which influence the change. It should also be flexible with the customers as each and every customer is different from each other. In this point of view, their innovation is quite an advantageous

level. They have changed according to the time. Because of their tragedy and the recession in the market, they have done the right thing of reducing the price level and an additional free service. This will always work in the market as we have discussed above. Even though they have implemented an innovation, their process remains constant. Maybe the look of the hotel changed but the process remains constant. Their service to the customer didn't change or they didn't lose the entire market. Nothing changed except the look as it may bring the new customers into the business.

- If the innovation is more or less familiar in the market, then at least there should be an improvement in that which will make it as a different one when compared to others. The most important step is that the innovation should never affect the vision, mission and the objectives of the organization. Because the innovation is just to improve the business where the vision, mission and the objectives are the basics to survive in the competitive market. This is a good point where the Oberoi groups did achieve. They made a small difference in their innovation of offering a free butler service which makes a difference from others. It is clear that their innovation is not affecting the vision, mission and the objective of the organization. Their mission is to exceed the level of customer satisfaction. The innovation or the recession didn't affect their customer satisfaction.

And the other important fact is that their innovation didn't affect the process in the Mumbai hotel or any other process of their different hotels or groups.

In some cases it does happen. An impact on a single process of business will

affect the entire business and even result in vanishing the organization from the market. A fine example for this scenario is that the Switzerland was dominating the watch making business in the years of 1968. They had a huge profit and powerful market implementations. They were well known as good inventors. But later in 1980, the market collapsed and lots of watch making employees lost their job. The Switzerland lost their market because of their new competitor called Seiko which grabbed the opportunity of making electronic quartz which was rejected by Switzerland. It is clear that the Switzerland was continuously making watch without changing the fundamental rules and didn't bother about their external environment. (STUDY UP, 2009). And the market never remain stable, it changes all the time as per the time and the need of the customers. Especially in the hotel industry, the market never remains constant. So if an organization fails to take a look over the external fit or fails to look after the defects which affects the organization's process, then there is a plenty of change for their competitors to take over their business and leads the market which will end up in winding up the business.

When comparing to that example, it is clear that the changes in the Mumbai Oberoi hotel didn't change any process in the hotel as well as the other hotels of its own group. Even though they have invested a lot of funds in rebuilding the hotel, they didn't suffer that much. It is in the press that they are planning to open new hotels in India and abroad in a very few years. " The Oberoi Group is planning to launch a luxury hotel in Goa. Goa is going to witness development of 12 new hotels over a period of 3-5 years, according to a survey by Federation Of Hotel and Restaurant Associations Of India and

HVS International. The Oberoi could be one of these 12 new hotels.” (ITOPC). It shows that how powerful their financial background is even in their tragic time period and their excellent survival in the market.

And one of their major competitors in India is Taj hotel groups which were also attacked by the terrorist at the same time when the Oberoi was. This is a big advantage for Oberoi groups as their competitor is also facing the same problem. It is interesting that the innovation by the Oberoi hotel is more or less familiar with the Taj hotel groups where they have also reduced the price level after they have reopened their hotel in Mumbai. Taj hotel has reduced their price level to 3, 50, 000 rupees per night where Oberoi's price level is 3, 00, 000 rupees per night. The price level of Oberoi is little less when compared to the Taj hotel groups which is an advantage for Oberoi groups. In addition the Oberoi hotel now offers a free butler service for that reasonable price which is also an advantage and will be an effective one in the market. There is a scope that it will grasp the attention of the customers in the market and brings them into the business. In this way they have made a difference which is an advantage for Oberoi groups as we have discussed above that the majority for people always falls for the cheap market price.

But only reducing the price level is not enough to survive in the competitive market. In order to face the market in a recession time, there should be a change in the general process in the organization, more importantly not the main process of the organization. For example as the Oberoi groups comes under the hospitality industry, it has a major opportunity to survive even in the recession time. There is always a scope for tourism and hospitality industry no matter what is happening in the market. Even though there is a

recession in the market, Oberoi hotel groups are in the bright side where the hospitality industries are less affected when comparing to other industries.

Understanding the problem of Mumbai Oberoi groups, what they could do now is to make a difference in their customer satisfaction level. The hotel is already known for its customer satisfactory level. Even though a small good change in a good process will be more effective than a normal one. By improving their customer satisfaction, they might be able to win back their customers which are equal to achieve their goals and objectives. (Vision, mission).

It is very important that Oberoi hotel groups should not keep this low price tactics for a very long time. They should get back to their normal price as soon as they win back their customers or the market come back to the normal state. As they have invested lots of money on the Mumbai hotel, they should also look over the future and make some long term plans as well. They should not only concentrate on winning back their customers, they should also look for winning back their money which is invested in re-building the hotel and capture the market.

Only bringing something new to this world is not easy as it seems. It should also reach the customers knowledge without which even a powerful innovation is nothing but a waste idea. In today's world there are plenty of ways where anything could be passes to the public knowledge. There are lots of media for everything. In this case, the Oberoi hotel groups used lots of media to pass their innovation in the knowledge of the people. This could also be a threatening factor as this may lead to the duplication of ideas by

the other organizations in the market. But in this case, most of the percentage falls on the positive side which is a good favor for the Oberoi hotel groups.

Conclusion:

The Oberoi hotel group seems to be a struggling fish in the hooks of the terrorism and the bad market. But it is not yet pulled out of the water (market). It is pulling itself to survive. The hotel was being attacked by the terrorist and completely destroyed, at the time they were ready to get back into the business, the market was far worse than they expected. But they didn't slip out of the market. With their powerful financial background, they are back into business and stepping into their normal level which shows that they could do better in the near future.

Their innovation was a simple one it seems to be an effective one in the market. It didn't affect any of its process and the innovation didn't cause any big changes in the organization. These are the very basic points for bringing the innovation in the market which are all achieved by the Oberoi hotel groups. And their major competitor is also facing the same problem which is also a positive climate for the Oberoi hotel groups in the market. May be their hotel was completely destroyed by those terrorist but they are back into business with a promising high tight security which helps the public to have a confident to walk into the hotel again without any of those death fear. Though there are some threats in the market, it is just a stepping stone for the Oberoi hotel groups for their bright future.

On an overall basis, we have covered everything about the basic idea of the Oberoi hotel groups and their marketing position. We have also discussed about their innovation process and how they have implemented their innovation in the market and how successful it worked and also given a suggestion of how it could be more effective. It is important to note that there is always a bright future for the hospitality industry in this world as the human expectations are always ahead of their imagination. So there is a bright future for the Oberoi hotel groups which is very near and crystal clear.

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