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Abstract

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Problem: What effective marketing strategies can Chinese hotels take during the competition with the foreign hotels operating in China?

Purpose: Seek effective marketing strategies for Chinese hotels, help Chinese hotels sustain competitive advantage by doing the comparative study between Jin Jiang Hotel and Accor Hotel.

Method: This research is mainly an exploratory research based on interview research. The major model used is the marketing mix model, the competitive advantage, and marketing strategy. The data collection is categorized into two sources, primary and secondary.

Conclusion: The research explores the marketing strategies for Chinese local hotels after doing the comparative study and analyzing the operations of Accor and Jin Jiang based on the Marketing Mix theory. The improving strategies are varied, which includes the product, promotion, etc. Offering guidance for the whole
Chinese local hotels are the ultimate objective of the research.

**Key words:**
- Chinese hospitality industry
- Marketing mix
- Comparative study
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1. Introduction

In this introduction chapter, it presents the background of the topic, problem statement and the purpose of the research. Besides, the scope of the research, targeted audience and disposition are also illustrated.

1.1 Background

This part states the situation of global and Chinese hospitality industries. Besides, in order to well do the comparative study between foreign and Chinese hotel in the following section, Jin Jiang International Hotel Management Co. Ltd and Accor Hotel Group will also be stated in this part.

1.1.1 Global hotel market

Nowadays, the developed speed of the worldwide hospitality industry is rapid with the globalization trend in economic development. All the hoteliers are striving to take the effective strategies for expanding the hospitality market and attracting as much as the customers. And the global lodging industry has seen tremendous growth and this industry is booming development.

There are various performances in the industry and the levels differ in the world. In Europe, the developing levels are relative high with the high quality service, sophisticated organizational structures, high brand loyalty, etc. And the Asian countries specifically China and India develop dramatically in the lodging industry due to the international business and leisure tourism. It is notable that Chinese hotel industry improves consistently after entering into the WTO. China is likely to see the highest growth in the Asian region due to the tourism expenditure rises on average at 14% annually and the support from the Chinese government is another irreplaceable (ZuoSi website).

In the future, although booming development in the hospitality industry, there are also various problems and barriers demanding prompt solutions. For example, as we all
know by now, the global financial crisis has seriously affected the hospitality industry and leads to fewer customers and a significant decline in the average expenditure per guest. So the hotel industry is in need of using advanced information and technologies to design, build, and operate hotel system to be highly competitive in the ever-changing environment.

1.1.2 Chinese hotel market

This part states the situation of Chinese market, including the introductions of foreign and Chinese hotels operating in China.

1.1.2.1 Emerging market

Since its rapid economic growth and tourism development, by 2020, People’s Republic of China will be one of the world’s most popular tourist destinations, with annual arrivals of 130 millions. Concurrently, the increasingly affluent population of China is traveling more within the country. In addition, the government has boosted leisure travel by introducing a five-day workweek and substantial vacation time in a year. (China's hotel industry: Serving a massive market, 2002) Facts have proved that China is a fertile land for the hotel industry. According to China National Tourism Administration (CNTA) data, China is home to 11,828 hotels. Its stock of 1,332,083 rooms represents a tenfold increase in the number of hotels in the past twelve years (CNTA 2006, 2003).

1.1.2.2 Foreign hotels in china

Since China’s accession to the World Trade Organization (WTO) on December 11, 2001, Chinese hotel market has been gradually opening. By 2003, among the world's top 300 corporate chains ranked by Hotels Magazine, about 10 per cent of them have entered in China. For example, Shangri-la, which considers China the most important destination for future development, is very active in investing and managing hotels in China, with 17 hotels totaling 8,000 rooms. In addition to these big players, many other hotel companies also set China as a strategic point for developing their business
(International Journal of Contemporary Hospitality Management, 2000). Foreign hotel companies enjoy the advantages of economies of scale, global recognition and networking, and well established managerial and technological expertise (Tourism and hotel Development in China, 2005) while they compete with Chinese local brands.

1.1.2.3 Local hotels in China

From 70s to 90s, Chinese domestic hotel brands were maintaining an annual increase of 18.61 per cent. In recent years, since the hospitality industry have grown rapidly and barriers for foreign hotel chains entering the Chinese market have been eased, the domestic hotels to be confronted with both challenges and opportunities. In Chinese hotel industry, the hotels strengthen the cooperation by expansion. Much of the industry’s expansion has occurred in the major cities of Shanghai, Guangdong, Shenzhen, and Beijing. In those cities, there are certain hotels which own the similar levels compared with West hotels. Although Chinese hospitality industry has gained large sum of investment by increasing the hotel stock since 2000, the local hotel industry have other aspects need to be improved (Perceptions of Chinese Hotels, 2007). In order to survive in the fierce competition, the Chinese domestic hotel industry needs to quickly learn from and cooperate with their foreign partners and devise more effective development strategies.

1.1.3 Introduction of Jin Jiang and Accor

This part is the brief introduction of two companies which chosen as objectives of the comparative study.

1.1.3.1 Jin Jiang International Hotel Management Co. Ltd.

Jin Jiang International Hotel Management Company is the largest hotel brand in China, which has more than 60 hotels and 140 inns operating or under development in 59 cities of 25 provinces and municipalities in China. Jin Jiang operates and manages hotels from economy hotels all the way to 5-star hotels. (Jin Jiang website)
1.1.3.2 Accor

Accor is the European leader and a major global group in hotels with several brands included Sofitel, Ibis, All seasons, and so on, representing more than 4,000 hotels and nearly 500,000 rooms in 90 countries. In China, until 2006, there are 5 brands operating in China and most hotels are situated in major metropolitan areas. The total annual revenues were 215 million US dollars for mainland and Hong Kong regions. (Accor website)

1.2 Purpose

Firstly, the main purpose of the research is to seek effective marketing strategies for Chinese local hotels, help Chinese local hotels expand the market and hold the sustainable competitive advantage in the hotel business market by doing the comparative study between Jin Jiang International Hotel Management Co. Ltd. and Accor Hotel Group.

Secondly, the authors offer an academic research which has the theoretical contribution in Chinese hospitality industry. The meanings of this research are to provide the theoretical guidance for the operators working in the Chinese hotels on how to take effective actions to be successful in the hotel market.

Lastly, Jin Jiang Hotel and Accor Group can know their advantage and disadvantage in compete in Chinese market from this comparative study and draw up plans to deal with their problems.

1.3 Research question

Along with the internationalization, more and more foreign hotels (For example, ACCOR hotel group) enter into China occupying more Chinese market share. And Chinese local hotels need to operate more strategically for being more powerful in the process of competing with foreign hotels expanding into China. The aim of the research is to respectively find the advantages of Chinese local hotels and foreign hotels by doing the comparative study of the operation between Accor hotel group and
Jin Jiang hotel group. And then explore the effective marketing strategies for Chinese local hotels by referring the successful experiences from foreign hotels. Therefore, the main problem of our research is:

What effective marketing strategies can Chinese hotels take to improve and hold the market share compared with foreign hotels in China?

1.4 Scope of the research

To answer the research questions, the comparative model of Accor hotel group and Jin Jiang International Hotel Management Co. Ltd are focused as they are the important research method in the thesis. By doing the comparative study between them, the thesis will reach the purpose of the research. Since this research is aimed to study the marketing strategies in Chinese hospitality market, service marketing mix are the main theory in the whole research.

1.5 Targeted audience

Firstly, the outcome of this research can be beneficial to the private sector, which is the marketing managers of Chinese local hotels who are interested in expand the hotel markets for their companies as well as increase the profit volume by their hard work.

Besides, it can offer the constructive suggestion for the person who is willing to be engaged in the hotel industry in China. The research can help them deep understand the current situation of Chinese local hotel markets and instruct them to take correct actions.

In addition, it can offer the suggestion for Chinese government who can take some policies encouraging Chinese hospitalized industry in the future.

