



Title of the report:

Strategic Consultancy Report on Service Excellence and Brand Enhancement at The Peninsula Tokyo

Name of the company:

Global Hospitality Insights (GHI).

Deadline:

01.03.2025

Student Name: **Gergo Balla**

Student number: **2209327**

EXECUTIVE SUMMARY

The Peninsula Tokyo, one of the finest hotels in Tokyo, Japan, focuses on service delivery and brand reputation. The main goal of this report is to identify and analyse the hotel's current issues and opportunities, with a specific focus on the aftermath of the COVID-19 pandemic and to offer the corresponding strategic plan for the hotel to maintain a sustainable competitive position within the context of developing the luxury hospitality market.

Huge operational and strategic issues beset The Peninsula Tokyo. The current are among these setbacks and include a sharp deterioration of international tourism, which has always been a major driver of income. This decline has revealed the downside of overreliance on the international market. This situation is characterised by factors beyond the hotel's control, such as travel restrictions and economic hardship, to name a few. As this has affected the international market demand, affecting the hotel's occupancy rates and overall revenue, it underlines the critical need to diversify markets.

Moreover, the further growth of digital technologies has changed guests' expectations about untouched contacts and individual attention. However, the current technology in The Peninsula Tokyo needs to fully implement the standards, which might hamper its convenience for today's smart traveller, who prefers seamless electronic integration. Pursuing these problems, a new trend focused on sustainability and health safety within luxury hotel services is explained by the change in the customers' values. Today's customers expect more than just luxurious amenities and quality services, but also reasonable environmental protection solutions and efficient health measures. However, what The Peninsula Tokyo has initiated in these areas could have been better in any competitive industry, which may be a disadvantage to the growing lobbies of green and health-savvy tourists in the market today.

As a response to these challenges, the identification of The Peninsula Tokyo's S.W.O.T analysis was complemented by the assessment of PESTEL analysis, SWOT analysis and TOWS analysis. These frameworks offered a clear picture of the hotel's internal strengths and weaknesses and challenges and opportunities externally, giving a more focused direction. From the PESTEL analysis, it was realised how the macro environment of the hotel industry in Japan, such as changes

in regulatory framework, technological development or change in perception towards sustainable development, has impacted the industry. The result of the first analysis completed was the SWOT analysis. This reveals that The Peninsula Tokyo has some major strengths, including the brand name, the location and the service level that could be exploited to explain why this hotel lost some of its market share and how it can be more robust. Nevertheless, the analysis also pointed to risks that the hotel currently faces: extreme reliance on foreign tourists and insufficient use of information technologies, which hamper the adaptation thereof to the new conditions of the market.

As a result, The Peninsula Tokyo has a series of strategic suggestions in the report. The first recommendation is a digital transition for improving the guest experience. This entails creating an application that will encompass any guest interactions; this includes their booking process, orders taken by the hotel and checkouts by using an app and redesigning the current website. These include centralising various functions and trying to achieve paperless working that reflects the current generation of travellers. With modern technology, the hotel can enhance its marketing position and satisfy the guests well. Another important proposal is to enlarge the list of market segments the hotel targets, focusing on domestic and regional tourism. As global travel patterns prove to remain uncertain, capturing relatively larger proportions of domestic visitors can act as a buffer. Concentrating on creating niche advertising and marketing messages and special promotions that are popular among Japanese guests, in addition to staycation deals or cultural weekend breaks, will assist The Peninsula Tokyo in diversifying its client base away from the reliance on foreign visitors.

In addition, it recommended that The Peninsula Tokyo prioritise health safety and sustainability measures more than ever because the two are some of the most crucial components that today's luxury travellers can no longer ignore. It can promote sustainable practices before the LEED or WELL certifications or follow the hospitality industry's highest standards of health measures. This not only increases the hotel's attractiveness to clients who care about their health and the environment but also helps to achieve sustainable expenses over the years due to better management of resources.

Total investment, assumed to be incurred when adopting these strategies, is estimated to be \$2 million. These include technology development costs, marketing, cost of certifications, physical

infrastructure transformative costs, and training costs. These programs, however, entail a proper investment given that the ultimate goal of these measures is to boost the company's revenue, ensure business continuity and improve guest satisfaction levels. Each outlines action steps, goals, and objectives, specific time frames to achieve these goals, and ways to assess impact.

Therefore, this report maps out a strategic plan for The Peninsula Tokyo in light of existing problems hindering the organisation and offers a vision for a lasting hospitality brand in the future. When improving digital skills, expanding the array of addressed markets, strengthening health and sustainability measures, and developing operational agility, The Peninsula Tokyo may establish a stronger business model to satisfy customer expectations nowadays. For this, we thank the management of The Peninsula Tokyo for the opportunity to contribute to this project. We are sure that the recommendations given will help the hotel in the further development of its activities. The mentioned strategies not only equip The Peninsula Tokyo to be ready to face strong competitors in the future but also maintain the image of one of the oldest and most luxurious hotels in Japan with the necessary tools to tackle the upcoming challenges. We are eager to contribute towards facilitating those changes in The Peninsula Tokyo and reaching new successes in the luxury hospitality industry.

