Marketing strategy for hotel brand radisson



Tourism is defined by Burkart & Medlik as: "the phenomenon arising from temporary visits(or stay away from home)outside the normal place of residence for any reason other than furthering an occupation remunerated from the place visited"

Lickorish and Jenkins credit the sustained grouth of tourism to the grouth in disposable income and paid holiday; it is now the one of the fastest growing industries in the world. the world Tourism Industry expects international tourist arrivals worldwide to rise from 456m in 1990 to 660m in 2000 and 937m in 2010.(World Tourism Organization(WTO)1986).

1. 1 Company Overview

Radisson is one of the world's leading global hotel brands. It delivers vibrant, contemporary and engaging hospitality that is characterized by its unique Yes I Can! SMservice philosophy. First-class, full-service hotels with a range of World of Radisson features that have been created specifically to be empathetic to the challenges of modern travel, including its 100% Guest Satisfaction Guarantee.

Worldwide Portfolio

Radisson has a strong worldwide portfolio and continues to grow with a focus on adding key hotels in major cities, airport gateways, leisure destinations and other important locations. Radisson currently has over 430 hotels operating throughout the world with 103 contracted properties under development.

Radisson is expanding as a powerful, globally consistent, full-service hotel brand, offering vibrant, contemporary and engaging hospitality that is defined by its distinctive Yes I Can! service philosophy. All of our hotels and resorts offer a range of World of Radisson features that are empathetic to the challenges of modern travel.

Expanding global presence

Radisson continues to expand its presence in key destinations in The Americas, Asia Pacific and Europe, the Middle East and Africa, reaching new markets and customers in major urban and suburban locations, as well as near airports and business districts around the world.

Yes I Can! training program delivers

As part of its focus on guest satisfaction, Radisson offers one of the hospitality industry's most dynamic guest service training programs calledYes I Can! This program translates the core of the company's service philosophy for hospitality excellence to the front-line service employees in Radisson operations worldwide. Celebrating its 20 year milestone in 2007, Yes I Can! has become a central part of the Radisson culture, creating a point of difference for the brand.

Our goal at Radisson is 100% Guest Satisfaction. If you are not satisfied with something, please let one of our staff know during your stay and we'll make it right or you won't pay. It's Guaranteed.

2. 0 Concept of Marketing

Carlson Sets New Marketing Strategy for its Radisson Brand: New Guest Room Concepts,

New Restaurant Concepts and New Service Concepts

ORLANDO, Fla. (March 3, 2010) – As part of its Ambition 2015 plan, Carlson today unveiled a comprehensive strategy for its Radisson brand. As one of the world's leading brands, Radisson is being positioned to deliver vibrant, contemporary and engaging hospitality characterized by the Yes I Can! service philosophy. The positioning is being supported by a series of innovations including new room concepts, new restaurant concepts and a series of new service concepts focused on the guest experience. The strategy for Radisson will entail an investment program of up to USD 1. 5 billion in North America, focused on establishing flagship hotels in key U. S. cities and on upgrading the existing portfolio.

It aims to expand its portfolio by at least 50 percent by 2015 to more than 1, 500 hotels in operation.

"We believe this is a great time to invest in the hotel business. With Ambition 2015, we have a comprehensive and compelling strategy to build the business," said Hubert Joly, president and chief executive officer, Carlson.

Ambition 2015 will focus on four priority growth initiatives including:

- Expanding Radisson as a powerful, globally consistent first-class brand.
- Accelerating the growth of Country Inns & Suites By Carlson in four key markets: United States, Canada, India and Mexico.
- Growing Park Inn as a winning mid-scale brand across theaters in key countries.

 Continuing to grow in key emerging markets, with greater emphasis on mid-scale.

The strategy entails continuing the growth in key emerging economies such as Brazil, Russia, India and China, where it has gained significant strength. For example, Carlson is the largest and fastest growing international hotel company in India with 79 hotels in operation or contracted at the end of 2009.

