Developing a new landscape for customer care for Shangri La at The Shard

Ffion Cumberpatch 1551691

Strategic Management BMMB7013

Dr Jayne Griffiths Parry

Executive summary **3**

Introduction **3**

Main findings of strategic analysis **5**
Internal Factors 5
SWOT (Strengths, Weaknesses, Opportunities and Threats) 5
Strengths 5
Weaknesses 7
Opportunities 7
Threats 8
External Factors 9
PESTEL (Political, Economic, Social, Environmental and Legal) 9
Political 9
Economical 10
Social 11
Technological 12
Legal 13

Critical evaluation of the strategic options **14**

Porter's Five Forces (2001) **14**
Competition in the Industry 15
Potential of New Entrants into The Industry 15
Power of Suppliers 16
Power of Buyers 16
Threat of Substitute Products 17
Porter’s Five Forces (2001) Analysis Conclusion of the Hotel Industry and The Shangri-La London 17

The Shangri La, London Current Strategy **18**

New Strategy and Recommendations **19**
Omnichannel Communication 20
Alexa For Hospitality 22
Lewins (1947) Change Management Model 23
The Emergency Project Team 24
Conclusions **26**
Bibliography **27**

Executive summary

COVID-19 has changed the landscape for customer care, consumers are demanding more from hotels than ever before. As quality of life has increased so have expectations of facilities and amenities in hotels. Previously, consumers would have been happy to have access to free Wifi and a television in the room, now consumers expect superfast wifi and smart TVs that allow them to watch Netflix, AmazonVideo and Disney+.

The following report analyses the internal and external factors impacting the customer experience at The Shangri La at The Shard through SWOT and PESTEL analysis, Porter's Five Forces (2001) then explores the hotel market highlighting opportunities for change and development. Through using these industry tools a strategy has then been proposed to improve the landscape for customer care at the hotel, this strategy has been suggested with the impact of COVID-19 in mind and the changing consumer trends. The strategy proposed focuses on Omnichannel communication to build relationships with customers and enhance the online and offline customer experience. However, the strategy also includes adding new innovative Alexa For Hospitality technology that enhances the customer experience through providing better customer care.

Introduction

The Shangri La, London is an impressive hotel situated within The Shard, an iconic building in the centre of London. A more in depth summary of The Shangri La and it's London location may be found in Appendix 1.

This report will include an analysis of internal and external factors which potentially affect The Shangri La, London that may help uncover areas for growth and improvement; in addition the use of strategic management tools to examine The Shangri-La, London's competitive position in the market of luxury hotels as well as

examining what strategies can be best applied and implemented into The Shangri La against the backdrop of the pandemic.

The purpose of this report is to provide a strategy to develop a new landscape for customer care at The Shangri La, London; future resilience and sustainable competitive advantage against a backdrop of a pandemic will also be discussed

The objectives of this report are to;

- Conduct an analysis to uncover the internal Strengths, Weaknesses, Opportunities and Threats S.W.O.T of the hotel.
- Perform a P.E.S.T.E.L analysis to divulge the external factors affecting organisation in the Political, Economic, Social, Technological and Environmental categories.
- Employ the S.W.O.T and P.E.S.T.E.L analysis to determine potential areas the new strategy would need to cover.
- Implement Porter's Five Forces (2001) to examine The Shangri La, London's position in the competitive luxury hotel market.
- Provide a suitable strategy to enable The Shangri La London, to develop a new and more competitive landscape for customer care.
- Assemble a suitable team to assist in the implementation of the new strategy.

Main findings of strategic analysis

Internal Factors

SWOT (Strengths, Weaknesses, Opportunities and Threats)

The following SWOT analysis examines The Shangri-La strengths, weaknesses opportunities and threats in the hospitality marketplace.

A SWOT analysis serves to identify core competencies of the organisations; however, it does not define an organisations distinctive competence. However as strategy is usually long term, an organisation may outlast its distinctive competence which may enhance potential risk. imitation of a SWOT analysis is that issues are not prioritised, solutions are not provided neither are alternative decisions suggested. In fact, the process may generate an overload of data and ideas which are not necessarily useful within this report; three models will be applied; SWOT, PESTEL and Porter's Five Forces (2001) in order to provide a wider analysis.

Strengths

Unique location: As the only hotel located within The Shard the Shangri La London occupies floors 34 to 52 and boasts magnificent views of London.

Business Philosophy: Greg Dogan, President and CEO of Shangri La Hotels states that the secret to the Shangri La lies within its "DNA" which is to treat guests as if they are family, by providing genuine care and respect (Business of Luxury, 2010). According to Bonilla *et al* (2018) the focus of the hotel is to provide value for consumers by delighting guests every time by creating engaging heartfelt

experiences, providing these experiences is known by their employees as “hospitality with heart” (Bonilla *et al*, 2018).

Employees: The hotel’s philosophy is to recruit staff who embody the core values of Sincerity, Humility, Helpfulness, Respect, Courtesy and Selflessness (Shangri-La, 2016). When the desired personnel have been recruited, the hotel will invest time and money to train team members to ensure they deliver the highest standard of Asian hospitality.

Once recruited, employees are nurtured to fundamentally believe and embody the core values. It is through this collaboration of management and staff that the highest standard of service, and consequently guest satisfaction, ensures that the brand promise is fulfilled.