Contents

Executive Summary	2
Introduction.....	7
Analysis.....	8
Decline in International travel	8
Causes and Impact	8
Pestle analysis	9
Political factors	9
Economic factors	9
Social factors.....	10
Technological factors.....	10
Legal factors.....	10
Environmental factors	11
SWOT analysis	11
Porter five forces.....	12
Threat of new entrants (High).....	13
Bargaining Power of Suppliers (Moderate to high):.....	13
Bargaining Power of Buyers:	13
Threat of Substitute Products or Services (High):	13
Rivalry among Existing Competitors:	14
TOWS Analysis	14
Recommendations and Change Management.....	16
Enhancing digital guest experience	16
Targeting domestic and regional markets	17
Expanding health and sustainability initiatives.....	18

Developing flexible operational models	19
Benefits	20
Costs.....	20
Bettering Digital Infrastructure.....	20
Digital tool training for the staff	21
Shift in Marketing	21
Package development for the domestic market.	21
Sustainability Certification and Health Certifications	21
Sustainability Training Endeavors	22
Flexible Working Models	22
Fees for Other Operating Amendments	22
Action Plan.....	22
Conclusion	23
References.....	26

Introduction

Located in the energetic area of Marunouchi, with the timeless chic of Ginza and the ancient elegance of the Emperor's residence steps away, **The Peninsula Tokyo** takes its place as a new-era representative of the legendary Peninsula hotel group. It has been a plan of this King's Hotel since it was established in 2007 to blend the politeness of Japanese hotels with the luxuriousness of other five-star hotels. This hotel comprises 314 luxurious rooms and suites that afford spectacular views of Tokyo with hi-technology facilities and modern comforts to suit global business and leisure clients.

Global Hospitality Insights (GHI), the world's top hospitality services consultancy company, produces this report. Due to a decade's experience, GHI has developed the ability to address the unique challenges in the industry. It has enhanced its portfolio of successful working experiences with some of the best hotels around the globe. It is the experience to identify areas of improvement in our operations, design better experiences for client consumers and manage disruptions, including those occasioned by events in the global marketplace.

Currently, The Peninsula Tokyo faces a multifaceted challenge marked by a **slow recovery in international travel**, particularly from key markets such as the United States, China, and Europe, following the disruptions caused by the COVID-19 pandemic. This downturn in guest footfall has significantly impacted the hotel's occupancy rates and, consequently, its profitability. Furthermore, there is a growing need to adapt to the rapid digital transformation in the hospitality sector and evolving guest expectations towards health and sustainability post-pandemic.

This report aims to provide an analytically focused discussion of these issues, in line with the following structure: PESTEL analysis, SWOT analysis, and TOWS matrix. They will help to develop a clear picture of the micro and macro environment in which the hotel operates and the strategic measures that will be taken to improve the competitive advantage of the hotel. In this case, a PESTEL analysis will assist in determining the large macro environment that influences The Peninsula Tokyo based on general factors, including geopolitical aspects and technological factors, among others. This will enable us to perform a SWOT analysis that will straightforwardly plot out the internal characteristics of the hotel against those broader trends, as well as the opportunities that exist and apparent threats. From here, the TOWS matrix will facilitate the

generation of specific strategies that will complement efforts to deal with the weaknesses and threats and realise opportunities.

This report seeks to explain the reality facing The Peninsula Tokyo and, by extension, hint at the analytical tools that will frame our strategic direction for change. Further discussions of each analysis will be explored in subsequent sections of the report and followed by specific recommendations to reposition this hotel to be recognised as an innovative and luxurious hotel under the new and different environment in the global market. This fact, with the information, results and recommendations provided by GHI, The Peninsula Tokyo aims to make it through these stormy waters by adopting the most effective strategic solutions, which will open a new page to bring successful development around the hospitality industry.

Analysis

Decline in International travel

The outbreak of the COVID-19 pandemic situation and a new world economic slump in tourism drastically shrank the total number of international visitors to Japan. This has directly affected hotels usually associated with international tourists, such as The Peninsula Tokyo Hotel. Japan had roughly 31.9 million inbound international tourists in 2019 but only around 3.8 million in 2020 because of COVID-19 (East, 2020). Since occupancy rates have dropped significantly, the operational revenue of the Peninsula Tokyo has also declined. Fewer guests affected rooms' revenues and eroded extra yields, including food and beverage, spa and conference services. The first factor is preventing the spread of COVID-19, which involves implementing travelling restrictions in countries (Qiao et al., 2019). Also, fluctuations in the global economic situations of the company's target markets have negatively affected the costs of discretionary products and services, such as luxury travel.

Causes and Impact

Travel Restrictions: The most basic and immediate reason for the low number of guest visits from other countries is travel restrictions. Because countries sealed their borders and put severe restrictions on movement through quarantines, the movement of tourists and business travellers to Japan has reduced drastically (Xie and Tveterås, 2020).

Economic Downturn: The outbreak of the COVID-19 pandemic has led to a decline in global per capita income, eroded fiscal capacity, augmented demands on working capital finance and diminished capacity of individuals and corporate entities to finance travel to leisure and business destinations like Tokyo (Haryanto, 2020).

Health Concerns: However, there are still some restrictions on travelling to other countries due to health issues and the resurgence of new COVID-19 variants in other countries. Prospective tourists choose domestic or shorter-ranging tourism to reduce risks of health-related issues that are likely to be encountered while travelling internationally (Gossling et al., 2020).

This is apparent from the fact that the number of rooms hired has reduced due to the decreased flow of foreign tourists, affecting the hotel business substantially. It is not only room sales; all the services linked to it, like food and beverage services, spas, and event services, which relied heavily on international high-spending tourists, witness a decline (Sugathan and Roopak, 2020). Reduced traffic has made the hotel review its size in terms of space, people it hires services it provides and its marketing plans. Few changes have been adjustments to operational budgets, cutting expenses, suspending or reducing employees' working hours due to a decline in demand (Skare et al., 2021).

Pestle analysis

The PESTEL analysis will consequently seek to identify the various forces exerting influence on The Peninsula Tokyo, especially considering the upsurge of the COVID-19 virus that has led to reduced travellers from different parts of the world.

Political factors

Political factors affect international travel and, therefore, the hospitality industry differently. The Peninsula of Tokyo is most vulnerable to the political climate in visa policies, relations and advisories regarding international travel. The COVID-19 measures to close borders over the past year have significantly limited the flow of foreign travellers to Japan. Also, political instability in the neighbouring countries influences traveller flow since it has an unfavourable impact on guests' arrivals from specific countries (Seyfi et al., 2023).