These strategies will be supported by investments in marketing, sales, distribution and technology. As part of its Ambition 2015 strategy, Carlson Hotels expects to increase the contribution from brand websites to 30 percent of revenue and to double the number of members in its goldpointsplusSM loyalty program.

"With 422 hotels in operation and 90 in the contracted pipeline, Radisson is one of the most well-known and fastest-growing brands in the world, delivering market leading guest satisfaction and achieving superior RevPar penetration internationally," said Hubert Joly, president and CEO of Carlson. "We have crystallized the success formula for the brand, improved it and are using it as the foundation for its future development."

As part of this strategy, Carlson announced the global roll out of five new room concepts – And Relax, Naturally Cool, New York Mansion, Ocean and Urban. All of the concepts share a vibrant and contemporary design, the use of bold colors and lighting, and a comfortable feeling.

The global strategy also includes two new restaurant concepts. Filini will offer an upscale, sophisticated Italian cuisine, while rbg is a bar-and-grill concept in an inviting, contemporary setting.

The strategy also introduces a range of service concepts covering the key touch points of the guest experience including, for example, Business Class and three-hour laundry. Business Class will offer customers the best available room, breakfast, turn-down service, upgraded bathroom amenities, a daily newspaper and other amenities depending on the market.

As part of this strategy, the Radisson brand will be tiered across the upper upscale and upscale segments. Radisson Blu will be applied to the upper upscale segment and Radisson "Green" will be applied to the upscale segment. Both will share the same brand essence – vibrant, contemporary and engaging – the same style and many of the service concepts. The differentiation will primarily be location based – key location in a primary city versus a secondary market. It will typically be reflected in the level of investment that goes into the property.

The strategy will include the implementation of the brand's new global standard operating procedures, a new quality assurance program and intensive training programs. The strategy will be supported by investments in marketing, sales and distribution as part of the overall Carlson Ambition 2015 plan.

2. 1 Marketing Strategy of Radisson

Under the leadership of its former president, Radisson's strategy focused on growth and the firm added hotels at the rate of about one hotel every seven https://assignbuster.com/marketing-strategy-for-hotel-brand-radisson/

days. By 1997, Radisson's "growth at any cost" strategy left Radisson with a significant diversity in hotel quality and an "unfocused" brand image.

Alignment with hotel owners (more than hotel guests) also seemed to cause Radisson's customer service and hotel management expertise to atrophy.

In 1997 and 1998, Mr. Brian Stage, Radisson's President, and Ms. Maureen O'Hanlon, Radisson's Executive Vice President, took several initiatives to drive the organization towards becoming a more customer-focused brand. In their words, they "re-discovered that their primary customers should be the guests — not the owners." Some of these initiatives included a service guarantee, a guest satisfaction measurement program, an employee satisfaction measurement program, and an information technology initiative. Stage and O'Hanlon were committed to creating the systems and programs that would bring Radisson into the 21-st century as a truly "customer-driven learning organization." Their goal was to make Radisson the "most trusted and respected brand worldwide." They were hopeful that these initiatives would make a significant contribution to helping Radisson achieve these goals. Service Quality Performance Metrics

Radisson uses four service quality performance metrics based on room comment cards solicited from hotel guests:

Willingness to return — percent of customers who indicate that they are willing to return.

Percent advocates — percent of customers who indicate a willingness to recommend Radisson Hotels to others.

Percent defectors — percent of customers who indicate that they are unwilling to return.

Percent complaints — ratio of complaints to room nights.

Information systems, under the leadership of Radisson's Vice President of Knowledge Resources, Mr. Scott Heintzeman, produces a "dashboard" for each hotel that includes these and other more financial measures. The one-page dashboard is Radisson's "balanced scorecard "for each hotel. These measures are often supplemented with ad hoc marketing research. This paper focuses on the service guarantee initiative, the four strategic service quality performance metrics that support the implementation and evaluation of that initiative, and a new measure called "employee motivation and vision" that was found to correlate highly with Radisson's service quality performance metrics.

