**Hotel Marketing Plan**

**Executive Summary**

The Riverview Hotel, Notown USA, is representative of the five star brand within the 'Exclusive Business Hotels of the World' group. All Riverview Hotels are boutique properties, offering between 25 and 35 exclusive rooms.

The Riverview properties are renowned for their convenient and strategic locations within major cities throughout the country. Also synonymous with the brand are the high level of personal service guests receive, and the extensive range of comprehensive business facilities available in luxurious settings.

The Riverview Hotel, Notown has 35 exclusive rooms and is targeting corporate guests with a two to three night stay requirement. Target business segments include the IT sector, due to the proximity of the property to Silicone Hill, USA; the automotive industry in order to capitalize on the strategic location of the hotel in relation to the Overall Motors Plant and HQ in Notown and travel trade guests attending National and International Travel Fares at the Notown Exhibition Halls.

Differentiating the type of business service offered, from that of the competition, will assist not only in building the Riverview brand as a whole, but will attract frequent business travelers, who require a higher level of personal service and recognition than they can receive at competitive five star properties in Notown. This will provide the Riverview with an opportunity to leverage its core competencies as regards servicing the business traveller in a luxurious environment.

**Situation Analysis**

The 'Exclusive Business Hotels of the World' group is the ninth largest International Hotel chain in the world, with over 320 wholly owned and managed properties. The group specializes in occupying strategic, inner city locations and serving primarily corporate clients.

The properties range from three to five star plus categories, and include the following brands: River Inns (3\*), River Post Houses (4\*), and Riverview Hotels (5\*+). The group has a high instance of repeat business across all its brands, particularly the Riverview Hotels properties, which account for 68% of total revenue across the group.

The Riverview Hotel, Notown, is dependent on annually contracted clients from the travel trade, automotive and IT sectors with guaranteed room nights per year. This area of business accounts for 70% of the property's revenue.

The current market is somewhat depressed, due to the economic downturn and restrictions being made on corporate travel within the U.S. This threat to the critical corporate sector could be considered as short to medium term, as indications of a return to business travel are observed. Riverview Hotel, Notown, must continue to focus on delivering an exemplary business service, at affordable rates, in order to develop the customer relationship beyond one stay.

Competitive room rates have been cut dramatically in order to attract contract clients over the next 10-12 month period. The Riverview Hotel's survival in the current environment, will be dependent on repeat corporate contract business and customer loyalty to the brand. The brand must therefore continue to deliver on its promise and values.

**Market Needs**

The Riverview Hotel offers value and benefits to our clients, over and above the standard of our facilities and affordable rates. We seek to provide our guests with an exemplary personal service, and level of recognition that they have come to rely upon. We provide our guest with a luxurious, relaxed environment within which to conduct their business.

An environment which they cannot find at our larger, more impersonal competitors. Our guests need to know that they can develop a relationship with the hotel that will ensure efficiency, value for their money and reliability in supplying them with the support they need, when they need it. The Riverview Hotel operates in a city with a very strong sense of community, and we want to stay an integral part of that community.

**The Market**

The Riverview Hotel is a boutique 5\*+ hotel comprising 35 luxury guest rooms and specializing in servicing business and corporate clients. It serves the business community, and visiting business traveller, in the city of Notown USA.

Our key clients are contracted corporate clients originating from both international and domestic markets from within the travel trade, automotive and IT segments. The strategic location of the property is key to its success in these areas due to the proximity of the Exhibition Halls, Overall Motors and Silicone Hill, USA.

Key to our business success is the level of customer loyalty and repeat business we receive on an annual basis. We offer our guests the most up-to-date technical business facilities, both inside the rooms and within the hotel's conference facilities.

Our guests feel that they can conduct their business from within a less austere atmosphere than can be experienced in our competitive properties, where there is less personal recognition. They appreciate being called by name when they arrive, and having staff remember their specific requirements, time and again. This is key in developing the relationship beyond an initial stay and evidences our added value in relation to competitive properties in the vicinity.