Service: The hotel’s standard of service is based on the unique concept of Asian hospitality which has been widely recognised over the last decade for excellence in quality of facilities and services (McBride, 2010; Roll, 2012; Sonia, 2012). The success of Asian hospitality, as a concept, is a result of attention to detail due to it and its culture of respect for others. Values of guidance and giving are instilled in Asian society from an early age (Pusiran, 2013).

Luxury Amenities: The Hotel includes a variety of luxury amenities such as 24hr Concierge Service, Butler Service in Suites, In Room Spa Services, Baby-sitting/Child care and a Limousine. However, what really sets this hotel apart from its competitors are the 360 degree Vista rooms with some of the best views of the city, the top floor infinity pool which is the highest in western Europe and a short lift ride to take guests direct to London Bridge Station for rail links to the Jubilee and Northern line Underground (Shangri La, 2021).

Weaknesses

Running Costs, Service Charges and General Overheads: Luxury comes at a cost as the service charges alone would be as high as, if not higher than that of any of its competitors. Furthermore, due to the iconic location, the rent would be at a premium which, along with running costs, service charges and general overheads result in extremely high maintenance costs

Opportunities

Changing market trends: Hospitality market trends are in a state of flux. Over the past ten years, the industry has been subject to certain trends such as wellness, technology, the sharing economy and sustainability. The three main trends, authenticity, personalisation and unique experience, have entered the market and are likely to remain in demand for the foreseeable future (National Hotels, 2017) Personalisation affords the hotel the opportunity to focus on providing an anticipatory service which provides guests with services before they realise they need or want them.

Food & Beverage Offerings: The Hotel offers three food and beverage TING Restaurant, Bar 31, GONG and the Sky Lounge which are all opportunities to gain rewards from professional bodies such as The AA, Forbes and the Michelin Guide. These accolades would also serve to attract guests from other hotels as well as businesses seeking to impress corporate clients.

Mission, Vision, Values and Objectives: Mission Statement: The organisation's mission is to 'Delight their guests by creating engaging experiences straight from our heart' (Shangri La, 2021). The organisation's mission statement is simplistic, concise and precise allowing for minimal error in interpreting the overall goal of the organisation. The statement provides an opportunity to remind employees what is expected and what must be delivered.

Vision Statement: Shangri-La's vision is to 'Be the first choice for guests, colleagues, shareholders and business partners' (Shangri-La, 2021). Although this is an unrealistic and unimaginative concept, it provides an opportunity to recreate a more ambitious objective.

Core Values: The core values of the organisation are humility, courtesy, respect, helpfulness, sincerity and selflessness. Shangri-La's sense of hospitality derives from caring and it aims to deliver engaging experiences straight from the heart (Shangri La, 2021). The core values would be an expectation from any luxury organisation striving to provide exceptional service. There is an opportunity here to ensure the organisation is mindful of these values during the recruitment process, enforcing them during the training process and reinforcing them on a daily basis. The organisation may consider introducing incentives such as Credo cards to encourage employees to remain focused on its core values.

Threats

Competitors: Competitors such as Four Seasons, Hyatt and Hilton pose a minimum threat to the hotel property to its distinctive location, exceptional view and reputation. Although The Shard is currently an iconic building, there could be future

developments in the City which provide opportunities for competitors to challenge its current unique selling point (USP).

Employee Turnover: Employee turnover is currently a threat to almost every hospitality business within the industry. Current affairs such as Brexit and the COVID pandemic has resulted in a limited workforce, many of whom may lack the enhanced skills required by a luxury organisation.

External Factors

PESTEL (Political, Economic, Social, Environmental and Legal)

This detailed ‘PESTEL analysis of the hotel industry will evaluate a number of the factors which fall beyond the control of the organisation which influence the global hotel industry, with particular reference to the UK. Considerations will also be made throughout about what these factors may mean for The Shangri La at The Shard.

Political

Terrorist attacks is one area which threatens the hotel industry, whereIF consumers believe there is a threat of terrorist attacks (Gov, 2021),it is likely there will be considerably less demand for accommodation. In London particularly, this could affect the Shangri-la occupancy rates. Since 2009 the frequency of terrorist attacks has increased and with the current state of affairs in Iraq this poses a great risk to the United Kingdom, evident when the home office raised the threat of terrorism attacks to severe in November (Gov, 2021).

Travel bans imposed by the government affect the hotel industry and the evidence of that has been those imposed over the last 18 months. When the government imposes travel bans it affects the industry immediately as demand for accommodation from travellers would be low or in some cases, none (Office For National Statistics, 2021). Between 2019 and 2020 due to the COVID-19 pandemic London saw the largest decrease in room occupancy of anywhere in England, with only 20% of rooms occupied in July 2020 compared to 90% of rooms that were occupied in July 2019 (Office For National Statistics, 2021). Even now, times are uncertain and there is still a great risk of the government imposing more travel bans and closures due to lockdowns.

Government initiatives and political stability are critical for the growth and development of the hotel industry. For example, in 2019 the UK government produced a ‘Tourism Sector Deal’ which enforces their commitment to build 130,000 hotel rooms by 2025 with 25% of those being within the London area (Stoyle, 2019). Previously, the UK was considered a politically stable country which has favoured growth within the industry; however, in current times there is unrest and instability within the political landscape which threatens this growth (Laws, 2019).