RADISSON'S SERVICE GUARANTEE

The Service Guarantees Concept Hart2, 3, Hill4, and others5, 6 have argued persuasively that service guarantees can help many firms to position themselves in the market by clearly defining their value proposition to customers and employees. Service guarantees also "stress" front-line workers to deliver high-quality service the first time, encourage customers to voice their complaints to the firm, and motivate and enable workers to quickly discover and recover dissatisfied customers. Hays and Hill7 at the University of Minnesota developed a model (Figure 1) to show how service guarantees affect service quality and, ultimately, business performance. In this model, they argue that a strong service guarantee improves customer https://assignbuster.com/marketing-strategy-for-hotel-brand-radisson/

satisfaction, service quality, and customer loyalty through three intervening variables: Marketing Communications Impact, Employee Motivation and Vision, and Organizational Service Learning. These are defined in the following paragraphs.

Figure 1. Service guarantees and business performance

Marketing communications impact (MCI)

Business performance (BP)

Employee motivation and vision (EMV)

Service guarantee strength (SGS)

Customer satisfaction Service quality Customer loyalty (SQL)

Organizational service learning (OSL)

Marketing Communications Impact (MCI) A strong service guarantee will have both offensive and defensive marketing impact. Offensively, firms can use a service guarantee to proclaim the reliability of their high quality service and thus attract new customers. Defensively, a service guarantee not only enables companies to recover unsatisfied customers but also encourages dissatisfied customers to complain, thus allowing the firm to recover those customers. Employee Motivation and Vision (EMV) – A strong service guarantee motivates employees to fulfil the guarantee and to satisfy customers. The guarantee clearly defines the employee's job as satisfying customers – not just taking reservations, checking out customers, or cleaning rooms. It can also inspire a new vision for service quality when employees https://assignbuster.com/marketing-strategy-for-hotel-brand-radisson/

are challenged to really satisfy customers' true needs. Hill8 quotes one senior European executive who proclaimed that " our service guarantee defines the mission for our firm." Organizational Service Learning (OSL) - A strong service guarantee can help organizations discover dissatisfied customers and learn from them in order to improve service quality. Organizations with a strong service guarantee will tend learn how to satisfy customers faster than organizations without one. When marketing communications impact (MCI), employee motivation and vision (EMV), and organizational service learning (OSL) are improved, then service quality, customer satisfaction, and customer loyalty (SQL) should also improve. Business performance (BP) will improve as a result of improved SQL.

2. 1. 1 Guerrilla Marketing

When using social media for marketing it is not about broadcasting – it's about engaging. The most successful campaign is the one that engages and activates the most people to become the brand's ambassador.

The Radisson Blu Hotel brand with hotels in over 200 locations world-wide has started such a campaign. It seems to have started mid-May but is reaching its tipping point these days and is spreading fast.

It's actually a very simple competition. They are giving away" the greatest holiday in the world", probably inspired by the best job in the word. And the greatest holiday on Earth is 365 free nights at any Radisson Blu hotel in the world that the winner can use over the next five years. All you have to do to participate is signing up and telling the world why you should win.

It's then up to the users to get as many people as possible to vote for them but each person can vote once every day. The one with the most votes at the end of the competition on July 24th will be the winner of the 365 free nights at any Radisson Blu. Simple and effective. Last Sunday night about 1500 people had signed up and now, on Wednesday, there are about 3000 people competing. And those 3. 000 people are now all actively promoting their spot in the competition and the hotel brand at the same time. Not bad!

To encourage people further Radisson has enabled sharing options for twitter, face book and a number of other social networks and lists ideas on how people can promote themselves offline. One important thing is lacking though, which is a badge to put on a blog that automatically updates the ranking and encourages people to vote.

2. 1. 2 Viral Marketing

Radisson Hotel is providing the Best Online Rate Guarantee for their customers.