Economic factors

The philosophical domain points to economic conditions as influencing the luxury travel segment. The combination of the global pandemic and subsequent recession has reduced the amount of

travel for business and leisure. Japan has almost fully relied on international tourism, which has now taken a huge hit, affecting brands like The Peninsula Tokyo, which targets mainly foreign buyers (Shin et al., 2020). Fluctuations in currency and inflation also have a valid impact on international travel, which allows potential visitors and travellers to make their decisions wisely and economically.

Social factors

Consumer trends define the relationship between the consumer and the product, which is vital to the hospitality industry. People have realised the importance of health, safety and hygiene; the pandemic's effect has boosted this. This shift means hotels must buy improved sanitary practices and inform the public about those changes to restore confidence (Alon and Bratos, 2021). Additionally, the social demand for experienced over-possession regarding service-seller tourist satisfaction could alter defined luxury hotels by providing more personalised experiences tourism-centred services instead of pure luxury.

Technological factors

Technology is an important factor driving most operations in the current hospitality industry. Technology remains a critical area where The Peninsula Tokyo has to be ready and animated: ready to respond and satisfy guests' expectations by providing new technologies. Some technologies incorporated are touchless bill payments, contactless check-in and out procedures, and individual gadgets in guest rooms (Abu-Rayash and Dincer, 2020). All stakeholders are online travel agencies and review platforms. The hotel must also maintain its 'online visibility' for people to book with or choose the hotel.

Legal factors

Legal risks for hospitality businesses are health and safety, labour and consumer issues. Due to COVID-19, there have been increased legal formalities regarding health and safety measures in hotels. Adherence to these regulations is legally mandatory, a social and economic necessity, and a guarantor of guests' trust and business sustainability (Forman and Habibi, 2020). Also, the value of data protection laws has increased because the hotel uses digital mediums to engage with guests.

Environmental factors

Eco-labels are becoming vital decision-making factors for guests in the hospitality industry. Travellers are much more sensitive to the environmental footprint of their travel-related decisions and tend to support companies with policies reflecting that (Saliba et al., 2020). That is why the current position of the Peninsula Tokyo requires setting sustainable solutions to address environmental issues, including waste reduction, energy effectiveness and specified food sourcing. Please meet these environmental expectations to avoid competition disadvantages.

SWOT analysis

Strengths	Weaknesses
Prime Location: Situated in the Marunouchi district, close to major business and shopping areas, providing access to high-value clientele.	High Dependence on International Travellers: Relies heavily on international tourism, which makes it vulnerable to global travel disruptions (Fernando, 2020).
Brand Reputation: Part of the prestigious Peninsula Hotels group, known for exceptional service and luxury, enhancing guest trust and loyalty.	Cost Structure: High operating costs associated with maintaining luxury standards can be financially strenuous during low occupancy periods (Lorne et al., 2022).
Superior Facilities and Services: Offers state-of-the-art amenities, including a spa, Michelin-starred restaurants, and advanced in-room technology.	Digital Adaptation: While progress has been made, there is still room to enhance digital integration across services to meet changing customer expectations (Rachman and Do, 2020).
Experienced Management Team: Strong leadership with extensive industry knowledge and experience in luxury hotel management.	Limited Market Diversification: The current market strategy focuses on upscale international tourists and business executives.
Growing Domestic Tourism: The hotel builds on the recent trend of people staying in	Economic Uncertainty: Fluctuation, particularly within the world's source markets, may lead to cuts and constraints of disposable

Japan's hotels as domestic tourists look for a premium experience.	income allocated to travel (Maulana et al., 2020).
Digital Innovation: A development process utilising new technologies like artificial intelligence to improve guest interfaces and business processes.	Competitive Market: The relative market competition in the luxury hotel business is high in Tokyo due to many players fighting for the same customers.
Sustainability Initiatives: Extending and marketing sustainable initiatives to appeal to environmentally friendly tourists (Maulana et al., 2020).	Regulatory Changes: Poly is aware that due to volatility, the company needs to make regular investments to meet the changing health and safety standards (Law et al., 2015).
Strategic Partnerships: Partnerships with businesses and local cultural assets to provide guests with tailor-made services which in turn will be more commercially attractive.	Health and Pandemic Concerns: Future strains of COVID-19 or any other pandemic might reduce people's internal and external travel.

Porter five forces

Porter's Five Forces Framework is an industry analysis tool used to identify competitors exerting pressure on an organisation and areas where an organisation can strengthen its competitive advantage to improve its profitability (Gerard and Bruijl, 2019). This analysis will produce an understanding of the competitiveness of The Peninsula Tokyo within the industry of luxury hotels in Tokyo, Japan.



The threat of new entrants (High)

Moving into the luxury hotel service delivery in Tokyo demands large capital investment in properties, infrastructure and quality facilities that would meet the expected standards of luxury tourists (Lam et al., 2015). Also, regulatory factors include high costs incurred in acquiring required licenses that might take some time and the stringent planning and development regulations that make it difficult for new competitors to penetrate the market. For example, the emergence into the Tokyo market of major global hotel chains with enhanced resources, such as **Ritz Carlton** and Four Seasons, also demonstrates the intensity of the threat of new entrants who would harness brand image and financial clout to gain a competitive edge rapidly (Nguyen et al., 2017).

Bargaining Power of Suppliers (Moderate to High):

Suppliers hold significantly better bargaining power because customers source luxury products, including designer furniture and quality speciality foods, since only some can meet the necessary high standards (Sealy and Seraphin, 2020). For example, the very basic ingredients in a gourmet Michelin-star restaurant are often sourced from preferred suppliers, which means these suppliers have a certain degree of control over the price and delivery terms for their goods with the Peninsula Tokyo.

Bargaining Power of Buyers (High):

Increased buyer power: In the luxury hotel industry, both corporate and individual consumers may have strong negotiation power because there are always several similar luxurious hotels available in the market to compete and provide good rates along with excellent service (Zhang et al., 2018). For **example**, many business clients planning a massive business conference often get a better deal for room space, and this influences **the RevPAR** (revenue per available room) of accommodation, such as The Peninsula Tokyo.

