

# Forte hotel design essay



**ASSIGN  
BUSTER**

1. Design: Using a blank Excel spreadsheet, follow Step 1 in the Conjoint Tutorial and develop a Study Design Template (ME> XL==> Conjoint==> Create Study Design Template) for Forte, using the attributes and levels from Exhibit 1. Next, follow Step 2 in the Tutorial, Create a data collection instrument, selecting “ Ratings” method and “ 1” for the number of respondents (you). When you are done, check to be sure that your sheet looks like the “ Forte Hotel Data (Conjoint, 1 Ratings)” data set in My Marketing Engineering. Then, briefly summarize the advantages and limitations of describing products as bundles of attribute options.

Ans: Please refer to the Appendix I for the creation of Study Design Template for Forte. Bundles of attributes means different levels of each attributes (i. e. Room Type, Business Amenities, Leisure Facilities, Conveniences & Extras and Restaurant Delivery) have been grouped for respondents’ evaluation. Advantage of describing products as bundles of attribute options By using the bundles of attributes in surveys, the respondents will have a clear picture when they are comparing among the options. It might be easier in comparison due to all the levels of attributes have been listed out clearly.

Therefore, the respondents can save time when they are answering the question because they can imagine the option briefly with those simple descriptions. Limitations of describing products as bundles of attribute options Although the respondents will be easier to imagine the option by using the bundles of attributes, but it might be too complicated to respondents if there are too many combination for their evaluation. Respondents may feel confused so they might have difficulties in

comparisons. Also, if the respondents feel too complicated, they might lose their patience in answering the question.

It may lead to the result cannot be accurate. 2. Utility assessment: Using the sheet that you created in Question 1, rate each of the bundles, giving your most preferred bundle “ 100” and your least preferred bundle “ 0,” as described in Step 3 in the Tutorial. When you are done, follow Step 4 in the Tutorial and perform a utility assessment for yourself (ME> XL==> Conjoint==> Create Study Design Template>> Estimate Preference Part Worths). Interpret your own preferences on the resulting Part Worths Sheet. After the Estimate Preference Part Worths, it can be found that . Open the “ Forte Hotel Data (Conjoint, 2 Partworths)” data set in My Marketing Engineering and review the Partworths developed from the respondents in this case. Based on your experiences in completing these tasks, summarize the advantages and limitations of conjoint analysis for obtaining preference data from customers. [http://www.moresteam.com/morenews/story.cfm?user\\_id=1&article\\_id=28&wsletter\\_id=64](http://www.moresteam.com/morenews/story.cfm?user_id=1&article_id=28&wsletter_id=64). 4. Analysis: Open the Forte Hotel Data (Conjoint, 3 Analysis) data set in My Marketing Engineering, which has completed Steps 5 and 6 in the Tutorial for you.

Follow Step 7 in the Tutorial, ((ME> XL==> Conjoint==> Run Analysis) and assess the viability of the four specific hotel concepts that Forte is exploring for the State College area. Base this evaluation on the preferences of a sample of 40 business travelers on that sheet (Exhibit 2) and the cost estimates summarized in Exhibit 3. The base cost to build each hotel room (without the attributes and options listed in Exhibit 3) is expected to be

about \$40, 000 for a 150- to 200-room hotel, regardless of the mix of room types 5.

Identify the optimal product concept from among those Forte is considering.

Explain how you arrived at your recommendation. 6. Would you recommend product concepts other than the four Forte is considering for the State

College market? Explain how you arrived at your recommendation(s). The file used in Question 4 has the four options Forte is considering pre-defined for

you. In the Conjoint Analysis Options menu that appears when you begin the Run Analysis step, you can select “ Include Optimal Product Profiles” to have

the software suggest other product options for your consideration. 7.

Summarize the major advantages and limitations of a conjoint study for new product design. What conditions favor the use of this approach in the hotel

industry? (Consider such factors as types of customers and market

conditions in responding to this question. ) 8. After hearing about the study,

a manager at Forte claimed that “ A conjoint study is a major deterrent to excellence in hotel design. It’s a crutch for managers with no vision and

conviction. On the surface, it sounds sensible enough: find out exactly what features customers prefer before you finalize the design.

But in practice, this is impossible. Customers cannot tell you what they really

prefer without experiencing all the choices available to them. Even if you

show them pictures or prototypes, the preferences they express are apt to

veer off in the direction of mediocrity. This type of study gives you a Hyundai

with a Mercedes grille, Prince tennis rackets endorsed by Ed McMahon, Big

Macs with everything, and hotels with no personality! You would not produce

a Mazda Miata, a Hermes tie or the movie Jurassic Park with this technique. ”

Do you agree with this statement? Why or why not?