**Market Demographics**

Market Geographics: Notown, USA is a suburb of Seattle, Washington, with a population of 150,000.

Market Demographics: The community is made up predominantly of households having two to four children, either at home or away from home, with at least one parent/guardian having attended college.

Market Psychographics: There is a strong 'small business' ethic in the community, and many family-run enterprises have been prospering for generations. There is also a strong sense of community and a high level of awareness as regards to caring for the environment.

Market Behaviors: Businesses in the area choose to support one another wherever possible, be remaining loyal to long standing relationships with customers and suppliers. This acts as a means of investing in, and supporting the community structure, rather than shifting alliances to large 'newcomer' suppliers, despite the potential cost savings involved.

This attitude supports the brand principles of the Riverview Hotel, which has had a presence in the city for 15 years, and is well supported by local business requirements for rooms, conference facilities and catering business functions.

Based on research carried out in 2001, more than 68% of the population had some awareness of the Riverview Hotel. Awareness levels were highest amongst small- to medium-sized businesses with 20 or more employees, who had utilized the hotel's facilities either for visiting business guests, or for their own functions.

Market Trends

Market trends can be categorized as follows: Corporate Travel Policies, Local Business Trends, and Economic Cut Backs.

Corporate Travel Policies: As a result of various security issues, as regards travelling in both domestic and international markets, there has been a significant drop in corporate guests visiting the city. Although the level of corporate room business appears to be increasing again, it has had a significant affect on last year's result and consequent projections for the future.

Local Business Trends: There has been a period of low activity in the area of conferencing and business catering with local companies electing to conduct meetings and seminars on their own premises in order to cost cut. This is changing however as group bookings, incoming visitors and day use of conference facilities is on the increase.

Economic Cut Backs: The city cancelled three major trade events over the past three months, and exhibitions held at the halls had attendance figures much lower than expected. All booked events for the upcoming 12 month period however, including the Motor Show and the Northwest Tech Exhibition, have pre-booked attendance figures in line with expectations and in some cases in excess of projections.

Market Growth

The growth rate of the target markets has been steady over the past five years. The travel trade sector has grown at an average of 7.1%, the automotive sector at an average of 9.5% and the IT industry at 8%.

Recent world events have caused a reduction in the growth rate, but current trends indicate a return to projected growth figures within the next three to six months. Once re-stabilized, growth is anticipated to continue at a steady pace in line with the expansions in the region's IT activities, the annual program of travel trade events taking place and the launch of a new overall motors model this year.

Macroenvironment

The external, environmental issues that affect the Riverview Hotel are:

Political: a stable environment where little affects our ability to generate revenue.

Economic: the recent recession has seen many smaller business-oriented hotel chains go into liquidation, as they do not possess the infrastructure to support under-performing properties as the larger chains do. Although recovery is beginning, it may take some time before corporate travel policy restrictions are fully lifted and business travel returns to the same levels of the past three years.

Social: the trend towards cost effective business travel leads hotel guests to seek more value for money, which is where our added value differentiation strategy comes into play.

Technological: the installation of 'on board' room reservations systems on certain aircraft, will require a systems integration with the hotel group's own central reservation system. This will require a high level of investment.

The Company

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Mission

The Riverview Hotel is dedicated to providing its guests with the highest quality of service and standards. We seek to deliver on our promise of value and quality above all else. We value our place in the community and will work to develop those relationships and to respect and protect our environment.

We will continue to strive to create value for both owners and shareholders whilst honoring our brand values and encouraging our personnel to develop themselves in an environment of trust, loyalty and encouragement.

Service Offering

Service: high-quality facilities accompanied by exemplary personal service, differentiated from competition in line with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.