1.6 Disposition

This part is to introduce the general contents of each chapter for giving the readers a clear explanation about the whole research.
The first chapter is introduction which presents the background about the researched hospitality industry, the purposes, research questions, the scope of the research and the targeted audience. The second chapter is theoretical frameworks which include the definition of hospitality and it also presents the conceptual model which is designed by the authors. Then it introduces the theories used in the research, for example, the service marketing mix, etc. The third chapter is the methodology chapter. This chapter explains how the research is accomplished and it includes topic selection, literature review, and development of framework, data collection, and analysis plan of the research. The fourth and fifth chapter is the fact finding and analysis bout the research from both primary data and secondary data by using related theories. Lastly, the sixth and seventh chapters are conclusion and recommendations. After doing the conclusion, the paper presents the effective marketing strategies in the recommendation part.
2. Theoretical Framework

This part firstly defines the meaning of hospitality industry and then it explicitly presents the conceptual framework which is the direct embodiment of the research structure. Finally, the factors in conceptual framework models applied to this study are explained and elaborated for clearly expressing the perspective of the research.

2.1 Definition of hospitality industry

In order to make an explicit research, the definition of hospitality industry is essential and described as follows:

- **Hospitality Industry**

Companies that concentrate on operating various levels of hotels are seen to be a part of the hospitality industry. In the hospitality industry, it offers accommodation and other services which are included food, leisure and business meeting, etc. It ranges from various business types and this research is focus on the hospitality organization and various levels of hotels. And we hope that the research will be useful for all the firms in hospitality industry in China (Francis Buttle, 1996).

2.2 Conceptual framework model

This conceptual framework part explains the linkage between concerned models is described as they are the research’s analytical tools.
Figure 2.1 illustrates the theoretical models used in the research and the main pattern in this model is to conduct the comparative study between international Hotel --- Accor and Chinese Local Brand --- Jin Jiang from service marketing’s various aspects, including product, promotion, price and so on.

This research presents the differences of their controllable factors by using the theories - service marketing mix. In this comparative process, for example, the paper compares the service quality for seeking the advantage and disadvantage of both Accor and Jin Jiang in order to offer the advanced experience which is worth being learnt for exploring the marketing strategies of Chinese local hotel companies.

After doing the comparative study, the authors analyze the advantages and weak betweens Jin Jiang and Accor, which is the base of gaining the correct marketing strategies for Chinese hotels. And then the paper analysis the comparative results and presents the final marketing strategies base on service marketing mix theory for Chinese hospitality industry.
2.3 Marketing Mix

In hospitality industry, hospitality product is different, that is in fact, something intangible that they are selling and as both product and service. It’s belonging to the service industry. What is significant about services is the relative dominance of intangible attributes in the makeup of the “service product”. Services are a special kind of product. They may require special understanding and special marketing efforts (Lewis & Chambers, 1989). Therefore the marketing mix has seen an extension and adaptation into the extended marketing mix for services, also known as the 7P’s. The services marketing mix is an extension of the 4-Ps framework. The essential elements of product, promotion, price and place remain but three additional variables – people, physical evidence and process – are included to 7–Ps mix (Booms & Bitner, 1981). In this service marketing mix, the authors choose product, price, and promotion as the main target elements to analyze these two cases.

![The 7 P’s of service marketing](source: Booms & Bitner, 1981)

Marketing are those activities associated with getting buyers to purchase the product, including the channel selection, advertising, pricing, etc (quickmba website). In this research, this part is the most important one being illustrated and the authors put
emphasis on analyzing the different performances of Accor and Jin Jiang when doing the comparative study in order to get the final marketing strategies in the following parts. Among these seven elements, the product is emphasis to analyze, then, the authors also attach the importance to promotion and people, and other element just mentioned a little.

2.3.1 Product

Product is not only the tangible, physical entity that can be buying and selling but should be viewed in several levels (Kotler, 2003). In this research, Hospitality products need to fulfill customers’ needs on several levels as follows:

- **Core product** is the core benefit that the company provides and makes it valuable to the customers (Kotler, 2003). In this research, the authors present what are the customers really buying? It refers basically to the benefits provided by the hotel to the consumer.

- **Facilitation product** is the services or goods that must be present for the customer to use the core products and make customers can get some use out of it (yeeyan website). For example, service includes installation, customer support, complaint resolution, repair (Porter, 1998, p.310), and in this research, the service not only means the after sale service, the service can be seen as product in hospitality industry. This part is also the important part in the whole research because the hotel industry is service industry, and the author finds the different services offered by Accor and Jin Jiang by doing the comparison and gain the recommendations for Chinese hospitality industry.

- **Supporting product** can be defined as the non-physical part of the product that add value to the core product and the firm can create get advantage benefits to ensure that their product offers a differential from their competitors (Stevens et al, 1997). It usually consists of lots of added value, for which customers may or may not pay a premium (yeeyan website).
Augmented product is referred to as the activities includes create warm atmosphere and increase customers’ interaction with the service organization and between each other (yeeyan website).

In this research, product is the main element to analyze by the authors and the authors give suggests based on all these three levels of products.

2.3.2 Promotion

Promotion strategy is referred to as the processes and activities that requires interaction between two or more people or groups, messages, media and receivers to persuades targeted customers to buy their products or service by communicating the benefits and values of its products with customers (Kotler and Armstrong, 2004). The communication includes the information communication that aim to gain the positive response from the targeted customers. The most effective way to deliver a message is advertisement and sales presentation and the destination is both the customers and the potential consumer (University-essays website).

2.3.3 People

Various kinds of persons, who take part in the service activities, no matter directly or indirectly, comprise the marketing mix. (Booms & Bitner, 1981). Professional persons, customers, managers make the whole service process increase the value. In this part the levels of educational of employees of Accor and Jin Jiang will be compared by the authors in the research (st701 jobs website).

Company must well manage their workers in the process of operation for guarantee the quality of the service. During the operation and service toward to the customers, the behaviors and attitudes of the workers bring various feelings and feedbacks of the customers. Comfortable perception could bring the good word of mouths of the customers and that could help the company build the good image. So this managing people process is pretty important, which can influence the performance and power of the hotel (st701 jobs website).
Besides, human resource management includes training the staffs, recruiting, staff welfare, etc (12manage website). The author get the related first-hand data about this part by doing the interview in the following parts of the paper for understanding the real fact of the HR issues in the hospitality industry. And then analysis and obtain the improving solutions for Chinese domestic hotels (st701 jobs website).

2.3.4 Price

Pricing strategy is referred to set a specific price for a product or service. Kotler and Armstrong (2004) define price as the amount of money that customers have to pay to get the product. Somebody may think that a low price is necessary to attract customers, but we should realize that the price is not the only element that customer concerned (Lazer, 1971). Pricing strategy can divided into two parts: price determination and price administration (university-essays website).

- **Price determination** can be defined as the processes and activities which involved in consideration of relative prices of products and differences in price for similar products of differing grades and qualities to arrive at a price for a product (University-essays website).

- **Price administration** this definition is the activities including making basic prices and particular sales fit to each other. Some element need to concern such as geographic locale, position of distribution channel members, and so on (university-essays website).

2.3.5 Place (Distribution)

Place are those associated activities that mainly based on sales, communications and so on to make the product available to the targeted customer (Kotler and Armstrong, 2004).

2.3.6 Process

A series of activities in the process of operating a hotel are process. And the workers
and customers are the important elements in the hospitality marketing process (Booms & Bitner, 1981).

The process in the hospitality industry is interactive between the company and its customers because people are the actors of the process and the customers play great role in evaluating this service process. So well managing the process and make customers feel satisfied is the key in the process of operating and in this research the authors compare the performance between Accor and Jin Jiang for evaluating their service process in the marketing (st701 jobs website).

It is worthy to illustrate that the technology development is mentioned by the authors, which can bring the competitive advantage of the company by innovation and creating new activities (netmba website). And in the hospitality market, for Chinese local hotels, information technology plays rather important roles when competing with other foreign rivals because high-tech on-ling booking system could attract more customers from all over the world. So in the research the authors compare this point to find the differences between Accor and Jin Jiang.

2.3.7 Physical evidence

Physical evidence refers to the design and layout of the hotels, which can prove the levels and power of the hotels. It is a tangible thing which includes the design of the rooms, the layout of the furniture in the rooms, the high-tech equipment in the meeting rooms, etc. The decoration of the hotel are in important role in the customers’ eyes because well-designed room and facilitation could bring the customer comfortable experiences during staying in the hotel (st701 jobs website).