Threat of Substitute Products or Services (High):

New waves of luxury apartment lift and renting websites such as Airbnb Luxe present opponents to conventional hospitality market luxury accommodations with similar luxurious characteristics though at cheaper rates. For example, more and more tourists and businesspeople pick the exclusive **Airbnb** in contrast to the traditional standardised hotel services for the hotel business worldwide (Wakui and Cheng, 2015).

Rivalry among Existing Competitors:

For one, the competitive pressure in the Tokyo luxury hotel market is intense, and all key players are competing in a market constrained by the number of super-rich tourists and business travellers. For example, the **Shangri-La and Mandarin Oriental hotels** are in direct competition with The Peninsula, which offers similarly located and similarly classed service, resulting in aggressive marketing policies and customer retention and attraction programs (Goral, 2021).

TOWS Analysis

The TOWS Matrix is a model that can be used when an organisation is attempting to look at the strategic dynamics of its environment and develop potential strategies based on opportunities and threats on one axis and strengths and weaknesses on the other (Dandage et al., 2019; Maity et al., 2023). In the case of The Peninsula Tokyo, this matrix will be used to develop strategies that address the market opportunities and fit within the organisation's strengths.

INTERNAL FACTORS			
EXTERNAL FACTORS		Strengths (S)	Weaknesses (W)
	Opportunities (O)	Strengths/ Opportunities (SO)	Weaknesses/ Opportunities (WO)
	Threats (T)	Strengths/ Threats (ST)	Weaknesses/ Threats (WT)

Maxi-Maxi Strategy (Strengths-Opportunities)	Maxi-Mini Strategy (Strengths-Threats)
Leverage Brand Reputation & Local Tourism: Utilise its strong brand to attract domestic tourists seeking luxury experiences close to home. Develop tailored packages that cater to local preferences and occasions (Saleh and Zohry, 2022).	Brand Reputation & Economic Uncertainty: Strengthen loyalty programs and offer flexible pricing models to retain and attract price-sensitive guests during economic downturns, leveraging its reputation for quality and trust.
Digital Innovation Through Superior Facilities: Integrate cutting-edge technology in guest services to enhance the overall customer	Experienced Management & Competitive Market: Use the experienced management team's insights to craft unique offerings that differentiate the hotel from competitors,

experience, using existing advanced in-room technology as a foundation.	focusing on personalised guest experiences (Dachyar and Sahir, 2020).
Mini-Maxi Strategy (Weaknesses-Opportunities)	Mini-Mini Strategy (Weaknesses-Threats)
Expand Digital Capabilities: Address the digital adaptation weakness by investing in technologies that streamline booking, check-in, and customer service processes to attract a tech-savvy demographic within the domestic market (Roy, 2021).	Diversify Market Focus During Economic Uncertainty: Mitigate the impact of high dependence on international tourists by diversifying the guest base and marketing more aggressively to domestic business travellers and local luxury seekers.
Promote Sustainability Initiatives: Develop sustainability efforts to attract eco-conscious travellers, turning the currently limited market diversification into an advantage by tapping into a niche yet growing market segment (Kamau et al., 2017).	Enhance Health Protocols to Mitigate Pandemic Concerns: Focus on exceeding health and safety standards to reassure guests and maintain occupancy, addressing the weakness in market diversification and the threat posed by health crises.

This TOWS analysis for The Peninsula Tokyo suggests several strategic directions:

- Leveraging on its recognised brand image and luxury market niche and focusing its sales on the domestic tourist's exploitation of the local tourism potential (Dincer et al., 2016).
- Transforming the areas encompassing guest interactions with technology to accommodate the expectations of the culturally different, technologically orientated guests while minimising operating costs (Pasaribu et al., 2023).
- Extending the focus on sustainability practices to develop an appeal to numerous guests who aim at attaining sustainability goals and avoiding plain competitors.
- Expanding the market niche, relying on international luxury travellers and other categories, such as domestic ones, and guests of different profiles to minimise risks associated with international travel.

In this way, The Peninsula Tokyo should use the strategies mentioned above to transform existing threats into strengths as the world of hospitality advances.

Recommendations and Change Management

As demonstrated from the analysis using PESTEL, SWOT, and TOWS analysis, The Peninsula Tokyo is well placed to face the challenges of dwindling international tourism, call for digitalisation, and guests' changing expectations in terms of health and sustainability. The next recommendations are made to help the hotel address these questions while focusing on the change management procedures that should be followed to implement the related measures and assess the outcomes.

Enhancing digital guest experience

The Peninsula Tokyo should establish a technological innovation master plan to incorporate technology at every touchpoint of the guest's journey. Key initiatives could include:

- They need a mobile application that will afford checkout/check-in, open room doors, and send messages to concierge services (Lee et al., 2019).
- Using AI to introduce a relevant website or app, stay services/offers customised according to the previous experience, and behaviour model.
- Adding virtual tours for the hotel, increasing the speed and interaction of the availability list, and improving the functionality of the booking page (Yang et al., 2021).

Change management	Success measurement
The hotel should provide the staff with knowledge of new technology tools and methods of working to avoid discomfort when implementing the technology (Alnawas, I. and Hemsley-Brown, 2019). Communication should be done frequently with every employee, especially on the developments that are being made in digital	Track the number of application downloads, download usage, and feedback on the functions offered. Assess deviations in the guest satisfaction index concerning the check-in/check-out service and stay in general.

technology and how the changes will improve work and guests' experiences. Set up feedback mechanisms that the staff uses to update the system and the guests' feedback that facilitates enhancements.	This updated website has to track how the company gets more direct bookings (Kansakar et al., 2019).
---	---

Targeting domestic and regional markets

It will be wise for The Peninsula Tokyo to consider local and regional market campaigns. Strategies may include:

- Developing regional vacation offers that would respond to domestic desires for a short, peaceful break.
- Cohosting travel and accommodation packages directly to domestic travel agencies and regional tour operators.
- Organising and participating in local functions, fairs, and exhibitions that appeal to local tourists and provide awareness and visibility of the hotel as a wonderful staycation or venue for events such as meetings, conferences, seminars, and weddings (Cvelbar et al., 2017).

