

# An analysis of the savoy hotel



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The Savoy hotel is a luxurious hotel in the heart of Britain, which is located on the Strand in the City of Westminster in central London.

In 1889, the hotel opened by impresario Richard D'Oyly Carte. It was the first Savoy Group of hotels and restaurants, which introducing electric lights in all over the hotels, electric lifts, bathrooms including expensive furniture's, hot and cold water facilities and many other innovations.

The hotel became most successful venture for Carte's. Its bands Savoy Orphans and Savoy Havana Band became famous with entertainers included George Gershwin, Frank Sinatra, Lena Horne and Noel Coward. They have some famous guests as well, which included Edward VII, Enrico Caruso, Charlie Chaplin, Harry Truman, Judy Garland, Babe Ruth, Laurence Olivier, Marilyn Monroe, John Wayne, Humphrey Bogart, Elizabeth Taylor, Barbra Streisand, The Beatles and many more.

In 2005, The Savoy Hotel was sold out and is now managed by Fairmont Hotels and Resorts. It has been called " London's most famous hotel" (Prynn J. 2009). They are most prestigious and opulent hotel including 268 rooms and there is panoramic view of Themes River across the hotel.

In 2007, The Savoy Hotel was close down for their extensive refurbishment, which budgeted was about £100 million. The hotel conducted a sale of 3,000 items of its famous furnishings and memorabilia. (Davis M. 2007)

In 2010, The Savoy hotel was reopened their business and providing good quality service. The ownership and management of the Hotel with The Berkeley, The Claridge's, and The Connaught remain unchanged

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### **1. Situation Analysis**

#### **1. 1 Analyse the roles of public, private and voluntary sectors in tourism and hospitality?**

The public sector in tourism and hospitality industry plays important role in the development of small businesses. This sector is highly important in micro sector development of the industry. The services of public sector of the tourism and hospitality industry include strategic directions that are important for the overall coherent development of the industry (Teo, 2003).

The private sector of the tourism and hospitality industry plays important role in the active and passive development of the industry. This sector plays important role for transforming money from one country to the other. This sector is highly important for the economic development of tourism and hospitality industry (Teo, 2003).

The third sector of tourism and hospitality industry is voluntary tourism which refers to paid activities such as formal businesses (Teo, 2003). This sector play role in terms of local communities such as difficulties regarding resident involvement.

#### **1. 2 Evaluate a range of different tourism and hospitality sectors and the organization that operate within them**

The tourism and hospitality industry is very broad industry which also includes service sectors such as restaurants, logging, event management, theme parks, transportations and other additional fields. The tourism and hospitality industry accounts for several billions across the world which

depends on the disposal income of customers to facilitate them in leisure time. On the other hand, hospitality sector of the tourism and hospitality industry such as hotel, restaurant and other groups may also be included.

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On the whole, the tourism and hospitality industry can be divided into eight major segments. These are:

Accommodation

Events and Conferences

Adventure Tourism and Recreation

Tourism Services

Attractions

Transportation

Food and Beverage

Travel Trade

### **Analyze stakeholders roles within tourism and hospitality industry**

The individuals, organizations or groups that have interest or stake in an organization are termed as stakeholders. Practices of organizations can have long lasting impact on the interests of stakeholders. Therefore, it is very important to analyze the interests of stakeholders. In tourism and hospitality industry, the organizations or individuals who have put capital or efforts in

the establishment or development of the industry can be referred to stakeholders of the industry. In addition to this, different stakeholders in private and public sector organizations in tourism and hospitality industry can exist (Belinda, 2008). Businesses in tourism, government and communities can have stake in the tourism and hospitality industry. Tourists cannot be considered as actual stakeholders of the tourism and hospitality industry because they do not make significant money through this industry. On the other hand, they can influence the practices of the tourism and hospitality industry because they are involved in the industry from different aspects. Some of the stakeholders of the Savoy Hotel are as follows:

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### **Government:**

The most important stakeholder of the Savoy Hotel is government because policies and regulations of the tourism and hospitality industry are shaped by the government. In context of overall tourism and hospitality industry, government influences the practices of organizations in following respects (Belinda, 2008):

By consultation with the private sector and other communities, it plans the policies of the tourism industry

It ensures that the organizations in tourism and hospitality industry follow the planned policies and regulations

It provides support in financial terms and guidance to the companies in tourism and hospitality industry

It ensures that stability and law and order situation of the country for attracting tourists

### **Industrialists:**

Industrialists are also very important stakeholders of the Savoy Hotel.

