

A comparison of the marketing methods of two multinational hotel chains

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This essay compares the marketing strategies of two leading hotel brands, Raffles and Novotel. Despite operating in the same industry, they employ distinct approaches to target their markets. Raffles focuses on luxury and unique experiences for affluent travellers, while Novotel adopts a mid-scale pricing strategy for a broader range of business and leisure travellers. Analysing their strategies provides insights into successful marketing in the competitive hospitality industry. The SWOT and PESTLE frameworks will be used to compare the marketing strategies of the two brands, as well as analyse their different generational and changing approaches to marketing.

Thesis statement: A comparison of the marketing strategies employed by Raffles and Novotel reveals distinct approaches to target different segments of the hospitality market, with Raffles focusing on luxury and unique experiences, while Novotel aims to capture a broader audience with its mid-scale pricing and family-friendly offerings.

Raffles and Novotel employ different marketing strategies, each with its strengths and weaknesses. Raffles boasts a strong brand reputation and offers unique luxury experiences, attracting affluent travellers. Their focus on experiential marketing enhances customer loyalty (Pan et al, 2021). However, Raffles faces challenges due to its limited global presence and high price points, which may limit its reach and appeal to budget-conscious travellers. In contrast, Novotel has a robust global presence and a mid-scale pricing strategy that appeals to a broad range of business and leisure travellers. The brand also benefits from a loyalty program that fosters customer retention (Upadhyay et al, 2022). Novotel, however, may struggle with brand differentiation and limited amenities compared to luxury hotels.

Opportunities lie ahead for both brands. Raffles can explore new markets and partnerships with high-end brands and influencers to enhance its image and attract new customers. Leveraging digital marketing strategies can help expand Raffles' reach and increase brand awareness (Johnson, 2022). Similarly, Novotel has the opportunity to adopt sustainable practices and focus on family-friendly offerings, catering to the growing demand for eco-friendly travel experiences and attracting travellers with children (Olya and Olya, 2021).

Despite these opportunities, both brands face threats in the market. Intense competition, both from luxury hotel brands (Raffles) and mid-scale competitors (Novotel), presents a challenge to their market share. Additionally, disruptive technologies and online travel platforms can impact direct bookings and customer acquisition for both brands.

Analysing the macro-environmental factors through the PESTLE framework, political stability, government regulations, and geopolitical dynamics can influence the marketing strategies of both Raffles and Novotel. Economic factors, including fluctuations in the global economy and consumer spending patterns, can impact the affordability and demand for luxury experiences (Raffles) and mid-scale accommodations (Novotel). Sociocultural trends and changing consumer preferences regarding travel experiences, luxury, sustainability, and family-oriented offerings also play a crucial role in shaping their marketing strategies. Technological advancements, such as digital marketing and online travel platforms, offer

opportunities for reaching and engaging customers (Andrades, 2022). Legal compliance and environmental sustainability are critical considerations, as adherence to laws and regulations and the adoption of eco-friendly practices can influence consumer perceptions and preferences (Diehl and Jansen, 2021).

Different generational approaches to marketing have a significant impact on the strategies employed by brands like Raffles and Novotel. The preferences and behaviours of each generation when it comes to consuming information and making purchasing decisions play a crucial role. Raffles and Novotel adapt their marketing efforts to effectively reach different generations by considering the use of social media and digital marketing versus traditional advertising and marketing techniques.

Traditional advertising and marketing techniques, such as print ads, television commercials, and billboards, have proven effective in targeting older generations, including Baby Boomers and some Gen Xers. These generations tend to rely on traditional media channels and may place more trust in established forms of advertising. Therefore, Raffles and Novotel may utilize traditional marketing techniques to reach older demographics that are less digitally inclined and rely on traditional media for information (Mitchell and Walsh, 2021).

In contrast, younger generations, such as Millennials and Gen Z, are highly connected to social media platforms and digital channels. They prefer to research, engage, and make purchasing decisions online. Recognizing the importance of social media and digital marketing in reaching these tech-savvy generations, Raffles and Novotel incorporate these strategies into their marketing efforts. Platforms like Instagram, Facebook, and Twitter are utilized to showcase their offerings, engage with customers, and influence purchasing decisions. Additionally, partnerships with influencers and user-generated content campaigns can effectively capture the attention of younger audiences (Azevedo and Lopes, 2021).

To reach a wider range of generational demographics, Raffles and Novotel often employ a multi-channel approach, combining both traditional and digital marketing techniques. While traditional advertising methods may be employed to target Baby Boomers and Gen Xers, digital marketing and social media campaigns cater to Millennials and Gen Z.