Change management	Success measurement
Staff Briefings: Give detailed sequences on change of the market strategy to achieve better results regarding the new target market segments by clearly giving examples to all team members (Backer and Ritchie, 2017). Cultural Training: Organise educational sessions for the staff so that they comprehend the expectations and demands of the domestic users.	Track the uptake of staycation packages and regional bookings. Measure revenue changes associated with domestic market strategies. Assess feedback and repeat booking rates from domestic guests (Dredge et al., 2016).

Incentives: Provide incentives to the staff who could efficiently market new packages and partnerships.	
---	--

Expanding health and sustainability initiatives

The hotel should amplify the hotel's commitment to health, safety, and environmental sustainability by:

- Acquiring certification like LEED or WELL for environmental and Wellness standards that portray the hotel policy.
- Promoting more awareness and visibility of health safety through health and safety messages in marketing collaterals, health and safety postering, health and safety messages in different areas of a hotel, and health and safety signs (Kotler et al., 2017).
- Practical measures include reducing waste through recycling, using solar energy, and sourcing food and beverages locally.

Change management	Success measurement
Engagement Sessions: Organise staff training sessions to brief them on new health measures and the firm's sustainability policies (Trusova et al., 2020).	Measure the effectiveness of energy-conserving activities and minimisation of waste from utility analysis and waste surveying.
Visibility: Support within organisation marketing to create awareness and increase the desire of staff to be involved in such programs.	To the health and safety audits and the guest comments on cleanliness and conserve sustainability standard records (Ferreira et al., 2018).
Recognition Programs: Encourage other departments or individuals for good performance in sustainability and health improvements.	Follow up on the number of people participating in sustainable programs and activities.

Developing flexible operational models

The hotel should adjust operational strategies to remain agile under fluctuating market conditions, such as:

- Implementing flex staffing workforce solutions with employees and their schedules and responsibilities based on occupancy rates.
- Designing a cross-training program will allow the staff to undergo preliminary training for carrying out several functions, thus increasing the flexibility of the process (Konovalova et al., 2020).
- Decrease financial spending on stocks and inventories during low demand or pick times.

Change management	Success measurement
Transparent Communication: Make it clear to everyone when changes in staffing or operating policies are being made, and state why and how coming changes are beneficial (Shamim et al., 2017).	Spend analysis by comparing domestic labour costs and productivity against occupancy level.
Support Systems: Supplemental assistance for the personnel encountered alterations in working time or roles, such as shifting or funds.	Compare it to the percentage of happy employees and turnover after implementing new software (Alrawabdeh, 2021).
Feedback Loops: Schedule meetings with the staff to discuss their ideas on how operations have changed and how strategies must adapt in response (Garrido-Moreno et al., 2021).	Track the comments made by guests where they discussed the service delivery when the hotel was full or almost empty.

The attainment of these objectives demands a correspondence mode of executing changes involving communication, training, and feedback. These initiatives should be periodically assessed using indicators to determine if they are on track to achieving the set objectives and changes in the market and operation environment.

Benefits

The adoption of modern progressive IT focuses on delivering extraordinary performance that is expected to enhance operations while at the same time improving guests' experiences (Gemar et al., 2016). With proper integration of technologies into mobile check-ins and AI-based personalisation, The Peninsula Tokyo ensures that guests receive a service delivery that will meet current innovative standards. This modernisation not only enhances the hotel's competitive position in the luxury segment of Tokyo but also improves the hotel's ability to gather data, analyse, and use guest data for better targeting and promotional campaigns (Nieves and Segarra-Ciprés, 2015).

Diversifying the market on a marketing mix to appeal to domestic and regional visitors can steady revenues that fall through the reduction of international tourists. Loyalty can be achieved by extending the company's local presence; it will target the repeat business market immune to global travel calamities. Unlike the tourists, the hotel can always serve the locals for all-year-round business (Iranmanesh et al., 2022).

It is marketing The Peninsula Tokyo in sustainability and health pitches with changing customer trends towards green and healthy tourism. Positioning in this manner builds the hotel's image. It has operational cost efficiencies (Nam et al., 2021). Using energy-efficient systems and waste minimisation can significantly reduce utility and maintenance costs in the long run.

Consequently, the hotel builds the staginess to provide high services with high, medium or low student populations by adopting flexible operation strategies such as flexibility staffing and employee training across various departments. This can create enhanced staff morale and job satisfaction, mainly since the staff secure diverse functions and opportunities for development, plies improved service delivery and diminished turnover (Getz et al., 2016).

Costs

Bettering Digital Infrastructure

The cost of designing additional services and then integrating them into a host platform can run from \$500,000 to \$1,000,000, where a hotel has yet to embark on the design and integration of an advanced single-purpose or fully decked-out digital guest service application. This involves buying or building application software, purchasing computers and other hardware, and linking

solutions to provide a coherent electronic environment (Wynn and Jones, 2022). Further, other costs like the maintenance and updating of the system to help achieve that which will place the company in an advantaged position could also increase the annual operational costs.

Digital tool training for the staff

This means that to guarantee that the staff is properly using the new digital tools and systems training program will have to be put in place. There is no better way to get the full value from the new technology investments than having this training. These training programs cost approximately \$50000 and \$100000 based on the extent of the digital tools used and the number of staff being trained (Chadee et al., 2021).

Shift in Marketing

Switching to market domestic and regional markets will require re-establishing different strategies of advertising campaigns, promotions and endorsements. It is estimated that the first-year costs of these marketing efforts will range between \$200,000 and \$300,000. This budget includes securities of advertisement, both online and offline, event management and promotions aimed at domestic travellers (Zhang et al., 2020).

Package development for the domestic market.

Manufacturing packages targeted to the domestic market only entail extra costs in developing the marketing collateral and organising time for staff. Developing these packages will take \$2,000-\$5,000. Such costs help new products be interesting and appealing to the target audience (Bonfanti et al., 2019).