Economical

One positive economical factor affecting the hotel industry is currency. If the Great British Pound (GBP) is weak more visitors would be expected to visit the United Kingdom (Trading Economics, 2021) resulting in a demand for hotels. Although, due to political factors such as government enforced travel restrictions this has not been such a factor during the Covid-19 pandemic.

An economical factor affecting the hotel industry are recessions, which can impact consumer choice of accommodation. During times of economic uncertainty, many people may choose not to travel or switch to less expensive accommodation. As a result, the more high end hotels will suffer low occupancy and reduced revenue.

The unemployment rate also contributes to the economical factors affecting the hotel industry. In areas with high unemployment local people have less disposable income to spend in the industry which has a detrimental effect on coversBOOKINGS in restaurants and occupation rates in hotels.

The current unemployment rate in London is high at 5.6% (Cecil, 2021) with an estimated 250,000 hospitality vacancies which presents a barrier to hiring the candidates of the highest with the desired skill set. As the number of vacancies far exceed the number of candidates there is a risk of high employee turnover as employees have the power to move freely amongst organisations (Cecil, 2021).

Social

Consumer preference in accommodation is changing rapidly as the new generation of consumers favour global travel. AirBnB (2020) have also reported a growing demand for private accommodation as well as long term hotel stays.

Hotels have to adapt to new consumer demands such as sustainability, personalisation and one of a kind experiences (EHL Insights, 2021). The advent of the Covid pandemic has altered consumer attitudes; initially, the majority of the population adhered to government regulations and remained at home. More recently, the country has returned to a level of normality, therefore consumers are now more inclined to travel around the United Kingdom (UK).

During the COVID-19 pandemic, people's attitudes towards health and fitness has shifted as there is an increased awareness of the risks of obesity and are therefore developing better lifestyles including more healthier pursuits with an emphasis on leisure and outdoor activities (Harrison *et al*, 2021).

The hotel industry provides significant social benefits especially in developing countries where, in many areas, hotel's are the main employer offering career opportunities locally. Hotels offer many career opportunities to communities that face social economic challenges and disadvantages, such as young people (Kusluvan and Karamustafa, 2001). However, in the Western world, the work/life balance are changing along with the attitudes of the workforce (Ollier-Malaterre *et al,* 2013). Hospitality is not generally deemed an attractive career choice with low rates of pay as well as long and unsociable hours; this perception has not been helped by the COVID pandemic when a large percentage of the employees were furloughed or made redundant (Lord and MacArthur, 2021).

Technological

Technology is now accepted by most twenty first century consumers who are generally prepared to share personal information in exchange for a more personalised service. The rise of social media has been particularly good for the industry allowing hotels to use social media to attract potential consumers whilst retaining and strengthening relationships with existing ones. In addition to reducing advertising costs, social media platforms provide and opportunity to process queries and complaints more efficiently, to the satisfaction of the consumer.

However, there are increasing concerns about the safety of data, especially among European travellers due to the Starwood scandal in 2014 when it failed to protect the data of their guests (BBC, 2020).

Environmental

Traditionally, hotels are not environmentally friendly due to the high consumption of gas, water and electricity (National Hotels, 2017). As a result, the industry comes under constant pressure from governments and Non-Governmental Organisations (NGO's) to use these resources responsibly, with demand for recycling and strict waste management policies.

In response, the majority of organisations have developed Corporate Social Responsibility (CSR) plans to address and minimise their impact on the environment and use this to their advantage by marketing themselves as sustainable.

Legal

Legal is the final category to analyse in the PESTEL analysis of the hotel industry. As discussed previously in the technology category data breaching is an area of concern for many travellers. There are a number of laws and regulations hotels must abide by and comply with, for example the EU must comply with General Data Protection Regulation (GDPR) due to the high volume of personal data they collect during booking processes and hotel visits. The UK, like the EU, must also comply with the UK GDPR.

Failure to comply with these regulations and have the correct policies and procedures in place can cost an organisation millions of pounds. For example Marriott was fined £18.4m after a major data breach (BBC, 2020).

In addition to GDPR there are many other rules and regulations hotels must comply with, for example in the UK hotels must comply with Business Names Act 1985, The Trade Descriptions Act 1968, Furniture and Furnishings Regulations 1988 (Fire

Safety), Gas Safety (Installation and Use) Regulations 1994, The Health and Safety at Work Act 1974, Working Time Regulations 1998, The Safety Signs and Signals Regulations Act 1996, Employer's Liability (Compulsory Insurance) Act 1969 and Licensing Act 1964.

Critical evaluation of the strategic options

Ansoff's Matrix (1957) was considered to analyse The Shangri La's product portfolio in order to come up with a new landscape for customer care post pandemic, however, after reviewing the Shangri La's current strategy which has worked rather well it, was decided that Porter's (2001) would be used in its place as Porter considers the industry as a whole and therefore this report can highlight The Shangri La, London's place in the market and new strategies can be considered and implemented which will set the organisation apart from other luxury hotels in the area.

Porter's Five Forces (2001)

Porter's Five Forces (PFF) is a useful model developed in 1979 by Michael Porter which assists in understanding and assessing competitive strength, profitability and attractiveness (Porter, 2001). Below, (PFF) will be applied to the hotel industry, specifically the Shangri La at The Shard to identify it's current competitive position and other positions that the organisation may benefit from moving into. Using Porter's we are able to reveal opportunities for new products and services at the hotel which will increase revenue.