Industrialists include travel agencies, organizations in the industry, and transport agencies. The organizations in the tourism and hospitality industry include hotels, restaurants, and shopping centers. The practices of all these organizations can affect the operations of the tourism and hospitality industry, as a whole. Industrialists can have following interests in the tourism and hospitality industry:

To make investment in the tourism and hospitality industry

To market their products and services in different organizations in tourism and hospitality industry such as hotels, restaurants and shopping centers

To influence the companies for promoting their products and services

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### **Customers/tourists:**

Customers or tourists are also important stakeholders in the Savoy Hotel.

This group of stakeholders demands value, quality and high customer care.

These are the major source of money for the organizations operating in the tourism and hospitality industry (Belinda, 2008).

### **Employees:**

Employees are the internal stakeholders of the Savoy Hotel. They have high level interest in the internal policies of the tourism and hospitality industry.

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They demand quality work environment, job security, compensation and truthful communication in the organizations (Belinda, 2008).

### **Local Communities:**

In Savoy Hotel, local communities are important stakeholders. This is because they attract tourists and impact on their intentions of visiting a particular place. They can have stake in the tourism and hospitality industry in terms of job security, environment protection, promotion of local products and services and promotion of local culture and values.

### **1. 4 Analyze the nature of changes to the structure of tourism industry over last 15 years?**

Over the last fifteen years, several changes have occurred in the Savoy Hotel. These changes may include:

change in oil prices which led to changes in charges of fuel in airlines

Increased capacity of aviation on different routes which attract tourists to the tourism and hospitality industry

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low international airfares and cheap packages of travel with discounts which attract tourists towards the tourism and hospitality industry

Trends in consumer demographics which change the behavior of customers for tourism

law and order situation in different countries

Terrorism factor which reduces the tourism in certain countries

On the whole, trends in demographics of customers impact the consumer behavior in the tourism and hospitality industry. It is important for the Savoy Hotel in the tourism and hospitality industry to make important steps regarding strategic management relevant to these changes. Organizations should make relevant policies to attract customers.

## **Marketing Report**

### **2. 1 Analyse issues around sustainability and sustainable development in tourism and apply management strategies accordingly**

The sustainable issues in the Savoy Hotel refer to the environment protection. It is important for the hotel to apply certain policies regarding these issues to resolve the problems and disagreements. In the global context, the sustainability issues are very important. Organizations need to develop relevant strategies regarding the sustainable development. On the long term basis, organizations need to develop local as well as global strategies for attracting customers and ensuring sustainable development.

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This is because of integration of sustainable issues across the world.

There are many issues in local context which may impact the sustainability in global aspects. Therefore, hotel should integrate their local and global strategies for ensuring sustainability in global tourism and hospitality industry.



## **2. 2 Evaluate certain ways in which tourism can be managed in a sustainable way with reference to given examples**

There are three major ways through which sustainability issues in global tourism and hospitality industry. These are:

Resource based tradition: In this method limitations to growth in hospitality industry are evaluated in resource context

Activity based tradition: This refers to the transformation of hospitality industry on dynamic activities

Community based tradition: This refers to the integration of resources and activities in the hospitality industry

## **2. 3 Apply principles of corporate social responsibility to a chosen tourism business**

The corporate social responsibility refers to the commitment of the business to ethical and economic development. In Savoy Hotel, corporate social responsibility issues are highly important. These issues relate to the health and safety conditions. Moreover, commitment towards employees, customers and shareholders are also included in this context (Bhattacharya, 2011). The Savoy Hotel needs to be commitment towards environment in broad sense to fulfill its responsibility towards society.

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On the whole, Savoy Hotel needs to show its responsibility towards following sectors:

Workplace

Community

Marketplace

Environment

## **Market Research**

### **3. 1 Apply PESTLE analysis to describe the main trends in global tourism industry**

A business tool that evaluates the different factors of external environment of an organization is termed as PESTEL analysis. This tool analyzes the political, environmental, social, technological, legal and economic perspectives of the environment in which organizations operate. In perspective of tourism and hospitality industry, this tool determines that whether the industry is suitable or not for investment (Miriam, 2011). The PESTEL analysis of global tourism and hospitality industry is as follows:

#### **Political Factors**

Political factors refer to the extent to which government impacts the operations of the organizations in the tourism and hospitality industry. The important political factors such as health protection laws, tax rates, law and order situation and political stability can influence the Savoy Hotel in the tourism and hospitality industry. In the global context, political situation in the Middle East can impact the tourism. Moreover, in countries like Afghanistan and Pakistan, where terrorism threats are high, tourism and hospitality industry is declining.