The effectiveness of marketing techniques may vary based on the specific target market and location. Thus, Raffles and Novotel conduct market research and employ data-driven strategies to understand the preferences and behaviours of their target generational segments. By aligning their marketing efforts with the preferences of each generation, they can effectively engage their target audiences and drive business growth.

Over time, Raffles and Novotel have undergone significant changes in their marketing strategies to adapt to evolving consumer preferences and market dynamics. Raffles has expanded its digital presence by investing in website enhancements and user-friendly online booking systems. The brand has embraced social media platforms to engage with its target audience, utilizing visually appealing content on platforms like Instagram and Facebook. Collaborations with travel influencers and celebrities have become an integral part of Raffles' marketing approach (Schmitt and Brakus, 2021). The brand also emphasizes

personalization and experiential marketing, aiming to create memorable and tailored experiences for its guests.

On the other hand, Novotel has undergone a digital transformation, enhancing its online presence through user-friendly websites and mobile apps. The brand actively engages with its audience on social media platforms, promoting its facilities and special offers while fostering brand loyalty and customer engagement (Sigala, 2022). Novotel has recognized the importance of targeting families and has tailored its marketing efforts to highlight family-friendly amenities and activities. Additionally, sustainability initiatives have become a key part of Novotel's marketing strategy, appealing to environmentally conscious travellers and aligning with changing consumer preferences (Kim et al, 2021).

Raffles and Novotel employ distinct marketing mix strategies to cater to their target markets. Raffles positions itself as a luxury brand, offering high-end hotel accommodations and unique experiences tailored to affluent travellers. It commands premium prices that reflect the exclusivity and exceptional service it provides. Strategically selecting prime locations, often in prestigious destinations and iconic landmarks, Raffles ensures an exceptional setting for its guests (O'Cass and Sok, 2021). The brand promotes itself through a combination of traditional advertising, public relations, and digital marketing, leveraging its reputation, unique offerings, and partnerships to create awareness among its target audience. Raffles places great emphasis on its highly trained and professional staff, known as Raffles Ambassadors, who deliver personalized experiences and attentive service throughout the customer journey (Anuar and Wee, 2021). The brand's seamless and personalized processes, along with its luxurious and elegant physical spaces, create a distinct atmosphere that reflects its heritage and exclusivity.

In contrast, Novotel adopts a mid-scale pricing strategy, offering comfortable and contemporary hotel accommodations suitable for both business and leisure travellers. The brand aims to provide value for money, appealing to a broader market segment. Novotel establishes a strong global presence, strategically locating hotels in key business districts, tourist destinations, and transportation hubs to ensure accessibility. Promotional efforts focus on online advertising, social media engagement, and loyalty programs, emphasizing the value, convenience, and family-friendly experiences offered (Boo and Busser, 2021). Novotel invests in friendly and knowledgeable staff, ensuring efficient service and satisfying the diverse needs of its customers. Streamlined processes, such as online booking, express check-in/check-out, and clear communication channels, enhance the overall guest experience. Novotel's physical spaces feature well-designed rooms, functional facilities, and amenities that cater to modern travellers, including meeting rooms, fitness centres, and restaurants (Ekinci and Hosany, 2021).

Using the SimilarWeb tool, it can be identified that Raffles primarily caters to a high-end luxury customer segment. Its target audience typically consists of affluent travellers, business executives, and individuals seeking exclusive and personalized experiences. These customers value luxury, exceptional service, and unique offerings, and are willing to pay a premium for a luxurious stay.

Novotel, on the other hand, targets a broader customer segment. It positions itself as a mid-scale hotel brand, appealing to both business and leisure travellers. Novotel's target audience includes budget-conscious travellers, families, and individuals looking for comfortable accommodations without the luxury price tag. Novotel focuses on providing value for money, convenience, and family-friendly amenities to meet the needs of a wider range of customers.

Considering the initial thesis, the analysis provided closely matches the predictions made. In conclusion, Raffles and Novotel employ different marketing strategies, each with its strengths and weaknesses. Raffles focuses on luxury and unique experiences to attract affluent travelers, while Novotel aims for a broader audience with mid-scale pricing and family-friendly offerings. Raffles faces challenges with its limited global presence and high prices, while Novotel may struggle with brand differentiation and limited amenities compared to luxury hotels. Both brands have opportunities for growth, such as exploring new markets, leveraging digital marketing, and focusing on sustainability and family-oriented offerings. However, they also face threats from competition and disruptive technologies. By adapting to market dynamics and considering generational preferences, Raffles and Novotel can effectively reach their target audiences and drive business growth.

Future studies related to Raffles and Novotel's marketing strategies could focus on market expansion, influencer marketing, sustainability practices, customer experience, digital marketing effectiveness, generational preferences, competitive analysis, technological disruption, cross-channel integration, brand perception, and pricing strategies.

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