

Marketing Strategy

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Introduction

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This work will consist of specifically comparing the methods and marketing strategy of the Ritz Carlton and Premier Inn hotels. Therefore, different marketing tools will be used to identify similarities and differences in prospective marketing strategies, and then recommendations will be developed to allow Carlton to have a competitive advantage over its rivals.

Overview of Ritz-Carlton

In the United States, The Ritz-Carlton Investing Company was established by Albert Keller who bought and franchised the name.

The Ritz-Carlton Hotel Company, LLC is an American multinational company that operates the luxury hotel chain known as The Ritz-Carlton. The company operates in many countries around the world. The company has 40000 employees, and the revenue per employee ratio is \$75,000. The Ritz-Carlton Hotel peak revenue was \$3.0B in 2021. (Annual report, 2021).

Marketing strategy of Ritz-Carlton

Every company must define a clear marketing strategy to distinguish itself from the competition, promote its brand and its products. However, this exercise can be complex in its execution. For example, PESTEL analysis can be used to determine the marketing strategy of the Ritz Carlton hotel.

Segmentation Strategy of Ritz-Carlton

Marketing segmentation is a strategic process that consists of dividing a market into segments. Each segment is made up of consumers with common characteristics such as socio-demographic characteristics, a buying habit or problems.

Carrying out a marketing segmentation of the market makes it possible to generate a real competitive advantage. Indeed, this strategic exercise makes it possible to better know and understand consumer behaviour. A company that takes the time to segment its market can then better adapt its offer and its communication. Ritz- Carlton's continued success, behind the scenes depicts its ability to successfully targets it segmentation, offering perfect Marketing Mix elements.

Targeting strategy of Ritz-Carlton

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Targeting allows the marketing manager to choose the segments, more precisely the groups of customers that the company seeks to reach in priority Van Laethem et al. (2015, p. 15)

The need of customers varies for various reasons and therefore, it is very important to identify prospective strategic customer for organisation, (Johnson et al, 2008) at same point of time organisation must also have calibre to satisfy the targeted group of customers. Ritz-Carlton's continued success, behind the scenes depicts its ability to successfully targets its segmentation, offering perfect Marketing Mix elements.

For example, Ritz-Carlton hotel targets very wealthy clients across the globe. Therefore, they rely on a quality service. Very often, the clients can celebrate their wedding, anniversary or use the hotel for business meetings.

Positioning strategy of Ritz-Carlton

Positioning is the place occupied by a product in the minds of consumers selected according to objective criteria such as: technological quality, associated services, selling price, and subjective criteria such as: corporate image, brand prestige, comparative evaluation of the product compared to competing alternatives.

The hotel industry is a constantly evolving industry. In the world, from the abolition of the limitation of prices, marketing becomes one of the major concerns. Since prices are free, hoteliers are beginning to fight to gain greater market share, thanks to price strategies, but also communication and in particular by clearly delimiting their positioning.

Nevertheless, they must always take into account the fact that the hotel business is first and foremost a service, provided to a clientele that is more or less heterogeneous in terms of its characteristics (social level, needs, opinions, preferences, attitudes).

The importance of hotel marketing grows in parallel with the increase in various options in the field of accommodation and therefore competition. For instance, the Ritz-Carlton hotel, evolves in a competitive environment, therefore, to have a competitive advantage over its rivals and specially to gain a lot of market share, the company innovates, builds customer loyalty and relies heavily on its quality marketing service.

There are various hotel marketing strategies to drive booking growth and increase revenue. It is dominated by digital marketing as it is the easiest and most cost-effective way to reach

large volumes of potential customers.

Marketing mix 4Ps of Ritz-Carlton

The Marketing Mix, also called the 4P theory, was developed to frame a marketing strategy. This concept represents all the marketing tools that the company must activate in a coherent way to promote a product or service.

Furthermore, before deploying a marketing strategy based on the 4Ps, it is necessary to study the target market, the strengths and weaknesses of the company in the face of the opportunities and threats of its macro-environment.

For example, Ritz Carlton marketing strategy helps the company to position itself competitively in the market and achieve its business goals and objectives.