Radisson. com, their homepage is customer's home base for the best savings. they deliver customers best online rates guaranteed. Customers can get the best online rate for their stay and they will get the best rate online – they guarantee it. When customer books their reservation on Radisson. com, they can be confident they have gotten the best rate for their next visit.

HowIt Works

If you find a rate on another website that is lower than the bestrate on Radisson. com – and the rate is for the same date(s), same room type, same number of guests, at the same hotel and same rate termsor restrictions- let https://assignbuster.com/marketing-strategy-for-hotel-brand-radisson/

them know andthey will honour the lower rate AND discount that rate by 25%.

Qualifying Rates

Radisson's "Best Online Rate Guarantee" applies only to online rates available to the general public. Group rates, corporate rates, wholesale rates, affinity/association rates or rates which are part of a travel package do not qualify.

Radisson Customer Service will verify the rate meets all of the Best Online Rate Guarantee terms and conditions. Once confirmed you will receive the lower rate and 25% discount.

Radissonguarantees that Radisson. com will have the best online rate available to their guests.

3. 0 Public Relation Method

March 24th, 2008, Radisson Hotel, " Effective Business Solutions" seminar

On 24th of March, the Bulgarian "Cash" newspaper arranged the "Effective business solutions" seminar in Radisson Hotel. The event was focused on ERP and CRM systems in order to help managers of trading and production companies raise the efficiency of their business processes. The top IT leaders were invited to present their products and Neme schek Bulgaria was one of them. In their exposition, the specialists of Nemetschek Bulgaria emphasized on the simple adaptation of their system (Customer Center) to the customer's needs.

Radisson Hotels Reviews Public Relation Prior To Launch

Radisson Hotels is reviewing PR for its main hotels brand and is in the advanced stages of hiring an agency to launch a five-star hotel in Manchester.

PR manager Jacquiline Willers said the company had seen pitches from four agencies and settled on a shortlist of two for the Manchester brief, with local agency Mason Williams and London-based Pineapple PR in contention.

Willers refused to discuss fees for the two briefs, but said: 'We have budgets for the Manchester project and for a two-year contract to help the Radisson Edwardian brand. It may be that one gets the Manchester job and the other the wider brief.'

'At the moment, we're not looking at other agencies for the two-year contract, but that may change,' she added.

Radisson Edwardian has previously used Brighter PR for its PR work. The agency is not involved in the current pitch process. Willers said the brief for the Radisson Edwardian Hotel Manchester will involve activity to drive bookings and awareness ahead of its opening in June 2004. The company claims the Manchester hotel will be the first five-star hotel ' in the centre of the city'.

However, Manchester's Lowry Hotel – which falls just outside the city centre in neighbouring Salford and accommodated the England football team last weekend for its friendly against Denmark – currently dubs itself the city's only five-star hotel, sparking speculation of a feud between the two hotels.

But, Rocco Forte Hotels UK marketing director, Murray Thompson, played down talk of a spat, saying the opening of the Radisson in the city would 'make life easier' for the Lowry: 'Manchester is saturated with three- and four-star hotels and it will no longer be just us saying it's worthwhile to pay for luxury,' he said.

Radisson SAS Hotel, Dubai Deira Creek, has appointed Stephanie AbouJaoude as its Public Relations and Communications Manager.

The property is an established landmark on the Deira Creekside and was re-branded Radisson SAS this month.

Lebanese-Canadian, AbouJaoude, takes up her new role following three years as Public Relations and Communications Executive at the InterContinental Hotel, Dubai where her main duties involved media relations, advertising and maintaining the corporate identity of the brand.

"Stephanie will spearhead all elements of internal and external communications. She will also oversee the property's marketing programmes," said Andreas Flückiger, General Manager, Radisson SAS Hotel, Dubai Deira Creek.

"Her comprehensive knowledge of this property is a real asset to us and she will play an integral part in establishing this hotel under the Radisson SAS brand."

