Report on strategic analysis

Business, Marketing

Although Mandarin Oriental Hotel Group has countless competitors who also offer exceptional services, none of these competitors can match the level of service found in Mandarin Oriental Hotel Group. This is coming from the fact that Mandarin Oriental Hotel Group is an international hotel that has won a number of global awards due the prestigious services it offers (Hephaestus Books 2011, p. 25). This group gets recognition as a result of its international hotel investment, as well as management group with luxurious and first class hotels, resorts together with residences in destinations sought-after all over the world. Currently, the Group controls, or has under development, forty two hotels with over 10, 000 rooms within twenty seven countries, along with eighteen hotels within Asia, twelve within The Americas, as well as twelve within the Middle East and Europe (Hephaestus Books 2011, p. 35). Furthermore, the Group controls, or has under development, thirteen Residences at Mandarin Oriental incorporated to its properties. On top of that, the Group has equity interests in some of its properties, in addition to adjusted net assets, worth roughly US$2. 7 billion as at 31st December 2011 (Hephaestus Books 2011, p. 49). Taking advantage of its brand’s strength, the Group runs hotels on third party owners’ behalf, which necessitate no equity investment by the Group.

The hotel business happens to be extremely competitive; as a result, Mandarin Oriental Hotel Group has to work hard in order to remain competitive within the London marketplace (Taneja 2010, p. 33). Bearing in mind that the Group's strategy is to be acknowledged extensively as the best international luxury hotel groups; this is attainable though investing in not only its extraordinary facilities, but also its people while seeking further selective opportunities of expanding all over the world (Taneja 2010, p. 41). This strategy together with a strong balance sheet has the intention of achieving long-term growth in earnings, as well as net asset value. Although the Group enjoys favorable market conditions due to improved profitability, critical to the Group’s success is focusing on every hotel on sustaining or improving their leadership positions against main competitors within their markets (Taneja 2010, p. 51). Attaining a top competitive position within each destination is a reflection of the strength of the hotel management teams together with the strong brand recognition, as well as the added support, offered by a reputable corporate structure. This position get further support from limited new supply within the majority of the key markets the Group operates in (Taneja 2010, p. 55).

Additionally, Mandarin Oriental Hotel Group gets increasing acknowledgement for creating a number of the most sought-after properties found all over the world that delivers 21st century luxury that has oriental charm (Gerry & Marc 2012, p. 31). Each of the hotels makes sure that its position is at the top of its market through the delivery of the Group's distinctive style of luxury, by combining tradition, quality, along with innovation. The Group has invested in its core brand features of creative hotel design, technology and architecture, holistic spa operations, in addition to the excellent dining, experiences (Gerry & Marc 2012, p. 39). On top of that, there is the delivery of legendary service to the guests, which continues to the core of everything done by the Group.

Despite of the Group going through a rebound in demand during 2010 and 2011, the present macro-economic instability around the world, especially within the financial sector, might put extensive pressure on occupancies in the instantaneous term (Hephaestus Books 2011, p. 54). Nonetheless, the Group will gain from its strong brand, together with its growing portfolio as other properties open within sought-after destinations all over the globe, and through the limited supply in competitive luxury hotels within its key markets (Hephaestus Books 2011, p. 61).

References:

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