PFF is useful in this situation for us to keep up with competitors, understand opportunities for profit and it is helpful for the planning and implementation of the

strategy. However, there are some limitations that must be kept in mind whilst using PFF as a tool for strategic planning such as there is a window of applicability for the information coming out of Porter's (2001) to be useful and used due to an evolving market, this is down to external factors within the industry such as globalisation and technological advantages. And finally, when Porter's (2001) was created, it was to analyse an industry as a whole and not company specific, however, in order for the information gathered during this process to be useful and provide a holistic view of for this report you were also find the application of the model to The Shangri La.

Competition in the Industry

The competition within the hotel industry is intense, especially in locations such as London where the Shangri La at The Shard is located. There are many competitors for the organisation in London such as The Savoy Hotel, The Dorchester, the Four Seasons Hotel at Ten Trinity Square and Park Lane which are similar in price and quality, there is also competition from Hyatt with their Great Scotland Yard Hotel, Hyatt Regency – The Churchill and the Andaz Liverpool Street which despite coming in at a lower price point, boast excellent service and quality. And finally, Hilton also have several hotels in the London area including The Waldorf which is infamous for it's historic charm, beautiful rooms and exquisite hospitality. However, despite the number of popular branded chains and boutique independents The Shangri-La at the Shard is unique in its location, views and Asian hospitality.

Potential of New Entrants into The Industry

Despite the pandemic and the pressure the hospitality was under during lockdown in January 2020 there are a number of luxury hotels that have opened in London such as The Londoner, NoMad London, Mayfair Townhouse, Kingsland Locke,

Beaverbrook Townhouse and Pan Pacific London, demonstrating that despite difficulties caused by external factors, like the COVID-19 pandemic there is always opportunities for new, luxury hotels in London (Luxury London, 2021). As a leading destination for international travellers, prior to the pandemic, London has one of the highest occupancy rates of any European city at over 80% every year for the last decade (Statista, 2019). However, any new entrants to the London hotel market will be at a disadvantage as the best locations within metropolitan cities, like London, are limited (Cheng, 2013). The hotel industry globally is characterized by high capital costs and due to the uncertainty post pandemic we may see less stakeholders willing to take that risk, especially in a location which is saturated with five star, luxury hotels.

Power of Suppliers

The industry as a whole is mostly subjected to the power of labour, highly skilled personnel who the industry is in huge demand of (Cheng, 2013). Therefore the industry and The Shangri-La at The Shard is not subjected to the bargaining power of suppliers as it has low and indirect impact on their competitiveness (Cheng, 2013).

In order for The Shangri-La at The Shard to continue to have an advantage over its competitors the organisation must seek a cost advantage whilst also offering something unique such as a one of a kind experience which differentiates itself from the other hotels previously mentioned, in and around London.

Power of Buyers

When it comes to consumer groups like leisure travellers and tourists the Shangri-La London and it’s competitors must compete in price (Cheng, 2013). However, as the

Shangri La London has such a unique location and experience it is less affected by the buying power of these consumers.

On the other hand other tour operators, domestic and international airlines, convention organisers and participants use their power over the hotel industry when buying their rooms in bulk (Cheng, 2013).

Threat of Substitute Products

The threat of substitutes is only prominent within times of recession, during a recession consumers may not travel or if they do they may opt for cheaper accommodation such as hostels, budget one or two star hotels or even staying with family or friends instead (Cheng, 2013). This makes the threat of substitutes particularly high for The Shangri La London more than their competitors as it has the highest price point and consumers could potentially get the same quality and a similar experience in one of the other luxury hotels in the London area for less.

Porter's Five Forces (2001) Analysis Conclusion of the Hotel Industry and The Shangri-La London

Two of the most important factors within the hotel industry and the luxury markets is 1) the ability to differentiate themselves from competitors, which The Shangri La London does with ease due to the location and views and 2) the quality of service they provide, which in theory should also be done with ease due to the unique and authentic Asian hospitality boasted about in the branding and marketing. The quality of service is largely dependent on the skills and experience of the employee's and good management teams (Shangri La Academy, 2020).

The Shangri La, London Current Strategy

The Shangri-La, London's current strategy focuses on internal elements such as management, organisation culture, employee and service which they have the utmost control over.

The Shangri-La, London prides itself on delivering the very best Asian hospitality experience to its guests through personalised service, for example providing guests with information and knowledge about the local area and the activities on offer. In order to deliver this service organisation created its own service model called "Shangri-La Hospitality". The Shangri-La delivers this unique service strategy through the training of their employees and their organisational culture which focuses on delighting the consumer. In order to deliver this strategy other tools were implemented such as a three tier compensation system which includes a basic salary and an incentive bonus which is calculated based on customer loyalty, financial results and employee satisfaction. .

Within their organisational culture there is a focus on employee development, The Shangri La provides a clear and well defined career path to retain employees through the Shangri-La Academy Training Program (Shangri-La Academy, 2020). This also motivates their employees to progress their careers within The Shangri La, London and/or The Shangri-La brand. In addition, there is also non-pay recognition in effect to test an employee's knowledge and understanding of the company's philosophy, mission, vision and core values.