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### **Economic Factors**

Economic factors can also the operations of the tourism and hospitality industry. These factors can influence the revenues and expenses of the hotels operating in the tourism and hospitality industry. The prices of products, raw materials and inflation can impact the industry. Rates of interest and exchange rates can also influence the hotel as well. Financial downturn in the world decreased the purchasing power of the customers and tourists. In this way, overall revenues of the Savoy Hotel were impacted in that financial crisis.

### **Social Factors**

Social factors may have long lasting impact on the practices of organizations in the tourism and hospitality industry. Health conscious behavior of customers may impact their purchasing behavior in the hotels and restaurant segment of the tourism and hospitality industry (Butler, 2004). Culture and religious practices of people in a particular country may also impact the practices of the Savoy Hotel in tourism and hospitality industry.

### **Technological Factors**

Technological practices impact the demand and supply factors in the tourism and hospitality industry. Technological efficiency in the tourism and hospitality industry may enhance the demand. If the food technology is efficient in the tourism and hospitality industry, organizations in the restaurants and hotels can have high demand from customers. Organizations can prepare food quickly to meet the demand. Technology may also impact

the relationship of hotels with the customers. Efficient technologies can impact customer relationship management in the Savoy Hotel.

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### **Environmental Issues**

There are several environmental factors which influence the practices of hotels in tourism and hospitality industry. Packaging decisions are the major considerations in the tourism and hospitality industry. The practices of organizations in the tourism and hospitality industry which cause pollution may impact the image of the organizations in global context. Global warming, climatic conditions in different regions can also influence the practices of Savoy Hotel in tourism and hospitality industry.

### **Legal Issues**

There are many legal issues which impact the policies of tourism and hospitality industry. Rules and regulations regarding food practices can impact the hotels in restaurant sector of the tourism and hospitality industry. Laws regarding operating business in a foreign country can also impact the operations of hotel in the tourism and hospitality industry.

### **3. 2 Distinguish between the elements of macro and micro environment**

The macro environment of an organization is a broad environment which aims at the investigation of major issues. This environment is basically refers to PESTEL environment analysis that allows the researchers to focus at the factors which impact a business in external and broad environment context. These factors may include economic, social, technological, political,

environmental and legal factors. These factors impact the hotel in different contexts. It is very important for the hotel to adapt to these factors in an effective manner. The results of PESTEL analysis allow the organization to see the factors where its strengths can be capitalized.

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Micro environment refers to a small environment which aims at investigation of a research problem in a small perspective. This environment refers to new patterns of organizations. This environment may include internal and small external environment of an organization. Internal environment may include employees and management. On the other hand, external environment may include suppliers, customers, and competitors. Both types of environment are highly important for the hotels to see their effectiveness for the operations of the business.

### **3. 3 Analyze the effects of macro and micro environmental factors on tourism organization**

Political factors: Improvement in the trade barriers and opening of new tourism avenues can enhance the scope of Savoy Hotel for tourism  
(McKercher, 1993)

Economic factors: Low bargaining power of customers and clients reduce the tourism revenues of Savoy Hotel.

Environmental factors: high concerns of environment such as pollution influence the Savoy Hotel to meld its practices in environment friendly mode

Legal factors: Laws and regulations in tourism industry impact the Sovay Hotel to mold its practices according to laws

Social factors: behaviors of customers towards healthy food impacts the policies of Sovay Hotel to offer healthy food to customers

Technological factors: improvement in technologies and transportation influence the Sovay Hotel to reframe its practices for attracting customers and tourists.

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### **Sustainability & Corporate Social Responsibility**

#### **4. 1 Evaluate the stages of market research process**

##### **Defining the Problem or Need:**

The first stage of the market research process is defining the problem or need. Before conducting the market research, the Savoy Hotel in the tourism and hospitality industry need to identify the main problem or need of the research. They need to conduct investigation to discuss the need of conducting research and define the problems of the organizations. This stage defines the problems or issues that prevail in the organizations and hinder its performance. In order to find the solution of the problems, research is conducted.

##### **Deciding the researcher**

After defining the problem or need of the research in the hotel, the next stage is to decide about the researcher who will conduct the research to resolve the prevailing issues. This stage refers to the formulation of

analytical framework or methodology for conducting the research. The researcher creates case studies of the hotel to make exact framework for the research.

