

The launch of banyan tree hotels marketing essay



**ASSIGN
BUSTER**

BTHR first saw a gap in the luxury resort market in Phuket, and sought to tap into this market with a value proposition of a premium but affordable luxury resort. Strategic brand management was thus vital. Having targeted a niche market, Banyan Tree had the first-mover advantage amongst its competitors. But it was its consistency in delivering its brand promise that led to word-of-mouth recommendations on “Banyan Tree experience” spreading quickly.

Also, to guarantee consistency and continuity in brand building, BTHR centralised its long-term marketing strategy and even allocated marketing budget to both its consumers and wholesalers. Likewise, BTHR made an effort to maintain good relationships with the governments and local communities, which contributed to its strong brand in Asia.

Within a couple of years, BTHR was awarded numerous international awards and accolades, and it effectively capitalised on these awards and accolades to build its brand equity quickly.

Valuable : With its careful brand management and consistent brand delivery to its guests, brand loyalty was created. This enabled a premium charge and made international expansion possible. Moreover, its first-mover advantage made it tough for its rivals to match its success.

Rare : Being the first resort to provide a luxury accommodation with romance, intimacy, privacy and rejuvenation, it managed to differentiate itself from its competitors. Furthermore, it can be seen that BTHR has the capability to build strong customer-based brand equity, as not many of its rival firms can relate to this proposition of romance and intimacy.

Costly-to-imitate : It is almost impossible to emulate BTHR's brand as numerous capabilities across the value chain contributed to its success – its first-mover advantage, strategic brand image/positioning, innovative and exclusive service by Banyan staff, and extensive marketing.

Non-substitutable : There is no doubt that many resorts were targeting the luxury premium market, however, none of them are perfect substitutes of Banyan Tree. Likewise, the strong brand equity and human efforts BTHR had put into building it is not easily replicable.

II. Innovation Resources : Product Differentiation and High Quality Service

BTHR's capacity to innovate led to its ability to create product differentiation and high quality service, which kept customers returning. It differentiated its offering by being the first in Asia to adopt the concept of a “ non-clinical” garden spa with an oriental feel. Also, BTHR placed emphasis on the interior décor and facilities of the villas to enhance the “ Banyan Tree experience”, with each villa having a private landscaped garden and an open-air sunken bathtub. It offers a variety of spa packages and cuisines tailored to customers' likings too.

Additionally, Banyan Tree staff were encouraged to give innovative and exclusive service, to make sure its guests feel that they were paid special attention. Unique product offerings such as customised weddings even included a special touch of local culture.

Valuable : BTHR was successful in winning the hearts of its customers as its offers them innovative and fresh experiences. This resulted in customer

loyalty and word-of-mouth advertising, which generated a sustainable source of revenue.

Rare : Such product differentiation and customised services were only available at BTHR. Besides, the fusion of Banyan staff experience and BTHR culture adds on to its exclusivity.

Costly-to-imitate : BTHR's innovations were integrations of its culture as well as staff's expertise, making it costly for competitors to duplicate them.

Non-substitutable : It is difficult for competitors to replicate the high quality and customised services offered by Banyan Tree. Moreover, the endless innovations and ideas kept its guests amazed and thrilled, making the "Banyan Tree experience" special and non-substitutable.

III. Human Resources : In-house Management Capabilities

Banyan Tree sets itself apart by having strong support of in-house management capabilities.

As management capabilities are in-house, BTHR could build a resort from scratch within two years. Furthermore, all those involved shared BTHR's corporate culture, were familiar with each other, enabling flexible and rapid decision making. Moreover, with in-house design capabilities, it can tailor its design according to its value proposition of romance and intimacy.

To ensure efficiency, BTHR deployed pre-fabrication methods and problems were rectified quickly. Similarly, decision-making process was also hastened by the formation of the GX Group, which consisted of the key personnel and expertise required to make decisions.

Besides, local staff were given the liberty to be creative in their service to ensure there was no gap between the level of service and customers' expectations. This enhances staff's sense of belonging in BTHR, which explains the low attrition rate of staff. In-house trainings ensure its staff are sufficiently skilled to provide high quality services for its targeted customers too.

Valuable : Having in-house management capabilities empowers BTHR with better control over its expenses and product innovations, allowing consistent delivery of its brand promise. Its ability to build a resort faster than its competitors gives it a competitive edge too.

Rare : The in-house management capability enables BTHR to control every part of its project development process. This is a rare capability as most hotel owners engage external vendors.

Costly-to-imitate : Due to the large outlay of capital required for its construction capabilities and resources, it would be extremely costly for its competitors to imitate. Similarly, it is almost impossible to emulate its staff trainings as they are also conducted in-house.

Non-substitutable : Eventhough some of these capabilities and resources can be outsourced, it would not be as value-adding to Banyan Tree as they would lose control of management.

In conclusion, the key resources supporting the development and rise of Banyan Tree are highly interdependent. Together, the resources spurred the growth of BTHR as they enabled Banyan Tree to distinguish itself from its'

rivals. It is also noticed that these are intangible resources as intangibles make it more difficult for competitors to analyse and imitate.