2.4 Advantage and disadvantage

This paper takes full use of the advantage and disadvantage theories when the authors do the comparative analyzing. Firstly, in this research, the most important objective is to explore the marketing strategies for Chinese hospitality industry for gaining the competitive advantage. Then, the research’s typical analyze theory is using the service
marketing mix for gaining the advantages and weak compare Accor with Jin Jiang. In addition, the authors find the disadvantage of Chinese hotels and focus on how Chinese local hotels improve after analyzing the results of the comparative study. So comparative advantage, competitive advantage and disadvantage play an important roles in the whole research.

2.4.1 Comparative advantage

Comparative advantage is the company producing the products by using lower costs compared with its rivals in the industry (answers website). When competing with others in a industry, the company should try its best to hold more comparative advantage for attracting more customers and earning more profits.

2.4.2 Competitive advantage

Competitive advantage is the key for a company to compete with its rivals and stand in a leader position. According to Michael Porter (1998, p.40-42), there are three methods to create the competitive advantages for a company:

   Cost leadership – That is to say, the company produces the commodities by lower costs compared with its rivals.

   Differentiation – It means the company creates different activities and that could make the company be the leader in the industry due to both services and price.

   Focus (economics) – It means company concentrates specific marketing segment in the process of developing.

2.4.3 Disadvantage

In this research, the authors use disadvantage to express the defect of Chinese hospitality industry in order to find the improving solutions for them to get the competitive advantages.
2.5 Marketing strategy

Marketing strategy is the key for the company to operate and develop in the industry, which is the important element the company exploring unstoppable. It gives the company the clear direction and make the company obtain maximize profit by using lower costs (Porter, 1998). At the end this paper, the authors develop marketing strategies for Chinese domestic hotel industry as the recommendations and the effective marketing strategies for Chinese local hotels the authors given at the last is base on marketing mix.
3. Methodology

This chapter states how the research is developed. First, the topic selection and literature review are discussed. And then the authors present the development of the theoretical framework. Subsequently, the authors describe how to collect and analyze the data which includes both primary data and secondary data according to the problem statement and the purpose of the research. Lastly, the author introduces the comparative study of the research.

3.1 Topic selection

It is rather essential and useful to start the research with selecting a specific topic area before identifying the accurate problem and purpose of the research. Our group members are two Chinese girls who were born in mainland China and we hope that China could be more internationalization and modernization in the competitive market. Thus, we decide to choose a specific topic area to do our research for exploring the marketing strategies for Chinese local industry and making contribution to our country by our efforts.

Firstly, we have to decide which specific area we will research. Nowadays, after entering into WTO, China rapids rather quickly and it is achieving globalization, especially in mainland China. The number of travellers from all over the world is increasing dramatically and the hospitalize industry is full of vigour. Along with this development process, there have been more and more foreign hotels entering into China and Chinese local hotels are facing the severe challenges. So the strategies for Chinese local hospitality industry are pretty crucial, which could be their effective methods to make them hold competitive advantage.

Then, we have to consider the research space for our study in the hospitality industry in order to understand whether our research topic is making sense or not. So far, there have numerous scholars researching this related issues with regard to Chinese hotel markets. After reading related resources, we find that there is so much space for us to
do the further research on hospitalizes industry in Chinese mainland. Firstly, previous researches’ concentrations are mostly on Taiwan and Hong Kong while the researches on Chinese mainland are few. And our research is in the Chinese mainland market. Besides, their research objectives are to understand and introduce the Chinese hotel markets and the effective strategies for Chinese companies operating into China are rare. We will do the in-depth investigation and systematically study on this issues and at last propose a holistic strategies for the Chinese local companies. In addition, their researches are mostly from macro aspect research, that is to say, there are few samples in their researches to make their research be more persuasive. And the highlight for our research is to explore the strategies by doing the comparative research so as to research in a micro step.

While the authors were studying a course EF0216 Global and Local Marketing Strategies and reading On Competition written by Michael Porter at Mälardalen University in the fall of 2008, we realized the importance of learning and using this important knowledge. And after deciding researching this topic, we just can take full use of our learnt knowledge and theories to explore the marketing strategies for Chinese hotel industry. So we finally identify our research direction.

3.2 Literature review

The meaning of this part is irreplaceable because the authors can gain the sufficient knowledge and key theories for the further research to make our research be more academic.

With the purpose of having a further and full understand of the hospitality industry and find reliable theoretical models, the authors firstly use the quick search method, including the academic journals in ELIN database, ABI/Inform database and EBSCO database and the website search engine, such as Yahoo and Scholar Google, etc. In the process of searching, we input the key words of our research, includes hospitality industry, hospitality strategies, competitive advantage, Chinese hospitality industry,
hospitality development. In the process of searching online, we found that http://highwire.stanford.edu is a wonderful and useful website for us and this contains several academic journals from various aspects of hospitality industry. It is worthy to state that An Analysis of Hospitality and Tourism Research: Institutional Contributions (Giri Jogaratnam, Ken W. McCleary, Miguela M. Mena, Joanne Jung-Eun Yoo, 2005) is a useful article for us and we can know what the current research situation on hospitality so far and that makes us clear our research direction in our minds.

Besides, due to our research question is to explore the marketing strategies for Chinese local hotels, On Competition (1998) by Michael E. Porter is the literature we believe most relevant and creditable. The book discusses the strategy issue clearly and explicitly states how to gain the competitive advantage for the company, all of which are the instruction of our study. In addition, in our research, we use service marketing mix model to analysis, which is the main theory that we use for our research. In the above part, we have stated the description of this theory and in next step we will state how to use this theory to complete our comparative study and the whole research. And analyzing our findings by using this theory is also our next objective.

3.3 The development of theoretical framework

For this research, the authors use one main concept which is Service Marketing Mix proposed by Booms & Bitner (1981) to analysis and give constructive suggestions to the Chinese hotel industry in the final part of the research.

This whole framework can divided into two parts. Part 1 is the comparative part and the authors compare Accor and Jin Jiang based on service marketing mix. In this part, the authors mainly use the 7Ps of the Service Marketing Mix model to do the comparison and analysis, including people, price, promotion, product, etc. In this part, the authors draw the advantages and disadvantages of Accor and Jin Jiang as a short conclusion after comparing them.

Part 2 is the recommendation that authors created from the part 1. In this part, some
suggestions of marketing strategies are given based on the service marketing mix theory for Chinese local hotels.

3.4 Data collection

In order to accomplish the research smoothly, sufficient information is quite needed, which is including the primary data and secondary data. Following parts are the detailed stating these two kinds of sources:

3.4.1 Primary data

There is a great variety of research methods, for instance, questionnaires, interviews, observation and so on can be used in an open or pre-coded manner when the authors doing the primary research phase. In this research, the company’s marketing mis is the main research objective and the information the authors want to get is mainly about the company, and interviewing is the most commonly used method in Master’s level research into business and organizations and it will be used to provide examples of good practice in open and semi-structured research (Fisher, 2004, p.140), so the interview is the best choice to collect the first hand data for doing this research.

There are a number of factors that should be taken into account when deciding the way in which interviews can be conducted in an open or in a structured manner (Fisher, 2004, p.133&139): for example, if you do not know what kinds of answers you will get from respondents or sources, and if you are looking for new ideas, then you should take an open approach. Or, if you want to compare the views and experiences of a great many people, then it is easiest if pre-coded approaches are used.

After taking all factors into consideration, the authors decide to use the semi-structured interview to get the primary data in this study. Semi-structured interviews are in between open interview which engages in informal conversation with the respondent about a particular area of interest and pre-coded which the interviewer generally reads from a prepared script and is expected not to deviate from
it (Fisher, 2007P159). Firstly, the authors desire to get fresh ideas from the related marketing managers in order to know what their unique perspectives are. So we design open questions for them for getting such kinds of new thinking. Secondly, we have designed specific questions before contacting with them for comparing their views and experiences and getting the answers on what we want to know. Thus, we choose to use semi-structured approach in our process of collecting primary data.

To do research interviewing successfully, the authors design the interview question in several steps. Firstly, roughly sort and list areas of questions. The areas are mainly from the contents in Service Marketing Mix models, including the product of the hotels, people issues, promotion strategies, etc. Secondly, the authors think over the points of questions in the researched area for getting different answers from the interviewees:

- About the product, the author want to know what kind of product Accor and Jin Jiang provide to the customers from different levels. So the questions are mainly about product portfolio, service quality, and supporting product.