Sustainability Certification and Health Certifications

Leasing or buying LEED or WELL requires people to pay the application fee, not to mention possible additional renovations for the hotel to meet those standards. All the qualifications required can be obtained for between \$100,000 and \$250,000. This should include alteration of proportions of structures to improve accommodation in a better environment and general health and safety measures (Mzembe et al., 2020).

Sustainability Training Endeavors

Recruitment- To promote the new sustainability and health practices, training of the existing staff may take about \$25,000 – \$50,000. These monies would be used towards educational programs and internal marketing tools for the new practice to be adopted by all members (Yeh et al., 2016).

Flexible Working Models

The expenses for actual development and implementation of flexibility models, such as cross-training, cost between \$ 50,000 and \$ 100,000. This ranges from making training curricula and conducting training sessions to modifying organisational operations to enable flexibility in staffing.

Fees for Other Operating Amendments

It is necessary to engage external consultants to enhance work models of flexibility and other operational changes. Such services could range from \$30,000 to \$60,000 and deliver change management and other operational services (Barth and Barber, 2017).

All of these need to be lined up against potential benefits and the hotel's overall budget and strategic financial plan. Therefore, managing these expenditures shall be important to realising the desired improvements in return on investment.

Action Plan

No.	Problem	Solution	Desired Outcome	Time Scale	Completion Planned Date	Budget
1	Inadequate digital guest services	Develop a comprehensive digital platform	Enhance guest satisfaction through seamless digital integration	12 months	30/11/2024	\$1,000,000
2	Decline in international visitors	Implement targeted marketing	Increase domestic guest numbers and reduce	6 months	30/05/2024	\$300,000

		campaigns for domestic markets	dependency on international tourism			
3	Insufficient health and sustainability practices	Obtain LEED or WELL certification and promote sustainability initiatives	Position as a leader in sustainability, attract eco-conscious travellers	18 months	30/05/2025	\$250,000
4	Lack of operational flexibility	Develop flexible operational models and cross-training programs	Improve operational efficiency and staff satisfaction during varying demand levels	9 months	30/08/2024	\$150,000

Conclusion

This consultancy report for The Peninsula Tokyo has highlighted key issues about its current business operations and future potential prospects in the niche segment of the luxury hotel industry. Concentrating primarily on the management of the impact of the COVID-19 crisis and the overall shift in client expectations, it outlined areas of interest and management recommendations that may be used to enhance the hotel's market position. In this section, using PESTEL, SWOT, and TOWS matrices, both the macro and micro contexts were evaluated, and an explanation of how these may be translated into positive strategic directions by The Peninsula Tokyo was provided.

The evaluation showed that The Peninsula Tokyo, with its loyalty to the known brand image and prestigious location in the central area of Marunouchi Tokyo, has definite difficulties. Among these is the unprecedented and major reduction in international market tourism, which has long been the major source of income for most hotels. This rise in the dependency on international business due to travel has become a significant weakness for these hotels as global movement

restrictions and the overall uncertainty of the global tourism market have restricted usability and reduced the revenue-generating capability for these hotels by lowering occupancy rates. Furthermore, the current state assessment of the growth strategy revealed that the hotel needs proper digital support mechanisms to meet present-day expectations of contactless, frictionless solutions. Moreover, because of the increasing consumer enthusiasm for health and sustainable options, the current attempts made by the hotel to develop sustainable standards are insufficient to meet new customer expectations who seek safe and environmentally friendly options when choosing a place to live.

To overcome these problems, the report outlined the following strategic options to increase the operating readiness of the higher education system, create new revenue sources and adapt to the new market environments. Among the presented ideas, one of the key strategies is integrating a digital guest journey, covering the whole spectrum from pre-arrival through stay to departure. The Peninsula Tokyo can appeal to a new group of luxury consumers within Japan and other parts of the world who seek more domestic travel holidays. On that score, the hotel can have precisely tailored staycation regimes and involve local enterprises to offer targeted promotions for locals, constituting a predictable local demand for services that may counterbalance concerns over unpredictable global tourist demand. This change in marketing strategy will assist in reducing the impact of the decrease in international tourist revenue whilst improving the brand's image within Japan.

Concerning the suggestions given in the report, health and sustainability projects must also be increased to meet the standards of modern luxury travel brands. Furthermore, the acquisition of such certifications as LEED or WELL, as well as the practice of environmentally friendly elements, will not only help attract environmentally friendly clients but will also bring long-term savings by increasing the efficiency of resource consumption. On behalf of the entire team, we are grateful to The Peninsula Tokyo for this chance to contribute to this project.

The recommendations in this report will help The Peninsula Tokyo fulfil its long-term objectives and strengthen its position as one of Tokyo's most important high-end hotels. We eagerly await the successful impact of these strategies and are hopeful of increased partnership to enhance the growth of The Peninsula Tokyo. With the proposed strategies in place, The Peninsula Tokyo is poised to strengthen its competitiveness in the marketplace further, increase business continuity

during unpredictable times and ultimately offer higher satisfaction to its guests by being able to position itself as a benchmark for luxurious accommodations into the future.

