
Assignment 2: Report

Hotel standards, reputation management, building and retaining customer loyalty

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Executive summary

The reports take a course of understanding the very essence of customer service experiences and expectations through the purview of the importance of required hotel standards, management of relationship with guests and customer retention to achieve customer loyalty. The report takes into account the UK hotel industry and it is focused on Marriot's Moxy. A set of recommendations have been laid out for the benefit of the hotel managers, keeping in mind the emerging trends facing the industry.

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Introduction

As the world economy is becoming an increasingly integrated economic system due to globalisation, the hospitality industry is becoming increasingly enriched. Globalisation demands higher quality of materials and services and in this regard, the hospitality industry is extremely competitive. The players in the industry need to identify the pervading trends and manage their standards, reputation and customer loyalty to ensure that they are not behind their rivals. This report is directed towards the importance of guest service and loyalty strategies, while considering the challenges of changes trends of the industry in the backdrop.

Purpose of brand consistency standards: hotels standards

Branding is very important business, as it gives a company a unique identity and helps it stand out amidst the rivals (Kalaighnam *et al.*, 2021). A company's brand is beyond the elements of logo and designing, and often depicts what the company stands for, including its mission and vision. This is also true for the hospitality industry. The Moxy brand of Marriott, for instance, stands for providing the guests with anything they want starting from fun, style and home customisation, breaking the notions of conventional hotel stay (Moxy Hotels, 2023)

With consistency in branding, it becomes easier for the management to enjoy increased recognition and build trust with its customers (Chung and Byrom, 2021). In the UK, Marriott International, Hilton Worldwide and Inter-Continental Hotels Group (IHG) are well-recognised names for their success in expanding the brands under their names. For the hospitality industry, brand consistency standards are often synonymous with hotel standards that ensure uniform and consistent guest experience. Hotel standards represent the minimum level of guest expectations concerning its products or services that is needed for business survival (Liu and O'Neill, 2022). Moxy has more than 60 experiential hotels across the three continents of North America, Asia and Europe and their brand consistency is remarkable symbolising youthful spirit and celebrating open mindedness, non-conformity and originality. The playful execution of services is taken seriously and consistently across the chain (Moxy Hotels, 2023).

Not all hotels have the same level of standards, which is why the Hotel Star Rating System has been internationally accepted as an indicator for the quality of services, cleanliness and standards (Mohsin, Rodrigues and Brochado, 2019). The higher the customer's expectations,

the higher the rating they should look for. Hotels with one star rating make minimal promises about cleanliness and security and may provide fee-based facilities, while two-star hotels are also budget hotels that promise some limited services without ask. Three-star hotels provide a broad range of amenities and good quality services that are above average accommodation needs, while four-star hotels provide deluxe experience, superior services and design quality par excellence. Five-star hotels are like four-star services, with greater attention to detail and assured luxury at all areas of operations. Moxy delivers all amenities that is expected of a five star such as poolside services, smart TV, attractive menu, medical team on call, etc (Moxy Hotels, 2023).

Way for hotels to manage reputation- effective guest review management- positive and negative reviews

In this digital era, reputation management is a very important area of day-to-day business. Reputation management entails monitoring and influencing the perception of the existing or potential customers online (Kim and Velthuis, 2021). The steps involved in this regard are keeping track of review sites, search engine optimisation and optimisation of social media engagement. Staying active on social media by hotels helps them in building relationships with potential planners and guests, especially if digital responses and engagement can be established. Hotel brands use their profiles to assure guests of the quality that they can expect. Moxy uses social media like Instagram to communicate the fun vibe of the place as shown in the figure below (Moxy Hotels, 2023). Besides, in order to ensure that the upcoming Valentine's Day special is not disappointment for guest couples, Moxy has come up with a special menu that would help in garnering positive reviews and anticipation amongst its guests (refer to the appendix).