Product strategy

The product refers to the combination of products, services and other value creators that a company offers to its target customers. The product strategy of the Ritz-Carlton hotel refers to the policy of differentiation and standardisation of the quality services that the company offers to its customers.

For example, the company recruits and trains quality personnel to satisfy its wealthy customers who are often capricious. Luxury hotels provide excellent service to their customers and are willing to pay attractive salaries to ensure that their employees are of a high standard.

Price strategy

Price is an essential component of the marketing mix. It strongly influences the income of the company. Thus, the turnover depends directly on the price and the quantity sold.

Due to this premium positioning, Ritz-Carlton target customer segment involves business executive, celebrities, national and international sportsmen, leisure travellers, corporates and mostly the upper middle class and the upper section of the society.

For example, the company relies on wealthy customers who often do not count their expenses, the prices of rooms and palaces are very high. On return, customers can benefit from quality services such as the spa, golf course, tennis court, swimming pools, sports halls.

Promotion and advertising strategy

In order to promote their portfolio, Ritz-Carlton consultants have multiple internet platforms, close collaboration with real estate agencies of international renown. Partnership agreements with reliable intermediaries around the world, with banks, family offices and investment advisers playing a key role in their marketing strategy. (Annual report, 2021)

Carlton international aggressive marketing strategy is very dynamic because it's associated with many multi-media websites such as:

Local and international press

Electronic brochures visible worldwide and in paper version for local distribution

Professional photography, drone and video production

Social networks actively managed by internet marketing professionals transfer of their exceptional properties to portals world renowned internet in the field of real state.

Postal mail, email campaigns targeted and newsletters local distribution of documentation

Open houses and events exhibitions

For example, one of the marketing strategies of Ritz-Carlton is to send personalised mailings to customers based on their customer history, dynamic personalisation of texts and visuals. The offer to join the loyalty program is classic in the hotel industry: membership entitles customers to a significant number of loyalty points for any stay of more than 4 consecutive nights. (Annual report, 2021)

Place distribution Strategy

The company operates in more than 30 countries. In recent decades, the company has established itself in several countries around the world by storming major cities, capitals and especially business centres.

Marketing strategy of Carlton VS Marking strategy of Premier Inn

The hotel sector, with the acceleration of digital transformation, new uses of artificial

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intelligence, a greater personalisation of services to meet consumer requirements have helped both companies to achieve competitive advantage, but recently, Covid-19 crisis has changed everything in an unexpected way. Ritz-Carlton and Premier Inn have witnessed the gradual closure of hotels, whether large groups or independent structures, with a domino effect from Asia to the United States via Europe. The Covid-19 crisis has had a negative impact on the hotel industry, ranging from the partial unemployment of employees to the total closure of certain hotel companies.

Even though, these two companies are different, there are many similarities between Ritz-Carlton and premier inn hotels in their business strategy.

Firstly, both companies strive to innovate all the time. They all use the internet, social networks, and different digital channels to promote their businesses.

Secondly, both companies seek to federate their customers.

Finally, both companies seek to associate with other competitors or to acquire other companies operating in the same sector in order to increase their market share, to have a competitive advantage and maximise their profit.

For example, the Ritz-Carlton hotels target wealthy clients such as businessmen, high-level athletes, and large companies for conferences, therefore, they recruit well-qualified workers to be able to add value to their business, while, Premier Inn hotels targets any types of

clients such as: middle class incomes, students, seasonal workers basically any clientele is welcome.

Conclusion

This work explored the marketing strategy of the Ritz-Carlton hotel using the marketing mix 4Ps. A comparative study of the strategy of Ritz-Carlton and Premier Inn was carried out to underline the similarities between the two companies. Finally, a conclusion was drawn, and recommendations were made to allow the Ritz Carlton hotel to achieve a competitive advantage over its rivals.

Recommendations

In the era of digital trends, Ritz-Carlton must continuously innovate in order to offer an interactive experience and services to their customers. They must know how to adapt to any

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kind of situation.

For example, with the advent of Covid-19, they must know how to deal with staff shortages because that can negatively impact the quality of a business and on the experience that customers or guests receive.

However, the consequences of personnel problems can be significantly reduced through smart investment in technology.

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