References

- Abu-Rayash, A. and Dincer, I., 2020. Analysis of mobility trends during the COVID-19 coronavirus pandemic: Exploring the impacts on global aviation and travel in selected cities. *Energy research & social science*, 68, p.101693.
- Alnawas, I. and Hemsley-Brown, J., 2019. Examining the key dimensions of customer experience quality in the hotel industry. *Journal of Hospitality Marketing & Management*, 28(7), pp.833-861.
- Alon, I. and Bretas, V., 2021. COVID-19 and international business. In *Globalization, Political Economy, Business and Society in Pandemic Times* (pp. 253-268). Emerald Publishing Limited.
- Alrawabdeh, W., 2021. Seasonal balancing of revenue and demand in hotel industry: the case of Dubai City. *Journal of Revenue and Pricing Management*, 21(1), p.36.
- Backer, E. and Ritchie, B.W., 2017. VFR travel: A viable market for tourism crisis and disaster recovery?. *International Journal of Tourism Research*, 19(4), pp.400-411.
- Barth, S.C. and Barber, D.S., 2017. *Hospitality law: managing legal issues in the hospitality industry*. John Wiley & Sons.
- Bonfanti, A., Vigolo, V. and Yfantidou, G., 2021. The impact of the Covid-19 pandemic on customer experience design: The hotel managers' perspective. *International Journal of Hospitality Management*, 94, p.102871.
- Chadee, D., Ren, S. and Tang, G., 2021. Is digital technology the magic bullet for performing work at home? Lessons learned for post COVID-19 recovery in hospitality management. *International Journal of Hospitality Management*, 92, p.102718.
- Cvelbar, L.K., Grün, B. and Dolnicar, S., 2017. Which hotel guest segments reuse towels? Selling sustainable tourism services through target marketing. *Journal of Sustainable Tourism*, 25(7), pp.921-934.
- Dachyar, A.Z.N.S.M. and Sahir, A., 2020, March. Hotel revival strategy planning with SWOT-Fuzzy AHP-TOPSIS: A case study of 4-star hotel. In *Proceedings of the 11th Annual International Conference on Industrial Engineering and Operations Management*, Singapore (pp. 7-11).

Dandage, R.V., Mantha, S.S. and Rane, S.B., 2019. Strategy development using TOWS matrix for international project risk management based on prioritization of risk categories. *International Journal of Managing Projects in Business*, 12(4), pp.1003-1029.

Dincer, F.I., Dincer, M.Z. and Avunduk, Z.B., 2016. Marketing strategies for boutique hotels: The case of Istanbul. *Journal of Global Business Insights*, 1(2), pp.94-106.

Dredge, D., Gyimóthy, S., Birkbak, A., Jensen, T.E. and Madsen, A.K., 2016. The impact of regulatory approaches targeting collaborative economy in the tourism accommodation sector: Barcelona, Berlin, Amsterdam and Paris.

East, A.A.M., 2020. International tourism expected to decline over 70% in 2020, back to levels of 30 years ago.

Fernando, I.N., 2020. Tourism in the COVID-19 pandemic: a perspective with swot analysis.

Ferreira, J., Mueller, J. and Papa, A., 2018. Strategic knowledge management: theory, practice and future challenges. *Journal of knowledge management*, 24(2), pp.121-126.

Forman, L. and Habibi, R., 2022. Revisiting the legality of travel restrictions under international law during COVID-19. *International & Comparative Law Quarterly*, 71(3), pp.743-760.

Garrido-Moreno, A., Garcia-Morales, V.J. and Martín-Rojas, R., 2021. Going beyond the curve: Strategic measures to recover hotel activity in times of COVID-19. *International Journal of Hospitality Management*, 96, p.102928.

Gémar, G., Moniche, L. and Morales, A.J., 2016. Survival analysis of the Spanish hotel industry. *Tourism Management*, 54, pp.428-438.

Gerard, H. and Bruijl, T., 2019. *The relevance of Porter's five forces in today's innovative and changing business environment*. SSRN.

Getz, K.A., Stergiopoulos, S., Short, M., Surgeon, L., Krauss, R., Pretorius, S., Desmond, J. and Dunn, D., 2016. The impact of protocol amendments on clinical trial performance and cost. *Therapeutic innovation & regulatory science*, 50(4), pp.436-441.

Göral, R., 2021. Competitive Analysis of the Hotel Industry in Konya by Using Porter's Five Forces Model.

Gössling, S., Scott, D. and Hall, C.M., 2020. Pandemics, tourism and global change: a rapid assessment of COVID-19. *Journal of sustainable tourism*, 29(1), pp.1-20.

Haryanto, T., 2020. COVID-19 pandemic and international tourism demand. *JDE (Journal of Developing Economies)*, 5(1), pp.1-5.

Iranmanesh, M., Ghobakhloo, M., Nilashi, M., Tseng, M.L., Yadegaridehkordi, E. and Leung, N., 2022. Applications of disruptive digital technologies in hotel industry: A systematic review. *International Journal of Hospitality Management*, 107, p.103304.

Kamau, F., Mukabi, M., Kemunto, C. and Mugo, M., 2017. Using tows matrix as a strategic decision-making tool in managing KWS product portfolio. *African multidisciplinary journal of research*, 2(1).

Kansakar, P., Munir, A. and Shabani, N., 2019. Technology in the hospitality industry: Prospects and challenges. *IEEE Consumer Electronics Magazine*, 8(3), pp.60-65.

Konovalova, E.E., Shelygov, A.V., Artamonova, L.S., Dolina, O.N. and Boikov, A.I., 2020. Development of forms of the hotel business organization in modern conditions. *Journal of Environmental Management and Tourism*, 11(4), pp.857-862.

Kotler, P., Bowen, J.T., Makens, J.C. and Baloglu, S., 2017. *Marketing for hospitality and tourism*. Pearson.

Lam, C., Ho, G.K. and Law, R., 2015. How can Asian hotel companies remain internationally competitive?. *International Journal of Contemporary Hospitality Management*, 27(5), pp.827-852.

Law, V.T., Tavitiyaman, P. and Zhang, H.Q., 2015. An analysis of industry forces, strategic implementation, and performance: Evidence from state-owned hotels in China. *Journal of China Tourism Research*, 11(3), pp.315-336.

Lee, M., Lee, S. and Koh, Y., 2019. Multisensory experience for enhancing hotel guest experience: Empirical evidence from big data analytics. *International journal of contemporary hospitality management*, 31(11), pp.4313-4337.

Lorne, F.T., Arora, P., Keynejad, S., Samiani, N. and Zokaeimoghaddam, V., 2022. Covid-19 effects on hospitality industry: Scientific predictions and public perception-A partial SWOT analysis for a global brand development. *Medical Research Archives*, 10(4).