### **Deciding the methodology**

After defining problem and researcher, the next step is to decide about the methodology of the research. This stage refers to the exploration of different methodologies and frameworks for conducting research. These frameworks may include interview, survey or secondary data. It is very important to decide appropriate methodology relevant to the need of the market research. Relevant methodology aims at finding exact solution of the prevailing problems of the organizations (Baker, 2000).

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There can be qualitative or qualitative methodology for conducting the research. In qualitative methods, discussions are conducted with the relevant members for finding the solution of the prevailing problems. Qualitative methodology refers to the investigation of the problems in theoretical manner. On the other hand, quantitative methodology aims at finding the solution of research problems in quantitative terms. This methodology aims at investigating the research problems in numeric terms. Survey is the best tool for conducting quantitative research. There is another methodology which is used to conduct market research. This methodology is mix of qualitative and quantitative methodologies. Many researchers suggest that mixed methodology is effective for finding the justified and logical answers of research questions.

## **Data Collection Process**

After deciding the research methodology and researcher, the next stage is the data collection process. At this stage, research design is produced for the research. This stage defines the appropriate framework through which research is planned. Aims and objectives of the research are defined at this stage of market research (Saunders et al., 2009). This stage defines that what type of data is to be included in the research. Basically, there are two types of data i. e. primary and secondary. Primary data is the data which does not exist in the earlier records. This type of data is collected for the first time. This data is the most fresh and recent data. Researchers need this data to find the solution of problems. The advantages of this type of data are low biasness, relevance and logical results of research problems. On the other hand, secondary data is the data which exists in the earlier records. This type of data exists in the books, articles and other data bases. Researchers include this data in the research to investigate the issues in theoretical terms. In order to investigate the research problem through secondary data, researchers study existing theories and models regarding the problem.

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This data is easy to collect. There are specific tools for collecting primary and secondary data. In order to collect primary data, survey, interview, focus group discussions or observations are used.

On the other hand, secondary data can be collected through books, articles, newspapers and reports. Whatever the data is, the important consideration



is to adopt relevant data tool which can investigate the research problem in effective manner.

## **Data Analysis**

After collection of data, the next stage is to analyze data to find the answers if research questions in an effective manner. At this stage, data analysis techniques are discussed and decided. Data analysis must be relevant to the aims and objectives and research methodology. If data analysis technique is irrelevant to research methodology, justified and logical answers of research question cannot be obtained. Before analyzing data, it is important to present data in tables and appropriate transcripts so that reader can get deep insight of the research. Data analysis must be very effective so that relevant individuals can get benefits from the research findings. If analysis is not appropriate, management cannot get benefit from the market research to decide the solution of problems prevailing in the organizations.

## **Conclusion and Presenting the Report**

The last stage of market research process is presentation of data and conclusion. This stage is highly important for the researchers as well as for management who are responsible for deriving answers of research questions. It is very important for the researchers to present the findings in an effective manner so that management can take decisions regarding the prevailing problems in the organization. The researcher needs to communicate the findings of the research in an effective manner.

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In market research, management does not take interest in the details of the research process but takes high interest in the findings and conclusion. This is because management has to take decisions regarding prevailing organizational problems. Therefore, if findings are not presented logically and effectively, management's effectiveness in decision making is impacted. It is very important for the researcher to present logical and justified recommendations regarding the research problems so that management can take help in decision making.

### **4. 2 Provide a justified proposal for a suitable market research plan for a given organization**

For the Savoy Hotel, following research plan is proposed in the following stages:

Aim and Objectives

Data Collection

Data Analysis

Results and Conclusion

Recommendations

In analyzing services provided by Savoy hotel elegant décor services with stylish Italian architecture for key attraction has been provided. The Florence atmosphere with classic marble and mosaic bathrooms with enjoyable and exhilarating experience attracts customers all around.

### **4. 3 Understand the difference between qualitative and quantitative research and evaluate when each might be appropriate**

Qualitative research is basically exploratory research which aims at obtaining reasons, motivations and opinions regarding the research questions. This type of research is conducted through development of hypothesis in quantitative terms (Saunders et al., 2009).

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This research is used to discover the thoughts, trends and opinions regarding a particular research problem. Qualitative research methods investigate a particular problem in theoretical terms; there are different methods which are used to conduct qualitative research. These methods may include semi structured interviews, observations and focus group discussions. In order to conduct qualitative research, small research sample is selected from the entire population.