- Designing the questions for promotion issue is the important points for this interview because we desire to know the promotion strategies of Accor and Jin Jiang to find out the different.

- The questions on People can divide into the selecting talents and training. Decide on which questions are going to be open and which closed and edit and priorities question (Fisher, 2003, P141). In this part, the authors design both open questions and multiple choices for the interviewees. The objective of the authors is to fine the different results from Accor and Jin Jiang on how to manage their staff.

- For other parts, the authors design several open questions for gaining ideas and understanding the operation of Accor and Jin Jiang as much as possible

Finally, we put questions into sequence for making our questions be more logical. The whole interview questions are shown at the appendix (Appendix 1).
After designing our interview questions, it is essential for us to check our questions for guaranteeing the smooth of the interview process. And the other important reasons why we do the checking step are that we would like to grab as much as useful information from our interviewees in limited time. Firstly, we check the grammar and content of our questions for making our interviewees quickly understand our meanings. Since the interviewees are all from China, they may or may not use English in working, so the questions are translated to Chinese for their easily understanding.

Then, we do the rehearsal with the help of our friends who act as the interviewees answering our questions. In this process, we find several problems which we cannot feel without rehearsal, such as the communication way with the interviewees, time controlling, etc.

Then the authors contacted the employees working in Chinese domestic hospitality by the introduction of friends. We contacted six people in total working in different apartments of Jin Jiang and Accor, and three in each of them. The interviewees’ names and the positions of them in their company are published at the appendix (appendix 2) by the authors.

Fixing the way of interviews should be confirmed with our interviewees. Due to they are working in China, the types of interview are telephone interviews and e-mail interview. Telephone interview is an efficient method to find out how a number of people respond to a specific issue (Fisher, 2004, p.143). Besides, some of our interviewees answered our questions by e-mail due to they are on business trip and not convenient to telephone with us. Before conducting the interview with both of these two types, it is the responsibility of us to manage the flow of the interview and bring it to a satisfactory close when the agreed time is completed (Fisher, 2004, p.143). So we pay attention to the controlling of the time.

Besides, due to it is a non-face-to-face interview, we must keep doing the record in the whole process of interview. Fisher (2007, p.168) says that in addition to any written note, the audio-recording of the interview should also be considered. If the respondent refuses to be recorded, or if the equipment fails, write up your notes as
quickly as possible after the interview. Memory fades very quickly. So we choose to do the notes during the interview period after making agreement with our respondents.

3.4.2 Secondary data

Secondary data is another important channel which is the preliminary stage to obtain the information of the research. The secondary information provides sufficient knowledge background about hospitality industry and Chinese local hotel market. It includes the situation of Chinese local hospitality industry, as well as the foreign hotels’ developed situation in China, etc. For collecting secondary data, the authors use open form documentary research to get preliminary understanding of the chosen topic, and also a pre-coded study of documents that use electronic document files or electronic textual databases to count the frequency and context of the appearance of certain key words or phrases (Fisher, 2007, P161).

We search the issues about hospitality from various websites, including Google, etc. For example, Accor Hotel Group official website is one of the main channels for us to have a deep insight about the developing situation of Accor who is our object of study in our comparative research. Besides, High Wire Press website is another important channel for us to read a large sum of academic journals, including the strategic research of the hospitality industry in the world, the trend of the hospitality in the future, etc.

3.5 Comparative study

In this research, the comparative method is widely used in the analysis of Accor and Jin Jiang doing business in China, which can help the researchers to ascend from the initial level of exploratory case study to a more advanced level of research. To design of comparative research, the objects are some cases which are similar in some respects, but in some other respects, they have differences which become the focus of examination. The goal of the comparative study is to find out why the cases are
different (Arteology website). So, the comparative method is the best choice for the authors to find out the advantages or the different between Acoor Hotel Group and Jin Jiang Hotel, and analyze the reason why they have those advantages and how they create the differentiation.

In our comparative study, we examine two cases which are Accor and Jin Jiang. These two can be seen below where a column is reserved for each case, called "Jin Jiang" and "Accor". On the basis of the targeted cases, the authors decide the comparative aspects in service marketing mix, such as product, promotion, price etc. Then the ABC in the table are the comparative results between those two hotels, the authors record the important contents when comparison.

<table>
<thead>
<tr>
<th></th>
<th>Two hotels operating in China</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jin Jiang</td>
</tr>
<tr>
<td>Product</td>
<td>A1</td>
</tr>
<tr>
<td>Promotion</td>
<td>B1</td>
</tr>
<tr>
<td>People</td>
<td>C1</td>
</tr>
<tr>
<td>Price</td>
<td>D1</td>
</tr>
<tr>
<td>Place</td>
<td>E1</td>
</tr>
<tr>
<td>Process</td>
<td>F1</td>
</tr>
<tr>
<td>Physical evidence</td>
<td>G1</td>
</tr>
</tbody>
</table>

*Table 3.1 the table of comparative study*

*Source: The authors*

The final goal of the comparative study is to reveal the systematic structure, which was hiding behind the cases that the researchers studied. This is to say, the goal is to generalize the findings and find the truth for the entire group where the cases came from (Arteology website). Thus, after doing the comparative study, the authors gains the different current situation of these two companies, which are the findings of the research and that, is an important base for the following analysis part.
4. Findings

In this findings part, it consists of collected data which include both primary data and secondary information. The authors divided the data to seven parts which can match along with the service marketing mix.

4.1 Products

This part presents the interview research about the four levels of the product and also the secondary data from the website and database.

4.1.1 Core product

In the hospitality industry, the product can be described from four parts as the authors mentioned before. The core product that the authors focused is the different rooms of different segments which include budget, economy, midscale, upscale and luxury.

**Emerging countries: in China, growth has been strong in all segments except in budget**

*China - Demand structure evolution (2000-2012)*

![Figure 4.1: China-demand structure evolution (2000-2012)](source: Accor website)

From this chart, we can see, at 2000, the fastest growing segment is budget; it is 55% in all. But from 2006 to 2012, this number decrease to only 25%. The biggest segment
in 2012 is economy, the upscale and luxury segment also increase quickly from 8% to 17%. This chart shows us the demand structure in the future.

4.1.1.1 Accor

China is a main market which is growing very fast and Accor has specific strength with multi-segment and multi-brand development plan in China. Until September 2008, there are 62 hotels and 17,022 rooms in china, the target in 2012 is 195hotels 45,168 rooms (Accor website).

This figure shows the different kind of products of Accor in different market segments. To create a portfolio of powerful brands in China, Accor focus on developing the leading brands or major players in their market segment. What’ more, they also paid attention on creating the effective communication plans to maintain and enhance brand awareness and there are significant investment in innovation to make sure the brands are driving forward (interview).
From the table 4.1, until 2006, there were 18 Sofitel hotels operating in China, it was the most number of brand that Accor have in China at that time. After that, Accor focused on the economic brand – Ibis. But, compared the number of rooms with Sofitel, Ibis’s room number was still insufficient.

On 15 January 2009, the 22nd Sofitel in China – Sofitel Wanda Ningbo was opened. The new hotel just 15 minutes from downtown Ningbo, China’s second largest seaport which located 240 kilometers from Shanghai. As the Sofitel Wanda Ningbo, in China, Accor’s major hotels opened in key cities including Beijing Shanghai, Macau, Guangzhou, Nanjing, and so on. (Interview)

4.1.1.2 Jin Jiang

Jin Jiang hotels and Jin Jiang inns are mainly located in the large and medium-sized cities in China, ranging from luxurious five-star hotel to economical Jin Jiang Inns.