Positioning

The Riverview Hotel is positioned as a five star plus, business traveler's hotel, strategically located and offering a high level of personal service. Our focus is on offering our guests added value and differentiating ourselves in our levels of personal service. We provide a quality hotel experience where guests are valued, respected and their business is truly appreciated.

SWOT Summary

The following analysis highlights the internal strengths and weaknesses of our organization and the opportunities and threats facing the company in our external environment. We must work to improve our areas of weakness.

Organizational strengths must be leveraged in order to capitalize on external opportunities as they arise, and contingency plans formulated in order to deal with threats presented by the environment.

Strengths

Strategy: established differentiation strategy.

Structure: flat, decentralized structure.

Skills: diverse range of service skills within management and staff.

Style: strong, participative culture.

Staff: specialized and experienced staff that are motivated and highly skilled. A well trained team who are proud of their hotel and respect and promote the brand values.

Shared Values: clear and well communicated.

Brand Strength: brand values well represented engendering brand loyalty amongst existing and new guests.

Reputation: a strong reputation within the local market and corporate and travel trade markets for reliability, exemplary service and quality.

Weaknesses

Strategy: differentiation strategy needs to be more clearly communicated externally, within local and national markets.

Systems: formal systems result from the detail oriented work and environment. Interdepartmental communications could be improved.

Staff: seasonal turnover requires ongoing training and orientation of new staff.

Facilities: certain rooms require renovation and upgrade as regards technical equipment, such as high speed Internet access and laptop links.

Opportunities

Market: returning growth after a period of slump.

Competitors: no direct competition exists at present, in terms of the five star 'boutique business property' niche.

Suppliers: strong, long-term relationships established with suppliers.

Guest Dependency: repeat corporate business based on personal service and quality, in a small but luxurious environment.

Threats

Market Entry: potential for a competitive, global brand to enter the market with a similar product.

Substitutes: fully furnished and serviced business apartments offering lower daily rates.

Economy: recovery from slight recession may take time.

Historical Results

Marketing activity in previous years, has produced positive results. The areas that have produced the best results have been:

Service: high-quality facilities accompanied by exemplary personal service, differentiated from competition, in line with the overall brand strategy has proven to be a successful approach generating high levels of repeat business.

Price: pricing strategy has been consistent with the differentiation objective, to provide added value for a reasonable rate as opposed to discounting and devaluing our products and services.

Place: service information is provided to the guest via personal selling, direct marketing, advertising and the Internet. Delivery channels include travel agents and international reservations systems.

Promotion: primary focus has been on mass communication via print ads in trade publications and on the Internet, direct mail campaigns to existing and prospective clients and personal selling in the local market. Personal selling provides the means to develop relationships within the local community and generate high levels of corporate activity through the business community. Public relations plays an important role in the marketing mix, presenting the hotel as a supportive member of the community and participating in significant local events to assist in developing ongoing cooperation, assures repeat business and good working relationships.

Competition

Although no direct competition exists, in terms of the five star plus boutique-style property, other five star hotels and serviced apartments do compete for the same corporate business sectors.

Direct Competition

Hilton, Notown: 5 star city hotel, room rates on par with Riverview, older facilities.

Marriott, Notown: 5 star city hotel, room rates approximately 10% higher than Riverview, facility only four years old.

Glendale Apartments, Notown: 5 star furnished apartments, daily rates vary between Riverview's double deluxe and suite rates.

Hyatt Residence, Notown: 5 star furnished apartments, daily rates 15% higher than Riverview's double deluxe rates.

These properties offer similar facilities, although somewhat less focused on business needs, and incorporate more leisure facilities than we currently provide.

Indirect Competition

Riverview's indirect competition is "distance" meetings in the corporate world. The more companies decide to conduct meeting over the phone, using web conferencing technology, and video phone technology, the less business people travel and the more it affects Riverview Hotel. Riverview has to keep abreast of all new distance meeting technology, and continue to reinforce with clients that there is no better way to do business then face to face.