With a high rating of 4.5 stars on TripAdvisor and 3,986 5 star reviews (TripAdvisor, 2021) the strategy that has been implemented by The Shangri-La London has been a success. However, with the competition in the market becoming more innovative

and competitive a new strategy must be put into place to attract and deliver a new and improved landscape of customer care, especially post pandemic.

New Strategy and Recommendations

When growing an organisation there is a risk to the core business model, however, with the threats and competition posed by the pandemic, businesses within the hospitality industry must take this opportunity to challenge themselves and their competition whilst thinking outside of the box. The Shangri La at The Shard is an iconic hotel, already offering a one of a kind experience with beautiful views over London. However, in this day and age 21st century consumers have higher expectations than ever before. A recent survey by Stackla (2019) found 86% of consumers are vocal about their demand for personalization, authenticity, and one of a kind experiences (Stackla, 2019).

Michael Porter's (2001) definition of Strategy is "Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value", this suggests in order to differentiate themselves from the competition we need to put a different strategy in place. Therefore, this report proposes a strategy that focuses on making customer care stand out innovatively with Omnichannel communication and the implementation of the new Alexa For Hospitality, both elements of this strategy focus on personalising the guest experience.

Omnichannel Communication

Before, during and after booking an experience at a hotel guests are online researching, planning and booking, reaching out to the organisation across multiple channels. Implementing ominichannel communication is when an organisation is able to map their guests journey across multiple platforms providing a consistent experience from pre-booking to post-booking and the experience in between.

Implementing an omnichannel communication strategy within the organisation would include the hotel website, the mobile app, social media and within the hotel itself. This type of communication is all about providing a personalised and enhanced guest experience.

Forrester (2021) found that experience driven companies that invest in omnichannel communication see a one and a half year on year growth in repeat purchase rates and customer lifetime value than other organisations.

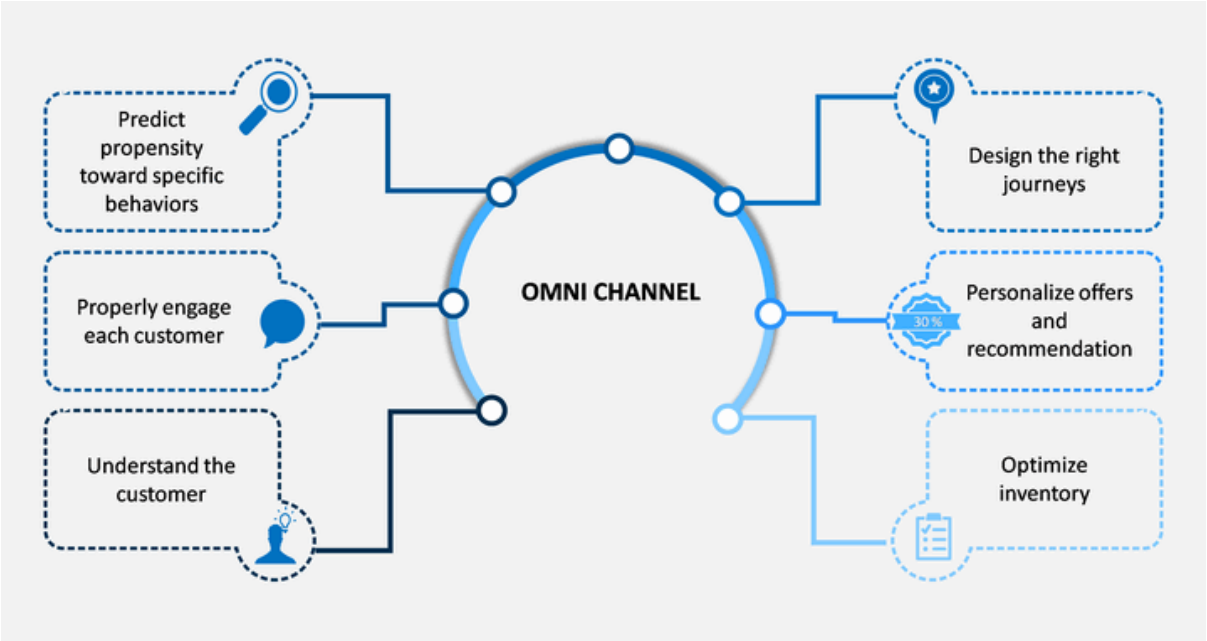


Fig.
Omnichannel Communication (Patel, 2021)

The omnichannel strategy for this hotel must follow a three step process. The first step of this process is to identify the communication channels. To achieve this the organisation must understand the guest journey, from pre booking to post booking, for this data must be collected and collated by the marketing department across all channels used by the guests.

The second step involves creating an effective communication strategy through the use of ‘live chat’ on the hotel website and ‘chat bots’ on social media such as Facebook and Instagram. To achieve an effective communication strategy, a knowledge base will need to be built in order for interactions to feel authentic. For metrics to be measured accurately data must be collected and evaluated and the Net Promoter Score (NPS) must be reviewed on a regular basis and changes and developments will need to be implemented and updated every month.