<table>
<thead>
<tr>
<th>Accor</th>
<th>operating Hotels (40–12,104 rooms) in China, Nov 2006</th>
<th>Opening hotels (57-14,168 rooms) in China, Nov 2006</th>
<th>Number of Located cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sofitel</td>
<td>18 hotels – 5,431 rooms</td>
<td>13 hotels – 4,603 rooms</td>
<td>26 cities</td>
</tr>
<tr>
<td>Grand Mercure</td>
<td>4 hotels – 1,382 rooms</td>
<td>1 hotel – 200 rooms</td>
<td>5 cities</td>
</tr>
<tr>
<td>Novotel</td>
<td>10 hotels – 3,466 rooms</td>
<td>6 hotels – 2,046 rooms</td>
<td>10 cities</td>
</tr>
<tr>
<td>Mercure</td>
<td>1 hotel – 111 rooms</td>
<td>1 hotel – 198 rooms</td>
<td>2 cities</td>
</tr>
<tr>
<td>Ibis</td>
<td>4 hotels – 860 rooms</td>
<td>35 hotels – 7,069 rooms</td>
<td>37 cities</td>
</tr>
<tr>
<td>Other Hotel</td>
<td>3 hotels – 854 rooms</td>
<td>1 hotel – 52 rooms</td>
<td>3 cities</td>
</tr>
</tbody>
</table>

*Table 4.1: the numbers of Accor’s hotels in China*

*Source: Accor’s Website*
Jin Jiang has several special hotels named Jin Jiang Heritage which has a great selection of historic hotel properties in Shanghai. And all Heritage Hotels have a long and fascinating history (Interview).

Jin Jiang’s 5 star hotels not only locate at the large cities and the big coastal cities like Beijing and Shanghai, but also locate at inland secondary cities like Handan and Tangshan (Interview).

Jin Jiang three star hotels are the ideal for mid to upper range of business and leisure travelers. They focuses on convenience in both location and facilities, and they also have ample dining and entertainment options to satisfy customers’ different need (Interview).

<table>
<thead>
<tr>
<th>Budget</th>
<th>Jin Jiang 5 star hotel</th>
<th>Jin Jiang Heritage hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upscale</td>
<td>Jin Jiang 4 star hotel</td>
<td>Jin Jiang Heritage hotel</td>
</tr>
<tr>
<td>Midscale</td>
<td>Jin Jiang 3 star hotel</td>
<td>Jin Jiang Heritage hotel</td>
</tr>
<tr>
<td>Economy</td>
<td>Jin Jiang 2 star hotel</td>
<td>Jin Jiang Inn</td>
</tr>
<tr>
<td>Budget</td>
<td>Jin Jiang Inn</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.3: Jin Jiang’s products

Source: Author’s Interview

<table>
<thead>
<tr>
<th>Jin Jiang</th>
<th>Total number</th>
<th>Numbers of located cities</th>
<th>Located in Shanghai</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage hotel</td>
<td>6</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>5 star hotel</td>
<td>17</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>4 star hotel</td>
<td>36</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>3 star hotel</td>
<td>12</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>2 star hotel</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Jin Jiang Inn</td>
<td>320+</td>
<td>86</td>
<td>54</td>
</tr>
</tbody>
</table>

*Table 4.2: the numbers of Jin Jiang Hotel
Source: Jin Jiang website*

Except Jin Jiang Inn, all the Jin Jiang Hotels, from economy 2 star hotel to luxury 5 star hotel, use the same brand and image, furthermore, the name of most of hotels are different, and do not contain the name “Jin Jiang”. For example, Park Hotel (70 Nanjing Road (W), Shanghai) and Wenzhou Dynasty Hotel (2 Min Hang Road, Wenzhou, Zhejiang). (Interview)

### 4.1.2 Facilitation product

Products including various levels offered by the hotels plays an important role in the hospitality industry. Following parts are the facilitation products provided by Accor and Jin Jiang respectively.

#### 4.1.2.1 Accor

For more than forty years, Accor has constantly explored its businesses to keep pace with the world around it, and it offers high-quality and innovative services to its customers.

Firstly, Accor makes full use of its online booking system for offering satisfied services to its customers from all over the world. In Accor’s Novotel hotel, there is a website called novotel.com site which is new easy-to-use and making convenient for its customers. It can meet every customer’s individual needs by its four languages on the website, no matter they are planning a business trip or organizing a meeting, etc. And It can introduce Novotel quickly to the world lively by its pictures and videos, and customers can easily choose the hotels from every single corner of the world. The new Web site (Picture 4.1) is dynamic and Novotel’s objective to this new Web site is to offer useful information about the quality of the hotels in a visual way. Besides the
customers can also find more additional information on the cities the hotels located, for example, the tourist information, including weather, the local famous restaurant, typical buildings, etc. And it also offers its suggestions to its customers on the trips and break. (Accor Website)

Secondly, besides online services, Accor offers various services inside each hotel for its customers, including various levels and kinds of hotels.

For a long time, Accor hotel chain has set the international standard on accommodating families (Picture 4.2). Followings are the services offered by hotel chains for meeting the expectations of the whole family traveling: (Accor Website)

- The children who under 16 is eligible to stay free with its parents and the breakfast free included.
- On Sunday the customers can check out until 5 p.m.
- The hotels offer great family room which is for 2 children.
- Diet suggestion in the children’s meal menu.
- There exits entertainment area for the whole family, including the children’s playing area.
Besides accommodating families, Pullman hotels, a new chain of upscale hotels for Accor, also offered excellent services to its customers from all over the world. It tries best to meet the needs of the people on the business trips, whether traveling alone or in a group. Followings are the typical equipment inside the hotels: (Accor Website)

- The lobby inside the hotel is a warm place where the customers can chat, relax and have an informal meetings.

- Hotels are also installed WiFi access (Picture 4.3) which allows business travelers to keep in touch with the business partners and their dear family members. It has its docking system, which can recharge various electronic devices of the customers, including the laptop, MP3, camera, etc.

![Picture 4.3: WiFi access](Source: Accor Website)

- It is worthy to notice that the hotels offer the special person who is responsible for offering welcoming and comfort services to the customers. The welcomer is a tangible service in the hotels who stands for the service promise of the hotels and he has to own multi-faceted skills in this job for responding in real time for every customers, including technique skills, people skills, services skills, etc.

4.1.2.2 Jin Jiang

Jin Jiang offers several of high quality in the hospitality industry in China and its mission is to be industry standard and be part of customers’ life.

Firstly, Jin Jiang offers online services to its customers, including the hotel reservation, the hotel information, and the frequent asked question, etc. And in order to meet the customers from all over the world, this Chinese hotels website has English version for
meeting much more customers’ needs and operating internationally. Besides, on its online website, the customers can ask their questions to the online service staffs who can answer your questions after you leaving your messages and inputting your personal information, including your name, your e-mail address, etc. From our interviewees’ reply, the customers will get the feedback and solutions in the shortest time and they can evaluate the performance of the online service staff after receiving the solutions, including the compliant, suggestions, praise, etc. (Interview)

Besides, in order to guarantee the service quality of Jin Jiang hotel, the company issues the guest comment card for enhancing the service levels of the company. Firstly, it contains the information of the guest for contacting the customers in time, including the name, address, member card number, etc. Then, it designs four aspects about the services for inviting the customers to do the evaluation and the evaluated levels are from zero to eight: (Interview)

- A. Entire hotel stay experience
- B. Arrival/Departure experience
- C. Room experience
- D. Dining room experience

A includes several questions like how well your problems handled, will you recommend this hotels to others, etc. B includes the speed and efficiency of the check-in, etc. C includes quiet night sleep, the comfort of the pillows, etc. And D includes the price and quality of the food. (Interview)

It is worthy to state that one of the questions is that can you name the employees who made differences? Table 4.3 is the detailed of this question. The customers can input the name of the staffs that did the impressive services to the customers. (Interview)

<table>
<thead>
<tr>
<th>Can you name an employee that made a difference?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel name</td>
</tr>
</tbody>
</table>

31
4.1.3 Supporting product

Supporting product is non-ignorable products which can help the company differentiate from its competitors. Following parts are the supporting products provided by Accor and Jin Jiang.

4.1.3.1 Accor

With 4,000 hotels and nearly 500,000 rooms around the world, Accor Hospitality is constantly satisfied the needs and expectations of the customers. The portfolio covers all categories, from budget to luxury.