Maity, R., Sudhakar, K., Abdul Razak, A., Karthick, A. and Barbulescu, D., 2023. Agrivoltaic: a strategic assessment using SWOT and TOWS matrix. *Energies*, 16(8), p.3313.

Maulana, N., Oktaviaman, R. and Farah, Y., 2020. Hygiene from the heart: The rise of Sharia compliant hotel in Indonesia after Covid-19 pandemic. *Jurnal Ekonomi dan Bisnis Islam*, 6(2), pp.221-238.

Maulana, N., Oktaviaman, R. and Farah, Y., 2020. Hygiene from the heart: The rise of Sharia compliant hotel in Indonesia after Covid-19 pandemic. *Jurnal Ekonomi dan Bisnis Islam*, 6(2), pp.221-238.

Mzembe, A.N., Lindgreen, A., Idemudia, U. and Melissen, F., 2020. A club perspective of sustainability certification schemes in the tourism and hospitality industry. *Journal of Sustainable Tourism*, 28(9), pp.1332-1350.

Nam, K., Dutt, C.S., Chathoth, P., Daghfous, A. and Khan, M.S., 2021. The adoption of artificial intelligence and robotics in the hotel industry: prospects and challenges. *Electronic Markets*, 31, pp.553-574.

Nguyen, D.N., Imamura, F. and Iuchi, K., 2017. Public-private collaboration for disaster risk management: A case study of hotels in Matsushima, Japan. *Tourism Management*, 61, pp.129-140.

Nieves, J. and Segarra-Ciprés, M., 2015. Management innovation in the hotel industry. *Tourism Management*, 46, pp.51-58.

Pasaribu, R.D., Shalsabila, D. and Djatmiko, T., 2023. Revamping business strategy using Business Model Canvas (BMC), SWOT analysis, and TOWS matrix. *Heritage and Sustainable Development*, 5(1), pp.1-18.

Qiao, G., Peng, S., Prideaux, B. and Qiao, M., 2019. Identifying causes for the decline in international arrivals to China— perspective of sustainable inbound tourism development. *Sustainability*, 11(6), p.1723.

Rachman, G.P. and Do, A.D., 2020. Business Strategy for Atlantic City Hotel Facing Covid-19 Pandemic. *International Journal of Current Science Research and Review*, 5(2), pp.333-340.

Roy, M., 2021. Tourism Industry in Bangladesh: An Assessment of Advanced SWOT Model and TOWS Matrix. *Tourism in Bangladesh: Investment and Development Perspectives*, pp.279-310.

Saleh, A.S. and Zohry, M.A.E.F., 2022. Towards A Sustainable Hotel Education (An Analytical Strategic Study at The Faculty of Tourism and Hotels, Mansoura University-TOWS Matrix as A Model). *International Journal of Tourism, Archaeology and Hospitality*, 2(1), pp.45-74.

Saliba, A.T., do Valle, V. and Ferolla, M., 2020. Stranded at the border: An analysis of the legality of international travel restrictions adopted by states in the COVID-19 pandemic in light of the right to return to one's country. *Wis. Int'l LJ*, 38, p.39.

Sealy, W. and Seraphin, H., 2020. Hoteliers' Sources of Bargaining Power with British Tour Operators: A Barbados Case Study. *Journal on Tourism & Sustainability*, 3(2), pp.41-56.

Seyfi, S., Hall, C.M. and Shabani, B., 2023. COVID-19 and international travel restrictions: the geopolitics of health and tourism. *Tourism Geographies*, 25(1), pp.357-373.

Shamim, S., Cang, S., Yu, H. and Li, Y., 2017. Examining the feasibilities of Industry 4.0 for the hospitality sector with the lens of management practice. *Energies*, 10(4), p.499.

Shin, H., Nicolau, J.L., Kang, J., Sharma, A. and Lee, H., 2022. Travel decision determinants during and after COVID-19: The role of tourist trust, travel constraints, and attitudinal factors. *Tourism Management*, 88, p.104428.

Škare, M., Soriano, D.R. and Porada-Rochoń, M., 2021. Impact of COVID-19 on the travel and tourism industry. *Technological forecasting and social change*, 163, p.120469.

Sugathan, V. and Roopak, S., 2020. Impact assessment of the COVID-19 outbreak on international tourism. *UGC Care Group I Listed Journal*, 148, p.158.

Trusova, N.V., Kyrylov, Y.Y., Hranovska, V.H., Prystemskyi, O.S., Krykunova, V.M. and Sakun, A.Z., 2020. The imperatives of the development of the tourist services market in spatial polarization of the regional tourist system. *Geo journal of Tourism and Geosites*, 29(2), pp.565-582.

Wakui, M. and Cheng, T.K., 2015. Regulating abuse of superior bargaining position under the Japanese competition law: an anomaly or a necessity?. *Journal of Antitrust Enforcement*, 3(2), pp.302-333.

Wynn, M. and Jones, P., 2022. IT strategy in the hotel industry in the digital era. *Sustainability*, 14(17), p.10705.

Xie, J. and Tveterås, S., 2020. Economic decline and the birth of a tourist nation. *Scandinavian Journal of Hospitality and Tourism*, 20(1), pp.49-67.

Yang, H., Song, H., Cheung, C. and Guan, J., 2021. How to enhance hotel guests' acceptance and experience of smart hotel technology: An examination of visiting intentions. *International journal of hospitality management*, 97, p.103000.

Yeh, S.S., Ma, T. and Huan, T.C., 2016. Building social entrepreneurship for the hotel industry by promoting environmental education. *International Journal of Contemporary Hospitality Management*, 28(6), pp.1204-1224.

Zhang, H., Zhang, J., Yang, Y. and Zhou, Q., 2018. Bargaining power in tourist shopping. *Journal of Travel Research*, 57(7), pp.947-961.

Zhang, T., Shaikh, Z.A., Yumashev, A.V. and Chład, M., 2020. Applied model of E-learning in the framework of education for sustainable development. *Sustainability*, 12(16), p.6420.