Radisson SAS Hotel, Dubai Deira Creek has 287 guest-rooms, including 39 suites, 16 food and beverage outlets as well as meeting and events facilities.

3. 1 Relationship Marketing

Radisson is part of the Carlson Hotels Worldwide system of hospitality properties which include Regent International Hotels, Radisson Hotels & Resorts, Park Plaza Hotels, Country Inns & Suites By Carlson, and Park Inn hotels. The parent company, Carlson Companies Inc., also owns and operates Radisson Seven Seas Cruises and T. G. I. Friday's restaurants. A world leader in Relationship Marketing, Carlson maintains a consumer loyalty program known as Gold Points Rewards.

As one of the leading global hospitality companies, Radisson operates, manages and franchises 435 full-service hotels and resorts, representing more than 102, 000 guest rooms in 61 countries. From its franchise partners and strategic allies, to every manager and employee at every hotel, the Radisson organization is committed to providing personalized, professional guest service and Genuine Hospitality

With its focus on total guest satisfaction, Radisson employees undergo one of the hospitality industry's most dynamic guest relations training programs called'Yes, I Can!'This program translates the core of the company's service philosophy for hospitality excellence to the front-line service employees in Radisson operations worldwide. After more than a decade,'Yes, I Can!'has become a central part of the Radisson culture, creating a point of difference for the brand in the manner with which customers are served.

Radisson hotels are named after the famous French explorer, Pierre Esprit Radisson, who visited many parts of the Upper Midwest and Canada during the 17th century. Radisson Gold Rewards offers guests the opportunity to earn and redeem Gold Points® within an exclusive network of leading brands. Members who earn Gold Points can redeem them for free night stays, airline miles, luxury cruises, merchandise, meals, and more. In addition to all of Carlson's brands, other major national partners in the Gold Points Rewards'network include Thrifty Car Rental, The Flower Club and FTD. com.

Currently, Gold Points are earned at all Radisson hotels in the United States, Canada, the Caribbean, Mexico, Central and South America. Residents of these countries can earn points at Radisson SAS and Radisson Edwardian hotels in Europe as well. Members of Radisson Gold Rewards earn 1, 000 Gold Points per night, up to 10, 000 points per stay.

Radisson is continuing to add new hotels and resorts in key international business and leisure destinations. Examples of the company's highly successful partnerships include the development of Radisson SAS hotels and three other Carlson hotel brands in Europe, the Middle East and Africa, and Radisson Edwardian Hotels in the United Kingdom.

Global presence and expansion into new markets is a key part of Radisson's heritage. Radisson opened the first American-managed hotel in Moscow and today has several locations throughout Eastern Europe. Radisson's recent entry into the United Arab Emirates, Lebanon and Saudi Arabia in December 2002, expanded the brand's global presence to 61 countries.

3. 2 Customer Loyalty

At Radisson, they are always looking for ways to give customers that little something extra. That's why they offer Goldpoints Plus (goldpoints plusSM). It's the rewards program that's tailor-made for customers and their needs.

goldpoints plusSM

Free nights

- ï, Enjoyfree hotel nightsstarting at just 15, 000 points.
- ï,· Combine a fewPoints + Cashfor an Award Night.

Miles

ï, Exchange yourpoints for mileswith over 20 airlines.

Prepaid Cards

ï,· Cash in your points for Visa®or MasterCard®Prepaid Cards.

Express Awards

ï,· Redeem points at the hotel forExpress Awardslike movies, room upgrades and more.

Make a Donation

ï,· Gift your points to the World Childhood Foundation or to offset your CO2 emissions.

And some more attractive programmes those are really help them to get a loyal customer.

100% Satisfaction

If you aren't satisfied with something, please let one of our staff know during your stay and we'll make it right or you won't pay. It's guaranteed.

Global Locations

With over 400 Radisson locations worldwide, our doors are always open to you. Ready to greet you with our signature "Yes I Can!" TMservice.