Among various hotels, Pullman is a typical one, which is a new breed of upscale hotels for business travelers, offered distinct supporting products for its customers who are on the business trip. Firstly, it has extraordinary fitness center which has aerobic training equipment for the customers’ relaxation and pleasantly break. Every guest stay inside the hotel may do the sports after working and travelling. (Interview)

Besides, delivering wonderful meals for its customers is a promise of Pullman hotel. It offers an ideal dining concept for people to meet and share the food with the very best of national or regional specialties. For example, it offers traditional chinese food
in Beijing Food Festival for attracting the foreign customers. And the guest has 
opportunity to see the cook working in the kitchen, which is one of the characteristics 
of this hotel, and in the process of staying in the hotel, the staff will advise customers 
about the dining choices. And in the tasting period, the customers can try the food 
offered by the hotels. (Accor Website)

In addition, Co-Meeting is another highlight of Pullman (Picture 4.4), which includes 
four promises, Commitment, Connectivity, Comfort, and Cohesion. The Pullman 
Co-Meeting offer is an entirely new approach organizing meetings, seminars and 
high-end business events. The hotels offers high-tech services with high quality, and 
every detail of the event can be personalized, 3D virtual visits of meeting rooms, 
online reservations, high-tech ergonomic chairs are offered. The Event Manager is 
responsible for coordinating the whole meeting, who gives customers a single contact 
right at the beginning of signing their contract. And IT manager is responsible for 
offering the technical support in order to guarantee the smooth of the entire seminars, 
meetings, etc. And in the break of the meeting, the hotels offer original food and 
beverage. And if there is an activity, the Event Manager will condition the atmosphere 
by sharing his passion in order to leave participants with an unforgettable experience. 
(Interview)

*Picture 4.4: The Co-Meeting in Pullman*

(Source: Pullman Website)

In addition to Pullman, for its Novotel hotels, it is good at holding the business 
meetings and it is a true expertise as offering business meetings with structures, 
equipment of high technology. In Novotel. to ensure this aspect of service, 
**Meeting@Novotel** offer is to provide the solution for the customers by the ideal and
professional services. The customers can be supported by this professional services in the process of their working. (Accor Website)

4.1.3.2 Jin Jiang

Jin Jiang is the largest Asian-owned hotel group in China and its services include the whole levels, ranged from deluxe to economy. Jin Jiang also provides supporting products from various aspects, including leisure, business and dining.

From the leisure aspect, Jin Jiang provides the services of organizing romantic weddings (Picture 4.5). It combines the design with amazing atmosphere and modern equipment. The customers will benefit from the services if they book the offers of Jin Jiang, for example, the hotels offer modern and romantic things, including fresh flower table, welcome red carpet, wedding cake, etc. Besides, the hotel also provides sound equipment for its customers for recording this memorable times. In the preparation of the wedding, the hotel offers professional persons for giving the customers’ inspiration and ideal points on how to design memorable weddings. (Jin Jiang Website)
For the services on the dining, Jin Jiang holds different types of activities about dining to its customers, such as the organic food festival, Norwegian Salmon Party, the temptation of shrimp, including boiled prawn, baked prawn with butter, steamed prawn with garlic, etc. Besides, the hotel offers special activities on specific day, such as on Valentine’s Day, the customers can enjoy a candlelight dinner with roses, red wines and chocolate. (Interview)

For the services on business, Jin Jiang offers “Villar Executive City-view Room” which is Covering an area of 60 ㎡, and businessman will not only stay in the contemporary-style design with oriental elements, but stay in the private reception area, lounge, boardroom and even a 360°outdoor sightseeing platform. (Interview)

4.1.4 Augmented product

4.1.4.1 Accor

Accor has its own design team and also has cooperative relationship with globally recognized design company which can make sure that the room of Accor’s hotels was designed to create a great environment and serve different kinds of needs. For example, the designer uses light and other material to create a luxury, leisure, or worm atmosphere to satisfy customers (Interview).

Accor also take the training and motivating employees into account to create a communication environment with the customer inside the hotel (Interview).

4.1.4.2 Jin Jiang

Jin Jiang Heritage hotels, no matter whether they are a luxury five-star hotel or a usual two-star hotel, all Heritage Hotels have a long and fascinating history. Many of them have experience the social and economic unrest and stand witness to many historic meetings and events This different atmosphere attracts lots of customers who have interesting in old Shanghai history (Interview).
In addition, Jin Jiang hotel advocate using smile service to create a harmonious environment (Interview).

4.2 Promotion

Promotion is a kind of company’s strategy in order to persuade customers to purchase the products in the marketing communication process. In Chinese hospitality industry, both Accor and Jin Jiang take certain actions for gaining customers’ response and fostering the brand loyalty. Followings are the current performance of above two companies:

4.2.1 Accor

Accor takes full use of advertisement for upgrading its brand in the industry. The interviewees working in Accor said that one of the creative, attractive and effective advertisements is a new advertising campaign with the signature Novotel, designed for natural living (Picture 4.7). During the last quarter of 2006, the campaign was broadcast on TV and the press all over the world, which got excellent results and boosted the brand image. And due to this excellent advertisement, Novotel won the award of Best Advertising campaign at Hospitality Awards 2007. And in Asia, this advertising campaign was elected in the Top Five most popular print advertisements in 2007. (Interview)

Picture 4.7: Novotel, designed for natural living
Source: Accor Website

In addition, Accor takes strategies on sponsorship in order to build its brand name and
good word of mouth among customers all over the world. As part of its international brand marketing strategy, Accor develops sponsorship commitments in the sports and entertainment areas for its public relations development all over the world. For example, Sofitel is the luxury hotel brand of Accor group and it actively supports events for professionals, for instance, the Omega China Tour, which is a national tour in China for building its brand name in China. Besides, Accor provides its assistance in various fields, including Child Aid, Local Aid and Healthcare for fulfilling its commitment for its customers ans society. (Accor Website)

Issuing cards is another kind of promotion style of Accor. The A|Club loyalty program comprises four levels, which are The A|Club card, the A|Club Silver card, the A|Club Gold card and the A|Club Platinum card. They are defined according to days the customers stay in the hotels. The customer can upgrade its levels automatically by earning the staying points during one year or using the card frequently. (Accor Website)

The loyalty cards are also a key component of Accor strategy for increasing its profits during past years. At the end of year 2004, the numbers of the holders are 1.8 million, a 26% increase over the previous year. For the cards included in the joint compliments since 2001, the number of holders are 660,000 in 2004, a 49% increase over the previous year. Accor focused on attracting and retaining customers through issuing those kinds of cards to its customers, which is a typical marketing strategy of Accor. (Accor Website)

In addition, in the process of talking with the interviewees, the authors understand that any style of services and products offered by Accor are the strategies for promoting its brand name and attract the customers from all over the world, including offering comfort room with different levels but high-quality, servicing by additional fitness center offers and creative wedding shows, high-tech on-line booking systems, and so on. Accor takes different strategies for meeting various customers’ requirements in the marketing communication process. (Interview)
4.2.2 Jin Jiang

Jin Jiang also takes actions on its promotion in the marketing communication process. Firstly, Jin Jiang issues the member cards to its customers. Jin Jiang Inn has two types of member cards, namely Blue Whale card and Maple card respectively. Customers can get the cards through the card registration procedures in the front desk of any Jin Jiang Inn hotels. The Blue Whale card costs 158 RMB each and the people aged above 55 can enjoy the Maple card for free. Followings are the services the customers enjoy if they choose the Jin Jiang cards: (Jin Jiang Website)

- The card member can get 10% discount in all the Jin Jiang Inn hotels
- The member can also get 12% discount in the Jin Jiang restaurants and coffee store
- As a member, the customer can get the priority to make the reservation and the extending reservation can be until 8 pm
- Extended check-out time can be till 2 pm
- Newsletter of Jin Jiang is free
- With the member card, the customers also have chances to get special offers in the holiday

Besides, the authors see little information about the social responsibility Jin Jiang took in the past years. The authors talked with the interviewees working in the company, and knew that Jin Jiang took some actions for the charity in the society, but not very much. And the company is preparing to do more sponsorship and any other positive performance in the society for upgrading the brand status and building positive company image in the society. In addition to that, Jin Jiang just did the common and a few advertisements on TV and magazines without special creativity. And the influences of the advertisements through media are not obvious.

4.3 People

This part presents the information from the interviews and some second hand data to
show how Accor and Jin Jiang select, train and appraisal their employees.