Benefits over multichannel communication include delivering personalised service, gaining valuable customer insights, the better insights gained from omnichannel communications means optimised decision making. Omnichannel communication is more of a strategic approach that provides a consistent experience and strengthens the relationships with guests. It is important the organisation begins the collection of data in preparation to develop the knowledge base and implement omnichannel communication across all platforms as soon as possible. The emergency project team will aim to have this strategy implemented in the next twelve months. Although simple strategy studies (Briedis *et al*, 2021) have found that organisations who invest in omnichannel communication have successfully increased customer retention by 89%.

Alexa For Hospitality

Alexa for Hospitality launched in October 2021 and so far has already been adopted by some of The Shangri La competitors such as Mercure Hyde Park (Hanson, 2021). The introduction of this innovative Artificial Intelligence (AI) creates an abundance of opportunities for data collection, personalisation and a seamless experience. Currently, guests are able to control in-room devices such as lights, temperature and blinds to suit their personal preferences as well as play music, order room service, call the front desk, make requests to housekeeping and check out. However, there is also the opportunity for organisations to develop custom skills and further personalise the guest experience. One area to consider is Alex's additional skills which include the ability to play Audible stories, sleep sounds, various radio stations or check the news.

Alexa can also act as an information source sharing information like the Wifi password, where the facilities are located taking time away from our front desk agents who can focus on the guests.

Success of implementing this device into the rooms of the hotel can be measured by analysing online reviews for guest feedback, monitoring the net promoter score and the effect it has on operational efficiency and reducing costs through requiring less front desk agents on the desk (Berger, 2021). Alexa for Hospitality would first be piloted in 10% (20) of the rooms at the hotel to monitor feedback over the course of 6 months before being rolled out to all the rooms. The aim is to have an Alexa for Hospitality in every room by 2030.

Lewins (1947) Change Management Model

The new strategies will be delivered and implemented using Lewin's Change Management model (1947). According to Lewin (1947) a successful change in any organisation includes three stages.

Stage one is the unfreezing which consists of recognizing there is a need for change which has been done within this organisation, hence the requirement for an emergency project team to develop a new landscape for customer care. This stage explores what needs to change and encourages the replacement of old behaviours and attitudes. This stage also requires management to take a large role in the process of providing strong support whilst managing any doubts or concerns from the workforce. This is one of the main reasons why the members of this emergency project team have been chosen, because they are managers within the organisation where there will be the most development.

In the second stage the changes are planned and implemented into the organisations. The management team helps employees to learn and understand the new changes that have been implemented.

Finally, refreeze focuses on reinforcing and stabilising the organisation whilst also implementing any changes that may need to be developed into the new normal way of carrying out tasks. This stage also is responsible for developing ways to sustain change among the workforce.

However, Lewins (1947) model has some limitations that must be considered. Although the change model allows an organisation to provide a rational and goal oriented plan. However, when implemented the lack of considerations for human feelings and experiences can have negative consequences such as employees leaving the organisation. In order to overcome this potential issue during the second stage the employees will be given the opportunity to give feedback on the changes which can then be considered by the project team, ready to be altered or implemented in stage three.

The Emergency Project Team

The emergency project team chosen to creatively develop the landscape for customer care at Shangri La at The Shard will consist of the Operations Manager, Director of Finance, Human Resource Manager, Director of Sales and Marketing Manager, and the Guest Engagement Manager. As a team they will reshape the organisation’s strategic direction to discover a new way forward for delivering innovative customer care ensuring future resilience and sustainable competitive advantage post pandemic. Strategy is unique in the fact it draws many different

perspectives including economics, finance, marketing, operational management, organisational behaviour and psychology (Whittington, R. *et al*, 2020). Therefore when implementing strategy we need the skill and expertise of an experienced team.

Ffion Cumberpatch | Operations Manager (Team Leader)

In this case, Ffion's role is to lead the team and holding them accountable to implementing the changes in their departments and fulfilling the tasks that have been assigned.

Lloyd Sequeira | Director of Finance

Lloyd as the director of finance will be responsible for setting financial targets for the strategies, monitor expenditure and look for areas within the budget where resources can be cut and relocated to the implementation of this strategy.

Laura Winstone | Human Resource Manager

Whilst Laura Winstone is on maternity leave from the organisation from the 7th of July 2021 to 7th of July 2022, Anna Blondet the acting Human Resources Manager will cover the assigned tasks. Laura and Anna are responsible for creating and developing training for the operational departments whilst also collecting input from the head of departments.

Stefan Müller | Director of Sales and Marketing

Stefan is responsible for overseeing new changes relating to the implementation of Omnichannel Communication with the support and input from Carlos. Stefan and the

marketing team are responsible for collecting the data needed to fulfill stage one of the omnichannel strategy and reviewing it regularly.

Carlos Americo Leal | Guest Engagement Manager

Carlos's main responsibility within this process is to collect and collate guest feedback and data and to monitor how the changes that are being implemented affect guest satisfaction scores and review ratings, particularly the feedback on Alexa For Hospitality.

Conclusions

This report has found, through a thorough SWOT and PESTEL analysis, that there are a variety of internal and external factors affecting the success of The Shangri La at The Shard. A large number of these factors are due to the COVID-19 pandemic and through the use of Porter's Five Forces (2001) we can see that these factors have had a significant impact on the hotel industry. Now more than ever hotels must have effective customer care strategies in place in order to compete with other hotels in the market. Following the findings of the SWOT, PESTEL and PFF (2001), the hotels current strategy was analysed in order to identify any areas of weakness to formulate a new strategy. Following the development of strategies which focus on developing Omnichannel communication and implementing Alexa For Hospitality, the emergency team was finalised and responsibilities delegated. There is a clear plan for the implementation of these strategies which has been outlined with the guide of Lewin's (1947) change management model.