Free High-Speed Internet

We don't just want you to stay with us, we want you to connect with us.

That's why unlimited high speed Internet is free with your stay.

Full Service Restaurant and Room Service

Hungry for satisfaction? You'll get it when you enjoy a meal in one of our full service restaurants. If you prefer to stay in, help yourself to something from our room service menu!

Business Centers

It's easy to stay on the job even when you're traveling. Our business centers are fully upgraded to fit the way you work today.

Pool and Fitness Centers

Spend your downtime shaping up in our modernized fitness centers or take the plunge poolside and stay fit when you're on the go.

Meeting and Banquet Facilities

Whether you're planning a business meeting or a family celebration, we're here to help. With the space and the services that will make your event special in every way.

4. 0 Effectiveness of Marketing and Public Relation strategy Hotels & Resorts is committed to change and innovation in all key areas including its growth

strategy, operations, franchising, sales and marketing and technology, to operate with maximum effectiveness in a highly competitive business environment. Technology will undoubtedly continue to develop andRadisson Hotels should continue to progress along with it to stay on top of the service industry as one of the best global hotelcompanies out there.

ORLANDO, Florida – As part of its Ambition 2015 plan, Carlson today unveiled a comprehensive strategy for its Radisson brand. As one of the world's leading brands, Radisson® is being positioned to deliver vibrant, contemporary and engaging hospitality characterized by the Yes I Can! service philosophy. The positioning is being supported by a series of innovations including new room concepts, new restaurant concepts and a series of new service concepts focused on the guest experience. The strategy for Radisson will entail an investment program of up to USD 1. 5 billion in North America, focused on establishing flagship hotels in key U. S. cities and on upgrading the existing portfolio.

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As part of this strategy, Carlson announced the global roll out of five new room concepts – And Relax, Naturally Cool, New York Mansion, Ocean and Urban. All of the concepts share a vibrant and contemporary design, the use of bold colors and lighting, and a comfortable feeling.

The global strategy also includes two new restaurant concepts. Filini will offer an upscale, sophisticated Italian cuisine, while rbg is a bar-and-grill concept in an inviting, contemporary setting.

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The strategy will include the implementation of the brand's new global standard operating procedures, a new quality assurance program and intensive training programs. The strategy will be supported by investments in marketing, sales and distribution as part of the overall Carlson Ambition 2015 plan.

"We have seen the power of the brand internationally and the very attractive return from renovating to the new standards," Joly said. "The brand is poised for significant growth around the world and we expect to grow the portfolio to at least 600 hotels by 2015."

Media interested in getting insight into Carlson's new global vision and corporate strategy are invited to view the live webcast of Hubert Joly's opening keynote atwww. carlsonhotelsmedia. com/ambition2015at 4: 30 p. m. ET. A replay of this webcast will be available starting at 8 p. m. ET, Wednesday March 3, 2010.

Effective Integrated Marketing Strategy

Integration marketinghappens when two different, but complementary offers are made in succession, or when a "Unit of Marketing Value" is placed in front of an existing traffic stream. Radisson offers "sleep number" beds in many of their rooms. These beds allow guest to adjust the firmness to their liking. In this case, the integration is that, as a Radisson customer, they are entitled to receive "Free home delivery, setup and removal" OR "\$150 worth of accessories" on select Sleep Number beds. The promotion is co-branded to reinforce that being a Radisson client has its special perks and privileges – that they are looking out for customer's well-being even when they are not staying at their hotel. In fact, they want the experience of sleeping in customers own bed to mimic the experience of sleeping in their bed. Integrated marketing is happening all around the guest all they have to do is look for it.

5. 0 Recommendation and conclusion

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SERVICE GUARANTEES AND STRATEGIC SERVICE

QUALITY PERFORMANCE METRICS AT RADISSON

HOTELS WORLDWIDE

Arthur V. Hill

*

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