### 4.3.1 Selecting talents

- **Accor**

Accor’s HR department’s main job is to recognize talents, looking for the right people for the right jobs. What’s more, pick the stronger one among them, marketing the various prospects and cultivating relationships are also important jobs. (Interview)

![Figure 4.4: Recruitment of Accor](image)

*Figure 4.4: Recruitment of Accor*

*Source: Interview*

Build their own youth for the future and attract top and middle-level managers from other hotels or fields to work in Accor is Accor’s main ways of recruitment (Interview). And the different kinds of jobs have different focus of medium of recruitment which is as follows.
Attract with different type of recruitment tools and making use of employees as the models for the reality of the jobs.

Accor’s website recruitment is considered easy to operate by young graduates, the Accor recruitment and careers website are particularly appreciated for being interactive and easy to use by students. (Interview)

Accor place emphasis on local management, there are more than 80 percent of mid-level managers and certain number of top managers of Accor China are local people (Interview).

- **Jin Jiang**

Jin Jiang’s principle of selecting talents is internal selection first, external recruitment second. 95 percent of their staff of management team is work from grass roots. (Interview)
Jin Jiang have several recruiting channels, first of all, 60 percent of service and management position is recruitment and selection from human resource website. Secondly, odd-job man and engineer employees are introduced by intermediary agency, for example, the labor market. At last, there are 20 percent left are from job fair and self-appointment. What’s more, Jin Jiang site job fairs on campus in different cities of China every years. (Interview)

In 2006, Jin Jiang hired a foreigner, Mr. Christopher Bachran to be chairman of Jin Jiang hotel. Bachran was the first foreigner ever to head a major Chinese state-owned enterprise. The profit of the Jin Jiang Hotel group increased eightfold in the two-year of his work. The company is trying to create an international image by employ more foreign president (Interview).

### 4.3.2 Training

- **Accor**

![Accor's training](image)

*Figure 4.6: Accor’s training  
Source: Interview*

With trusting, respecting and training talents all the time, the talents are treated valued and treasured in Accor. Accor also consider the employee as raw diamonds which needs opportunities. They should be motivated and promoted. The training course
divides into two parts, hotel course and Accor course, which teach the employees both the upgrading hotel knowledge and technologies and Accor’s managerial expertise. (Interview)

Accor’s Academia Accor Chengdu Campus is opened recently. It is established in partnership with Chengdu Vocational and Technical College and it’s the first training center of Accor in Southwest China. This event shows Accor’s efforts to promote international standards of service in Accor’s China hotels and its determination of developing of local talent. Chengdu Campus will provide a wide range of trainings, which include customer service, sales, marketing, operational management, and so on (Interview).

- **Jin Jiang**

Jin Jiang hotel training its employees not only from in-house training but also from out-house training. (Interview)

In-house training is on-the-job training which includes cultural concept, service awareness, and service technical ability, and so on. In addition, specific to the hospitality industry characteristic, Jin Jiang also gives their staff English and rare foreign languages training. (Interview)

Out-house training have three component element. First, some top and mid-level managers are sent to the Money Wisdom Forum to accept the expert guidance. Second, some talented staff and managers are released from regular work for study in LES ROCHES Jin Jiang International Hotel Management College to increase their development space. Third, supervisors or chef from parts of Jin Jiang Hotels went to other Jin Jiang Hotels to inspect the mutual exchange of learning. (Interview)

Jin Jiang have cooperate with Les Roches (Switzerland) to establish the Les Roches Jin Jiang International Hotel Management College which help Jin Jiang to educate and train many great young graduates (Interview).
4.4 prices

Company always gives the customer satisfied price by the forms of discounts, special price, leasing, etc in order to make the customers be willing to pay for the products. Followings are the performances of these two companies on price.

- Accor

Accor unconsistantly requires itself to offer the best price to its customers in Chinese hospitality industry. In its Novotel hotel, when customers book a Novotel hotel on the Novotel.com site, Accor guarantees the customers to get the best price. If the customers find the cheaper price in other hotels with the same terms and same conditions, Accor will give the customers additional 10% reduction during one day. For fullfilling its cheapest price promises. In that way, the customer is sure to benefit from the best price if they choose Accor.

Picture 4.8: Grands Vins Mercure wine list at attractive price

Sources: Accor Website

Besides, Mercure is a product of Accor, which is unique and warm and whose network is presenting in 52 countries all over the world. Since 1983, the Grands Vins
Mercure wine list (Picture 4.8) has become a strong selling point of brand in Mercure and Grands Vins is at very appealing prices. That is to say, the success of the Grands Vins Mercure wine list is based on its pricing policy which is small profits but high quality.

The authors also talked with the interviewees of Accor, and knew that, in each level of hotel of Accor, there has pricing policies inside the company in order to own the price advantage and attract its customers. And its strategies include offering high-level commodities with lower price, offer discounted product, and so on. And it is the basic and common marketing strategies for Accor to build the relationships with its customers and keep the customer loyalty. In addition, it is worthy to present that the company has a professional team for setting the pricing policy and they are responsible for pricing strategies for the whole hotel. So the company is pay attention on the price management.

- Jin Jiang

Compared to Accor, Jin Jiang also takes actions on the pricing issues. The Villar House which is located in the heart of Shanghai’s dynamic business and entertainment area is attracting more and more international travelers. And Jin Jiang promotes this hotel by staying 3 nights at the price of 2 in the 1st May 2009. The room is over 60 m², and through the 8-meter-length windows, guests are surrounded by the memorable vistas of city skyline.

And by talking with the interviewees working in Jin Jiang, the authors got the information about the pricing strategies in Jin Jiang. Jin Jiang always offers customers good price by giving, for example, staying 2 nights at the price of 1, or staying 2 nights and the candle supper for free, or stay 5 nights and the food festival participation for free, etc. and the hotel usually promotes its discounts in the holidays. Besides, the hotel by far has not a professional team for setting the price, and the price setting issue is decides by the manager in marketing department.
4.5 Place

- **Accor**

Accor expands its networks for getting its targeted customers in Chinese hospitality industry. 15\textsuperscript{th} January 2009, Sofitel expands its luxury network in China and it opens Sofitel Wanda Ningbo in China. Sofitel Wanda Ningbo has Chinese 5-star standard with exotic design and modern French style and features. Sofitel Wanda Ningbo is a successful launch after the launch of Sofitel Wanda Beijing in 2007 and Sofitel Macau in 2008. Sofitel hotels is as the most commercial hotels of Accor expanding in Beijing and Shanghai which are the most commercial cities in China.

Besides, on 26th November 2008, ibis, the worldwide economy hotel brand of the Accor group, expanded its network by opening ibis Shanghai Lianyang in China. This is a milestone for Accor to meet the expanding goals in its global marketing program. And it is launched in China which is a key market for the brand in Asia and the hotel located only 32 km from the airport and just 3 km from the city centre. It has 298 rooms and it is close to major tourist sites such as the Century Park, the Science and Technology Museum and the Oriental Pearl TV Tower, the world's third tallest TV and radio tower.

The launch of the ibis Shanghai Lianyang represents an important process in the ongoing worldwide expansion program of Accor. 2008 remains a memorable year for China, in particular with the Beijing Olympic and it was also a very dynamic and successful year for ibis on this key market. By the best quality and service, the hotel will go on doing the marketing expansion in China.

- **Jin Jiang**

Jin Jiang expands its network in Shanghai, Beijing and other cities in China but the achievement is not obvious. By talking with the interviewees in Jin Jiang, the authors understands that Jin Jiang is willing to expand its business in Beijing and the company could not earn the satisfied profit during the period of Beijing Olympic Games
compared its strong rivals like Beijing Capital Tourism Co, Marriott International and InterContinental Hotels Group. Besides the low rooms occupancy rates during the Olympics, it cannot ignore the unsatisfied performance such as the facilities inside the hotels, the service levels, etc. And the advantage of Jin Jiang is not apparent compared with other foreign hotels.