Bibliography

Allen, G. and Harding, M. (2021). *Terrorism in Great Britain: the statistics*. Commons Library Research Briefing Available at: https://researchbriefings.files.parliament.uk/documents/CBP-7613/CBP-7613.pdf [Accessed on 09 Dec. 2021]

Ansoff, I. (1988). *The new corporate strategy*. New York: J. Wiley.

Baghai, M. Coley, S. and White, D. (2000). The alchemy of growth : practical insights for building the enduring enterprise. Cambridge, Mass.: Perseus Publishing.

Berger, D. (2021). *Hoteliers Speak: The ROI of Voice Assistants is Measurable.* Hospitality Net. Available at: https://www.hospitalitynet.org/opinion/4106645.html [Accessed 16 Dec. 2021].

Bonilla, W. Cannata, A. and Verma, S. (2018). The Next Generation of Services in the Luxury Hospitality Business. Issue.com Available at: https://issuu.com/wcatherine90/docs/shangri-la_hotels___resorts-_single [Accessed 26 Nov. 2021].

Briedis, H., Gregg, B., Liu, W.W. and Heidenreich, K. (2021). Omnichannel: The path to value | McKinsey. [online] www.mckinsey.com. Available at: https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-survival-guide-to-omnichannel-and-the-path-to-value [Accessed 17 Dec. 2021].

Business of Luxury (2010). *SHANGRI LA conquers the world – an exclusive interview with CEO Greg Dogan.* Available at: https://cpp-luxury.com/shangri-la-conquers-the-world-an-exclusive-interview-with-ceo-greg-dogan/ [Accessed 26 Nov. 2021].

Cecil, J.P., Nicholas (2021). *Do we have no one left to pull a pint?* Evening Standard Available at: https://www.standard.co.uk/news/politics/london-covid-unemployment-rate-post-pandemic-ons-b959988.html. [Accessed 26 Nov. 2021]

Cheng, D. S. Y. (2013) *Analyze the Hotel İndustry in Porter Five Competitive Forces*. The Journal of Global Business Management, Volume 9, 52-57.

Corporate Finance Institution (CFI) (2021). *Ansoff Matrix - Overview, Strategies and Practical Examples.* Corporate Finance Institute. Available at: https://corporatefinanceinstitute.com/resources/knowledge/strategy/ansoff-matrix/.

David, F.R. and David, F.R. (2017). *Strategic management : concepts ; a competitive advantage approach.* 16th ed. Harow: Pearson Education Limited.

Dess, G.G., Mcnamara, G. and Eisner, A.B. (2016). *Strategic management : text et cases.* 9th ed. New York, Ny: Mcgraw-Hill Education.

Drucker, P.F. (1994). The Theory of the Business. [online] Harvard Business Review. Available at: https://hbr.org/1994/09/the-theory-of-the-business?referral=00111. [Accessed 09 Dec. 2021]

Dyson, R.G. (1993). *Strategic planning : models and analytical techniques*. Chichester: Wiley.

EHL Insights (2021). *2022 Top Hospitality Industry Trends.* Available at: https://hospitalityinsights.ehl.edu/hospitality-industry-trends [Accessed 17 Dec. 2021]

GOV.UK. (2021). UK terrorism threat level raised to SEVERE. [online] Available at: https://www.gov.uk/government/news/uk-terrorism-threat-level-raised-to-severe.

Grant, R.M. (2016). *Contemporary strategy analysis : text and cases.* 9th ed. Chichester, West Sussex, United Kingdom: John Wiley & Sons Inc.

Hanson, E. (2021). Alexa Smart Properties for Hospitality UK launches. [online] Boutique Hotel News. Available at: https://boutiquehotelnews.com/news/supplier/alexa-smart-properties-hospitality-uk/ [Accessed 17 Dec. 2021].

Harrison, E., Monroe-Lord, L., Carson, A.D. *et al* (2021) *COVID-19 pandemic-related changes in wellness behavior among older Americans.* BMC Public Health 21, 755. [Accessed 10 Dec. 2021].

Hayes, J. (2014). *The theory and practice of change management*. 4th ed. Houndmills, Basingstoke, Hampshire ; New York, Ny: Palgrave Macmillan.

Hotel-Icon (n.d.). *What is it about Asian hospitality that makes it so special?* Available at: https://www.hotel-icon.com/icon-edit/asian-hospitality [Accessed 25 Nov. 2021].

Hudson, S. and Hudson, L. (2013). *Customer service for hospitality and tourism.* Woodeaton, Oxford: Goodfellow Publishers.

Kasi, A. (2017). *Porter's Five Forces Model of Hotel Industry.* Available at: https://www.porteranalysis.com/porters-five-forces-model-of-hotel-industry/ [Accessed 19 Nov. 2020].

