

# Cinnamon hotels annual report

[Business](#), [Accounting](#)



Lake View Hotel By programmable References 9 Executive Summary John Keels Hotels (KOHL), a 92.69% owned subsidiary of conglomerate John Keels Holdings (JKH) that reported a net profit of Rs. 14. MN in the third quarter of 2009 (compared to net loss of Rs. 91. MN in 2Q). To serve our clients better, we embarked on an innovative re-branding and re-positioning strategy by launching two indigenous brands - 'Cinnamon Hotels ; Resorts' and 'Shay Hotels ; Resorts'. Cinnamon Hotels & Resorts, an exclusive franchise, is the foremost of its class while

Shay Hotels and Resorts, an experience-based value proposition, is setting a new trend in the region offering travelers a diverse range of travel experiences based on adventure, history, culture and nature. Trans Asia hotel was recently acquired by KOHL and has suspended operations from 15th May 2009 in order to carry out a refurbishment and repair. Upon completion, the hotel would be re-branded and launched as Cinnamon Lakeside, Colombo. Cinnamon Lakeside will revolve around the panoramic view of the Iberia Lake, a view which is unique to this property and one that offers endless possibilities.

We are investing Rs. 500 million in the refurbishment and re-branding of the hotel, which will ensure that the hotel provides the service and quality that guests expect from all Cinnamon Hotels. This document is an outline strategic marketing plan targeting the re-branding of this new acquisition in order to ideally position it in this future growth market. Situation Analysis With the return of peace supported by strategic marketing plans, tourism in Sri Lanka, with its unique product offerings is well positioned to be one of the thrust sectors of the Sri Lankan economy in the foreseeable future.

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Total tourist arrivals in 2008 were 438, 475 persons, only just ahead of the total arrivals figure of 407, 230 persons in 1982, the year before the North-East conflict escalated. With the resolution of the North-East conflict, Sri Lanka finally has the opportunity to realize its undeniable potential in tourism, and with an improved marketing effort and investment in infrastructure, we believe that the country's tourism industry can deliver on its promise in the longer term.

The Mission " To strive for perfection when providing guest experiences that exceed expectations and be recognized as an emerging regional leader in Hospitality, through the discovery of quality service propositions, supported by superior performance from our people and technology, whilst nurturing values on responsible tourism and providing a sustainable future for all stakeholders. " Marketing Objectives Market Needs The Cinnamon Lake View offers value and benefits to our clients, over and above the standard with our facilities and affordable rates.

We seek to provide our guests with an exemplary personal service, and level of recognition that they have come to rely upon when staying at a Cinnamon branded hotel. We provide our guests with an environment which they cannot find at our more impersonal competitors. Our guests need to know that they can develop a relationship with the hotel that will ensure efficiency, value for their money and reliability in supplying them with the support they need, when they need it.

The Market Our key clients are contracted corporate clients originating from both international and domestic markets as well as tourists visiting Sri

Lankan for its unique scenic beauty and sandy beaches. The strategic location of the property overlooking the Iberia Lake in the heart of Colombo city is key to its success in these areas due to the proximity of the Exhibition Halls, Shopping Centers and other locations such as Art Galleries and Museums. Key to our business success is the level of customer loyalty and repeat business we receive on an annual basis.

We offer our guests the most up- to-date technical business facilities, both inside the rooms and within the hotel's conference facilities. Service Offering Service: high-quality facilities accompanied by exemplary personal service, fractionated from competition in line with the overall brand strategy has proven to be a successful approach generating high levels of repeat business. Positioning The Cinnamon Lake View is positioned as a five star, business traveler's hotel, strategically located and offering a high level of personal service.

Our focus is on offering our guests added value and differentiating ourselves in our levels of personal service. We provide a quality hotel experience where guests are valued, respected and their business is truly appreciated. Marketing Strategies The Marketing Mix Service High-quality facilities accompanied by exemplary personal service, differentiated from competition, in line with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.

Price Pricing strategy has been consistent with the differentiation objective, to provide added value for a reasonable rate as opposed to discounting and devaluing our products and services. Place Service information is provided to

the guest via personal selling, direct marketing, advertising and Internet based Inbound Marketing. Delivery channels include travel agents, international reservations systems and our own Web Site.