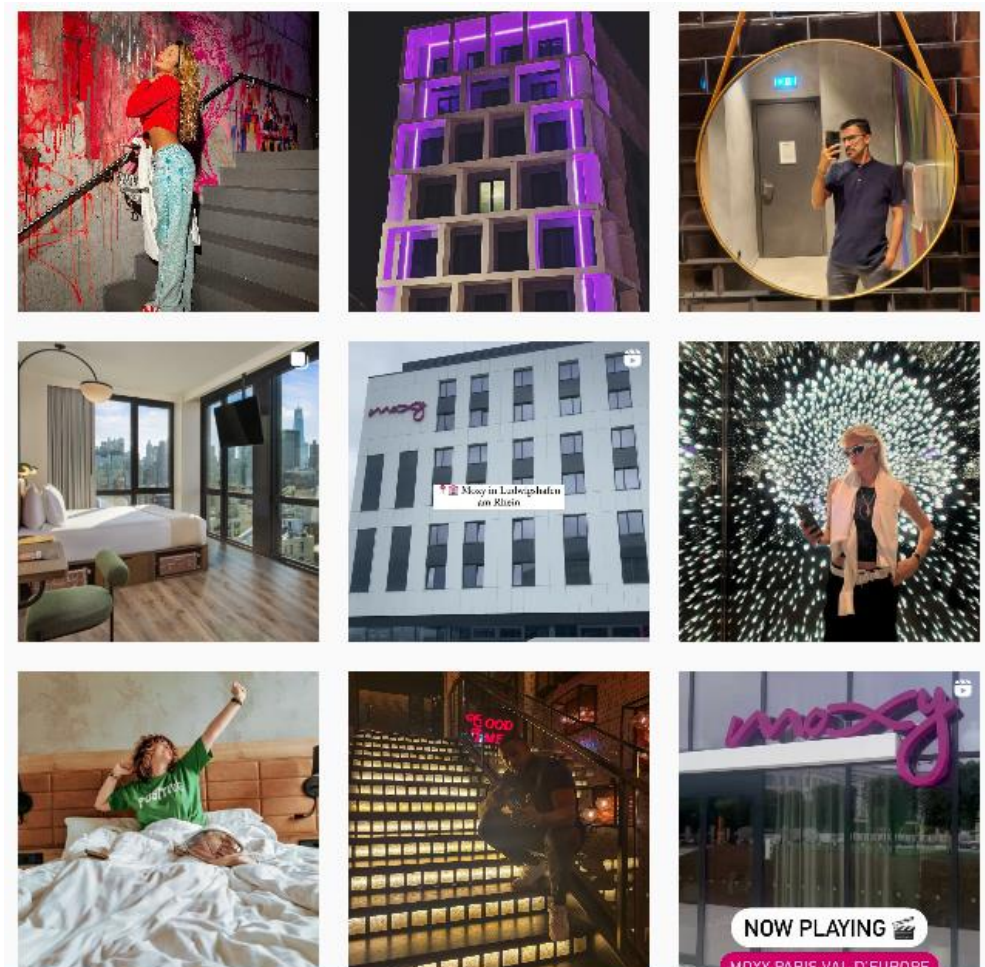


Figure 1: Moxy on Social Media

(Source: Instagram, 2023)

Most people nowadays use online reviews before deciding their place of stay. Digital review portals like TripAdvisor are the go-to sites for travel planners (TripAdvisor, 2023). Moxy London Excel also has a profile on TripAdvisor where guests post all kind of honest positive and negative reviews based on their individual experiences. Most importantly negative comments must be addressed with swift replies showing a willingness to want to make it right, making the customer feel heard. Otherwise, it could dampen the hotel's popularity. Regardless of the nature of experience, the management finds time to revert to the customers validating their concerns.