Karamustafa, K. and Kusluvan, S. (2001) Multinational hotel development in developing countries: An exploratory analysis of critical policy issues. *International Journal of Tourism Research* 3(3):179-197

Lord, S. and MacArthur, I. (2021) The Impact of the Pandemic on The Hospitality Industry. [podcast] *Greater Manchester Good Employment Charter.* Available at: https://www.gmgoodemploymentcharter.co.uk/news-blogs/posts/2021/july/impact-of-the-pandemic-on-the-hospitality-industry-podcast-episode-4/ [Accessed 26 Nov. 2021].

Luxury London. (2021*). The new luxury hotels opening in London in 2021*. Available at: https://luxurylondon.co.uk/travel/london/new-luxury-hotels-opening-in-london-2021 [Accessed 26 Nov. 2021].

Lynch, R.L. (2018). *Strategic management.* 8th ed. Harlow, United Kingdom ; New York: Pearson Education Limited.

McKinsey (n.d.). *The vision for 2025: Hyperpersonalized care and "care of one"* Available at: https://www.mckinsey.com/business-functions/operations/our-insights/the-vision-for-2025-hyperpersonalized-care-and-care-of-one [Accessed 19 Nov. 2020].

McKinsey & Company (2009). *Enduring Ideas: The three horizons of growth.* Available at: https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/enduring-ideas-the-three-horizons-of-growth. [Accessed 19 Nov. 2020]

National Hotels (2017). *How much electricity do hotels use?* Available at: https://nationalhotels.co.uk/much-electricity-hotels-use/ [Accessed 17 Dec. 2021].

Office For National Statistics. (2021). Coronavirus and the impact on the UK travel and tourism industry - Office for National Statistics. [online] www.ons.gov.uk. Available at: https://www.ons.gov.uk/businessindustryandtrade/tourismindustry/articles/coronavirusandtheimpactontheuktravelandtourismindustry/2021-02-15.

Ollier-Malaterre, A, & Sarkisian, N., Stawiski, S. and Hannum, K. (2013). *Work–life balance and performance across countries: Cultural and institutional approaches.*

Olsen, M.D., Eliza Ching-Yick Tse and West, J.J. (2008). *Strategic management in the hospitality industry.* 3rd ed. Upper Saddle River, N.J.: Pearson Prentice Hall.

Patel, S. (2021). *What is Omnichannel Communication? (and Why It's Important)*. [online] REVE Chat. Available at: https://www.revechat.com/blog/omnichannel-communication/ [Accessed 12 Dec. 2021].

Porter, M. (2001) Strategy and the Internet. *Harvard Business Review* 79(3). pg 62 – 67.

Porter, M. E (2008). The Five Competitive Forces That Shape Strategy. *Harvard Business Review*. pg 1-19.

PricewaterhouseCoopers (2020) Post Covid-19 Customer Strategy Implications. Available at: https://www.pwc.de/de/im-fokus/customercentrictransformation/post-covid-19-customer-strategy-implications.pdf [Accessed 19 Nov. 2021].

Pusiran, A. and Chon, K. (2013). The Influences of Asian Cultural Values in the Asian Hospitality Services. Available at: http://www.millennium-destinations.com/uploads/4/1/9/7/41979675/theinfluenceofasianculturalvaluesintheasianhospitalityservices11.pdf [Accessed 17 Nov. 2021].

Rowe, S. (2019). The Top Customer Service Trends: Building Better Service Beyond Voice. Available at: https://www.destinationcrm.com/Articles/ReadArticle.aspx?ArticleID=132853 [Accessed 25 Nov. 2021].

Shangri La (2020) *Shangri La Academy Catalogue.* Available at: https://online.flippingbook.com/view/472472/ [Accessed 25 Nov. 2021]

Shangri-La (2016) *Shangri-La Hotel Presskit*. Available at: http://www.shangri-la.com/uploadedFiles/Shangri-la_Hotels/Tokyo,_Shangri-La/press-room/press-kit/Press%20Kit%20_SLTY%20EN_2016(1).pdf [Accessed 19 Nov. 2020].

Shangri-la.com. (2021). Services & Facilities Available at: http://www.shangri-la.com/london/shangrila/about/services-facilities/. [Accessed 19 Nov. 2020].

Statista. (2019). *London hotel occupancy rate 2008-2019* Available at: https://www.statista.com/statistics/323719/annual-hotel-occupancy-rate-in-london-uk/. [Accessed 19 Nov. 2020].

Sylt, C. (2019). Shard Times at the Shangri-La. [online] CityAM. Available at: https://www.cityam.com/shard-times-at-the-shangri-la/ [Accessed 29 Nov. 2021].

Tesone, D.V. (2010). *Principles of management for the hospitality industry*. Oxford: Butterworth-Heinemann.

Trading Economics (2021). British Pound | 2019 | Data | Chart | Calendar | Forecast | News. Available at: https://tradingeconomics.com/united-kingdom/currency [Accessed 17 Dec. 2021].

World Travel & Tourism Council (2020) *To Recovery & Beyond: The Future of Travel & Tourism in the Wake of COVID-19.* Available at: https://wttc.org/Portals/0/Documents/Reports/2020/To%20Recovery%20and%20Beyond-The%20Future%20of%20Travel%20Tourism%20in%20the%20Wake%20of%20COVID-19.pdf?ver=2021-02-25-183120-543 [Accessed 19 Nov. 2020].

Whittington, R. *et al* (2020). *Exploring Strategy*. 12th ed. Hoboken: Pearson.