Promotion Primary focus has been on mass communication via print ads in trade publications and on the Internet, direct mail campaigns to existing and prospective clients and personal selling in the local market. Personal selling provides the means to develop relationships within the local community and generate high levels of corporate activity through the business community. Public relations plays an important role in and participating in significant local events to assist in developing ongoing operation, assures repeat business and good working relationships.

Competition All other five star hotels, especially those located in the greater Colombo area, and Serviced Apartments do compete for the same corporate business sectors. Direct Competition \* Hilton, Colombo: 5 star city hotel, room rates approximately 10% higher than Cinnamon Lake View, older facilities. \* Hotel Gaillardia, Colombo: 5 star city hotel, room rates approximately 10% higher than Cinnamon Lake View, facility refurbished around four years ago. \* Gale Face Hotel, Colombo: 4 star city hotel, room rates higher than Cinnamon Lake View, older facilities. Creates Residencies, Colombo: Luxury furnished apartments, daily rates 15% higher than Cinnamon Lake View double deluxe rates. They are usually rented on a monthly basis by third party owners. These properties offer similar facilities, although somewhat less focused on business needs, and incorporate more leisure facilities than we currently provide. Indirect Competition Cinnamon

Lake View's indirect competition is " distance" meetings in the corporate world.

The more companies decide to conduct meeting over the phone, using web nonfreezing technology, and video phone technology, the less business people travel and the more it affects Cinnamon Lake View Hotel. Cinnamon Lake View has to keep abreast of all new distance meeting technology, and continue to reinforce with clients that there is no better way to do business then face to face. Strategy Pyramid Marketing Strategy in a Nutshell Our marketing strategy's objective is to communicate the unique set of services that we offer to discerning hotel guests.

We attempt to direct the focus of our guests to the issues of quality and value for the money as opposed to simply the bottom line sots associated with their stay. Our marketing strategy will allow us to communicate our brand values, develop close working relationships with our customers and suppliers and to identify the needs of our guests in an effective manner. Continued differentiation and growth are twogoalswe have set for ourselves. Growth will take place by targeting new areas of business within both local and national communities.

Our value proposition is that Cinnamon Lake View offers the best, most personalized service for the corporate traveler. We include business essentials in every room, such as a nice desk, internet connection, wireless access, and provide easy to access meeting rooms with all audio-visual and technology needs as well as catering for longer meetings. Cost / Expenses Guidelines Note: The values and personnel names are assumed and not

actual. Implementation Guidelines Our marketing expense is structured to reflect the corporate strategy differentiation.

Quarterly travel trade publications and interim monthly press ads communicate our Monthly Internet advertising expenses include banner ads, and strategic links with air hire, airline and destination management companies' websites to drive business to the hotel. Direct mail activity builds our targeted customer database, not only in terms of improving the quality of the data we currently hold, but on increasing the size of the database with prospective customer information.

Inbound marketing activities utilizing the Web Site (SEE) and Social Media Sites (Twitter, Backbone) ensures that our clients can easily find us when searching for quality business accommodation. Social Media Sites also allow us to give a personalized service to our customers via one-to-one interaction. Public relations expenses cover PR events, participation at local functions and sponsorship funds. Overall, the percentage of total revenue required to support the marketing expense is considered a moderate amount.

Evaluation and Control Mechanisms All figures will be monitored on an ongoing basis in relation to projections versus actual, and the ongoing plan will be altered or manipulated as necessary in order to react to and, wherever possible, anticipate external changes to the environment. Annual results will be evaluated at the General Manager's meeting where the Truckee of the plan for the approaching year will also be established.

Our marketing plan is structured to enable us to achieve the strategic goals we have set for ourselves, in terms of increasing overall revenue as a result of differentiating our products and services from the competition. Our marketing team will ensure that the plan is implemented to the best of their ability and with the highest levels of efficiency and accuracy. References \* Colombo Stock Exchange Data Library \* Sir Lankan Tourist Bureau \* Annual Report, John Keels Hotels