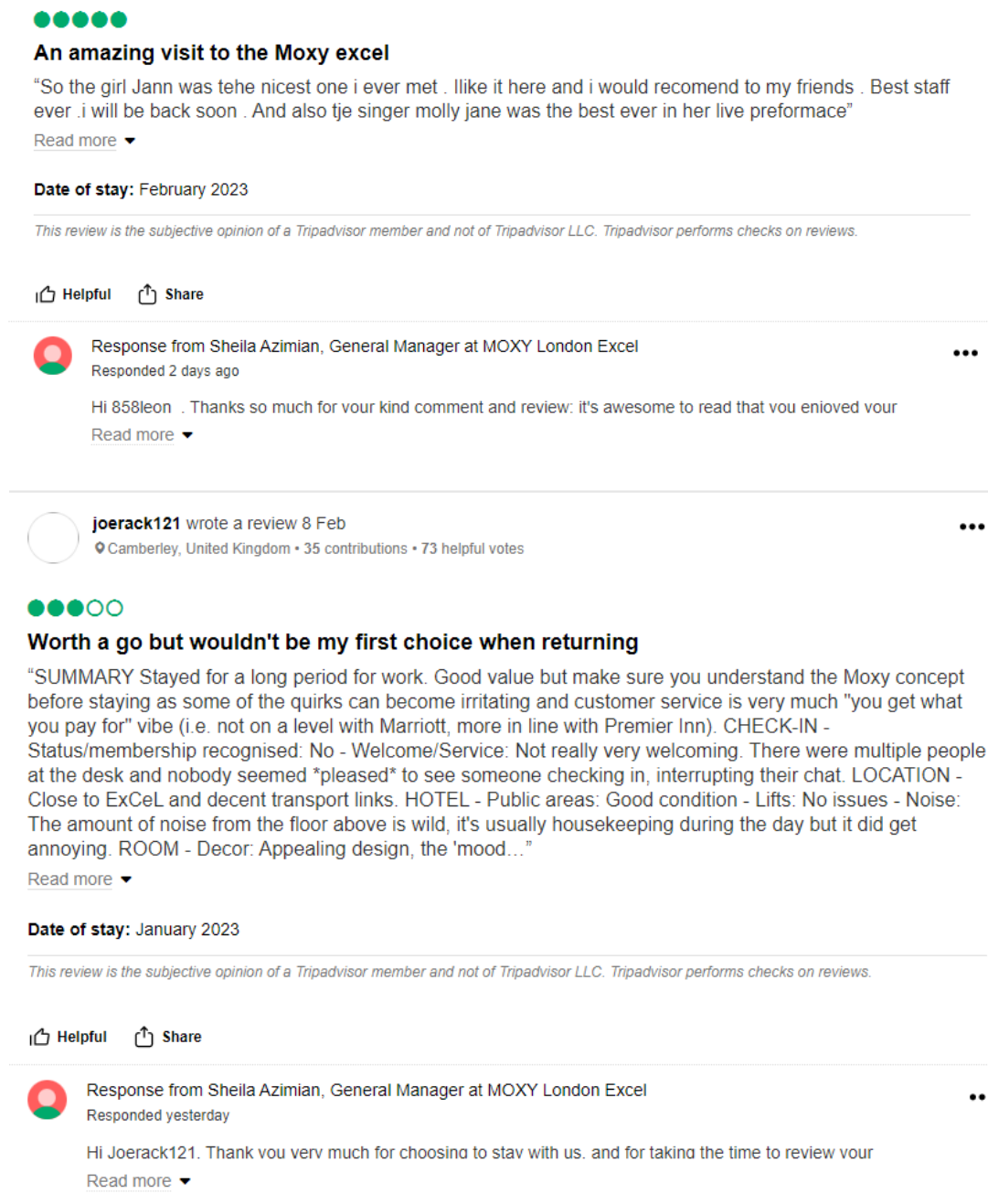


Figure 2: TripAdvisor Reviews and reverts

(Source: TripAdvisor, 2023)

Hotels building and retaining customer loyalty

Customer retention in UK's hotel industry is very crucial because the level of competition is very high, which implies that the cost of customer acquisition is also very high (Statista, 2023). The following figure gives a picture of the competition for degree of popularity amongst the hotels in UK.