On the other hand, quantitative research codifies the research problem through numerical data which can be converted into appropriate statistics. This research method is applied in market research to identify the attitudes, behaviors, opinions and suggestions in quantitative terms. The aim of this type of research is to generalize the results on a large sample (Russ and Preskill, 2001). Quantitative research is used to uncover the aims and objectives of the research in quantitative terms. There are several methods through which quantitative research can be conducted. These methods may include surveys, face to face interviews, website interceptors and online polls.

This type of research focuses on quantities and numeric for finding the solution of research problems. On the basis of statistics and numeric analysis, quantitative research finds the answers of research questions. On the other hand, qualitative research focuses on qualities such as behaviors and attitudes in real manner. The results of qualitative research are presented theoretically rather than numerically (Russ and Preskill, 2001). Quantitative research is applied at the scenarios where aim is to generalize the result on a large population. On the other hand, qualitative research methods are applied on the scenarios where aim is to discover problem in an organizational setting and find solution of problems.

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### **4. 4 Evaluate different research methodologies based upon a given scenario**

There are different types of research methodologies which are implemented on particular scenarios. Each research methodology focuses on particular aims and

objectives (Saunders et al., 2009). Some of the research methodologies are as follows:

#### **Quaitative research**

This is first type of qualitative research methodology which refers to investigation of the research problem in theoretical terms. This type of research methodology aims at investigation of research problem in words. In social sciences, qualitative research is conducted. This type of research is

conducted in a natural setting so that researchers can get deep insight of the research problem.

## **Quantitative research**

The second type of research methodology is quantitative research which is used to determine the relationship between different factors. The nature of relationship is quantitative.

## **Mixed research**

Mixed methodology refers to mix of qualitative and quantitative methods.

This type of research methodology is recommended by the researchers for finding logical and justified answers of research questions.

## **Action research**

This research model refers to studying a particular problem and accomplishing its aims at the same time (Saunders et al, 2009).

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### **Conclusion & Recommendation**

#### **Explain each of the 7PS and apply them to a chosen organization**

##### **Product:**

The Savoy hotel offers services to customers with hotel, restaurants and accommodation service that manage business activities in effective manner.

Hotels

Restaurants

Spas

Amigo

BocconiRistorante

Browns Hotel

Browns

Lincontro

Charles hotel

Augustine

HIX Mayfair

Hotel De Russie

Verdura Golf and Spa

Verdura Golf and Spa

Verdura Golf & Spa Resort

Rocco Forte hotel

Parioli

The Balmoral

Villa Kennedy

Rocco Forte Hotel

Hotel Astoria

Astoria

Gusto

Rocco Forte hotel

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### **Price:**

The price of room, suites and halls varies with consumer demand.

The Edwardian Elegance Suite package

785 £

Every ones an original winter offer

300£

Savoy festive package

395£

Savoy Splendor

295£

Savoy Suite Treat

775£

Sundays at the Savoy package

250£

Bed & breakfast package

305£

Cabaret Theatre package

540£

Impression package

495£

The Savoy element package

825£

Top hat theatre package

465£

The variance in prices in accordance with consumer demand present effective ways of accommodation, theatre package, dinner manage global event and meeting solution.

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### **Placement:**

The strategies regarding placement are as follows:

Savoy family Suite

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One king and two twin beds

Junior Suite

One king bed

Deluxe Junior Suite

One king bed

Savoy Suite

One king or one queen bed

River view junior suite

One king bed

Edwardian Suite

One Queen bed

Art Deco Suite

One king bed

Art Deco two bedroom suite

One king bed

River view deluxe suite

One king bed

Personality Suite

One king bed

Personality Art Deco Suite

One king bed

### **Promotion:**

24 hour Butler service, tea and coffee service, Audio i-pod service, unpacking service of arrival, fresh flower, daily news paper , magazine selection, leather desk manage to gather effective promotion services. In perspective of consumer demand dining , meetings and activities were offered. Global event and meeting solutions relevant to prestigious revenue services, divine dances with family oriented, personal or signature packages entertain customers.

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Fairmont Gold

Guests, honor bar, relaxing comfort , continental breakfast services were offered

Family travel

Mayan, Hawaiian culture with resort, games and museum attractions were offered

Fairmont Golf

Luxury, lodging and property facility for elegant accommodation

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Fairmont gift cards

Award winning restaurants, denomination and currency spas

Celebration life

Favorable places for positive celebration of life experience

### **Physical Evidence:**

The services of hot