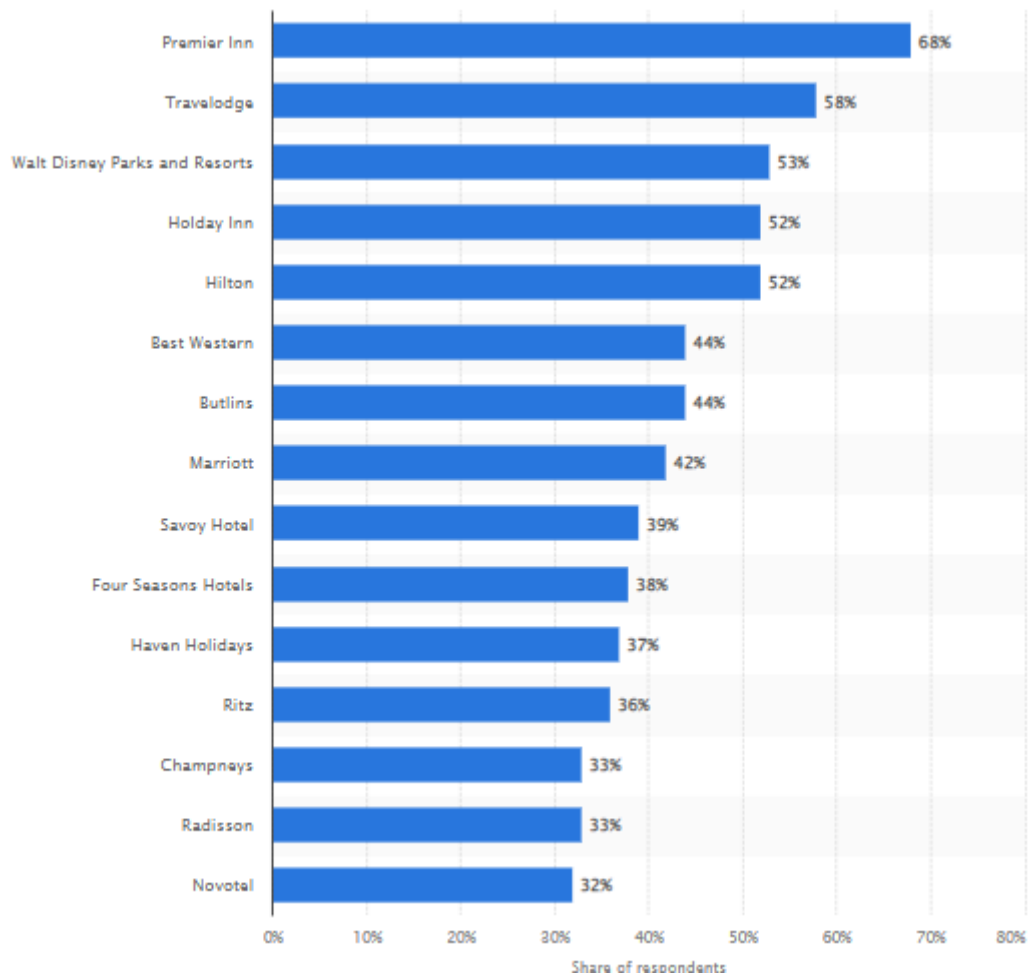


Figure 3: Popularity as per customers in Q4 2022

(Source: Statista, 2023)

In order to retain customers, the hotel chains have adopted various kinds of customer loyalty programmes. The Marriot Bonvoy is one of world's largest loyalty programme adopted by the Marriot group of hotels, of which Moxy is also a part (Moxy Hotels, 2023). It is a global travel programme, where customers receive exclusive experiences and free nights that come with an Elite status. Hilton Worldwide has adopted Hilton Honours having four customer classes- Member, Silver, Gold and Diamond. Their benefits increase with the amount of service availed, as shown in the figure below:

Stay more, get more					
	Benefit	Member	Silver	Gold	Diamond
Member 0-10 nights	Guaranteed Hilton Honors Discount rate	✓	✓	✓	✓
	Points toward free nights, travel partners and more	✓	✓	✓	✓
	No resort fees on reward stays	✓	✓	✓	✓
	Digital Check-in	✓	✓	✓	✓
	Digital Check-out	✓	✓	✓	✓
	Choose Your Room	✓	✓	✓	✓
	Digital Key	✓	✓	✓	✓
	Free WiFi*	✓	✓	✓	✓
Silver 10+ nights	Access to Exclusive Hilton Honors Experiences	✓	✓	✓	✓
	20% Points earning Bonus on stays		✓	✓	✓
	Free bottled water		✓	✓	✓
	Fifth night free		✓	✓	✓
	Elite Rollover Nights		✓	✓	✓
Gold 40+ nights	All-Inclusive Spa Discount		✓	✓	✓
	80% Points earning Bonus on Stays			✓	✓
	Space-available room upgrades			✓	✓
Diamond 60+ nights	Daily Food and Beverage Credit or Continental Breakfast (varies by brand and region)			✓	✓
	Milestone Bonuses			✓	✓
	100% Points earning Bonus on stays				✓
	Space-available room upgrades				✓
	Executive lounge access				✓
	Diamond status extension				✓
	Premium WiFi				✓
	48-hour room guarantee				✓
	Elite status gifting				✓

Figure 4: Hilton Honours

(Source: Hilton, 2023)

IHG (InterContinental Hotels Group) adopted IHG Rewards that consumers can join freely and get a chance to earn rewards after payments or other activities. These points can be later redeemed while making reservations for the hotel services.

IT'S BETTER TO BE A MEMBER



EARN POINTS FOR REWARD NIGHTS



NO BLACKOUT DATES



ACCESS TO MEMBER RATES & OFFERS



FREE WI-FI



LATE CHECK-OUT

IT PAYS TO BE ELITE

As an Elite member you'll get access to even more perks like Bonus Points, Reward Night Discounts, Welcome Amenity, Milestone Rewards & more!

JOIN FOR FREE

Figure 5: IHG Rewards

(Source: IHG, 2023)

Recommendations

The following are the recommendations directed towards the management of hotels in the UK, amidst changing trends and existing adversities:

1. The market for hospitality and hotels is quite saturated in the UK, as reports show that the user penetration rate would be increased by a very small percentage from 50.2 to 50.8 by 2027 (Statista, 2023). Hence, the hotel chains having greater global footprint must make use of their advantage, and leverage their loyal guests abroad to visit UK and brand the initiative under a cultural exchange theme.
2. The hotel industry is experiencing a surge in online sales channels compared to offline, as the economy is getting increasingly digitised (Sheth, Jain and Ambika, 2020). The management should look into making the user interface of their websites more user friendly, keeping in mind all age groups. All features of the website must appear clearly on the home page of the profile and pop ups for old users could make the experience easier furthermore.
3. As the pandemic phase is well over, travellers are more open to attending galas, gatherings, concerts and the like, which the hotels could take up as events to be organised by them. It would also be a very good source of revenue for the companies,

as the ticket prices would include a significant mark up, and thus, ensuring return of investment. Old consumers could be awarded discounts.

Conclusion

This report has been successful in identifying the importance of hotel standards and their variety, the areas of reputation management and how online reviews and digital engagement serve the opportunity to build stronger relationships with the customers and the ways to retain customer loyalty. The report also highlights the trends and challenges existing in the hotel industry focusing UK and suggests ways in which they can make the most of the situation.

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