In addition, Jin Jiang develops its business mainly in Shanghai, and for other cities, it pays not too much attention on expanding although it has taken certain expansion in China. (Interview)

4.6 Process

- Accor

In China, Accor offers a complete range of hotel styles by various activities, ranged from luxury to economy, from city centre to resort, from the existing market and potential market. It has met the needs of various customers, including domestic and international travelers in China. Figure 4.9 shows the growth of Accor in past 10 years and from 2005 to 2008, Accor grew more quickly in these 3 years than last 6 years. The company expect to double the customers from current 25 million to 50 million by 2020, Accor is developing its network to meet the new huge demands. And due to its wider presence in the Chinese market, the hotel will also benefit the overseas market besides China, such as Europe, Asia and Australia, where Accor has a better significant presence than before.
In the process of growing in China, Accor makes full use of effective activities for its services process in order to get the loyal customers. Firstly, Accor puts emphasis on its high technology when operating in China. Sofitel, which is the latest hotel of Accor, who has the great facilities for meeting the multi-facet requirements of the customers. It has high-level conference equipment including the multi-functional meeting rooms, etc. Besides, Accor’s other kinds and levels of hotels offer diverse facilities inside the hotels for its service marketing strategies.

In addition, in its services process, Accor takes full advantage of the information technology by the intelligent on-line service systems. And the customers from all over the world can enjoy the information put on the website and understand the updated information about Accor. (Interview)

Besides, since 1998, Accor has been developing partnerships with major firms, which is called a group-to-group strategy. These alliances are good for Accor’s customers on their transport, leisure activities, information and travel-related services. The aim of Accor's joint strategy with its partners is to increase market share, cut costs and time, increase and finally, create value for customers, for example, by developing new services and providing quick and easy access to products and services.

- **Jin Jiang**

By talking with the interviewees in Jin Jiang, the authors know that the company takes a series of strategies for its services process. For example, offering best price for its customers, setting on-line service system, issuing guest member card, holding the food festival on the holiday, etc. And Jin Jiang also has various kinds of relationships with its suppliers for offering best services to its customers while get the cost advantage and competitive advantages. For example, Jin Jiang has solid relationship with bank in China who can help Jin Jiang deal with the business on cash or credit card for offering more convenient transaction way when booking the hotel.
4.7 Physical evidence

The physical evidence of Accor is different among various levels of its products. For example, the Sofitel hotels are modernity, innovation, and services, which are designed distinctive and unique to give their customers a “luxury living” and happy experience (Interview).

The Sofitel’s bedroom is designed to provide maximum comfort and welcoming environment to travelers, business men, families, and so on. For instance, firstly, bedrooms are brighter and more user-friendly, creating a unique atmosphere; secondly, an ergonomic headboard to mould the back and create a more comfortable TV-watching and reading experience; thirdly, a workspace are dedicated and flexible with a pivoting desk (Accor website).

Jin Jiang pays attention to not only the architectural design and lobby’s decoration but also the room design to get good impression from their customers (Interview).
5. Analysis

In this chapter, the authors do the comparative study and analyze the findings from several aspects of service marketing mix. Product, promotion, price, people are analyzed in details and other elements are mentioned in brief.

5.1 Products

This part is mainly comparing the different levels of products of Accor and Jin Jiang.

5.1.1 Comparison of core product

- Branding category

From budget to luxury, both Accor and Jin Jiang have different products to fulfill different demands. Both of them achieve the width and length of the product mix, as follows:

<table>
<thead>
<tr>
<th>Accor</th>
<th>width</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sofitel</td>
<td>5 hotels in 5 cities</td>
</tr>
<tr>
<td>G-Mercure</td>
<td>16 hotels in 10 cities</td>
</tr>
<tr>
<td>Novotel</td>
<td>2 hotels in 2 cities</td>
</tr>
<tr>
<td>Mercure</td>
<td>39 hotels in 37 cities</td>
</tr>
<tr>
<td>Ibis</td>
<td>4 hotels in 3 cities</td>
</tr>
<tr>
<td>others</td>
<td>31 hotels in 26 cities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jin Jiang</th>
<th>width</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-star</td>
<td>18 hotels in 14</td>
</tr>
<tr>
<td>4-star</td>
<td>38 hotels in 22</td>
</tr>
<tr>
<td>3-star</td>
<td>15 hotels in 2 cities</td>
</tr>
<tr>
<td>2-star</td>
<td>4 hotels in Shanghai</td>
</tr>
<tr>
<td>Jin Jiang Inn</td>
<td>320 hotels in 86 cities</td>
</tr>
</tbody>
</table>

Table 5.1: Accor’s product mix
Source: Accor’s Website
Accor have several brands, and different brands are matching different standard of demanding, but Jin Jiang only has two brands, Jin Jiang Hotel and Jin Jiang Inn. Jin Jiang hotel is separated to several levels of hotels from 2 – star economy hotel to 5 – star luxury hotel and all these hotels’ names are different within or without “Jin Jiang”.

With different brands of products, Accor has the convenient to manage the product portfolio which can help Accor Hospitality offer right brand exactly for every market segment. In addition, the advantage of having different brand is if one of the brands is facing some risk or losing the customers’ trust, the other brands won’t be influenced. But, it still has some disadvantages, for instance, the customers only remember one or several brands of Accor but ignore the owner of the brands – Accor Hospitality.

Compare with Accor’s brand strategy, Jin Jiang’s two brands, Jin Jiang Hotel and Jin Jiang Inn., are very clear and easy to remember. So, it’s easier for customers to create the loyalty of the company. But the disadvantage is that if the brand meets some risk, the whole company will be influenced.

- **Quantitative distribution**

<table>
<thead>
<tr>
<th></th>
<th>Jin Jiang</th>
<th>Accor</th>
</tr>
</thead>
<tbody>
<tr>
<td>luxury</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>upscale</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td>midscale</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>economy</td>
<td>4</td>
<td>39</td>
</tr>
<tr>
<td>budget</td>
<td>320</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 5.3: Compare the quantitative distribution between Accor and Jin Jiang

Source: Jin Jiang and Accor website
From the table 5.3, we can see that Accor’s luxury hotel, midscale hotel and economy hotels’ number is more than Jin Jiang’s. But Jin Jiang has a numerical advantage in the budget and upscale market segment, especially in the budget market, Accor don’t have the brand operation in China.

Figure 5.1: Quantitative distribution of Jin Jiang and Accor

*Source: Interview*

Figure 5.1 shows that Jin Jiang focus on the budget market in which Jin Jiang Inn is the largest number of all Jin Jiang hotels. Accor are focus on both economy and luxury market but ignores the budget market.

From figure 4.1, China-demand structure evolution (2000-2012), we can see that the biggest market segment will be the economy in 2012; it will be fifty- one percent of the whole overnight stays market. The budget segment is 25% and upscale and luxury shares 17%. So, in the long run, Accor’s product’s quantitative distribution will be more suitable to the company’s growth. It is because Accor has focused on the biggest demanding market (economy segment) in 2012.

- **Geographical distribution**

Jin Jiang has too much hotels located in one city – Shanghai. For example, the entire Jin Jiang heritage hotel and all 2 star hotel are located in Shanghai, and fifteen in thirty six 4 star hotels are located in Shanghai and Beijing. Compare with Jin Jiang’s uneven distribution, Accor’s hotels are dispersal located in the big and middle cities all over of China.
The more hotels Jin Jiang has in the same city, the easier to manage them. But the disadvantage is that it increase compete between the Jin Jiang hotels in the city. Compare with Jin Jiang’s centralized hotel location, Accor locate its hotels all over China to service the dispersed customers. But if Accor find a core city to build a stronghold, it will help Accor’s development in the future in China.

5.1.2 Comparison of facilitation product

Followings are the analysis of these two companies on the facilitation products by the compared study. And the compared contents are the online services systems, the customers’ real stay experiences, and the after-sales services to the customers.

First compared contents are from the online service system aspect. Accor continuously offers high-tech online booking and services systems for offering excellent services to its customers. And the website is smart, easy-to-use with photos and videos. The customers can get sufficient information by scanning the website and they can understand the updated information about the hotels, including the fresh services, the tourism guidance, the prices, etc. The most important is that the hotel offers additional information to the customers in order to meet customers’ maximized requirement about the information of travel or business trips. Compared with Accor, Jin Jiang only offers little information about the additional information and the website offers common hotel information and booking system. Through communication with the interviewees from Jin Jiang hotel, we know that the company now needs to re-design the website in order to make that be more attractive and have more functions. And besides, on the website of Accor, there are several kinds of languages offering to its customers from all over the world to choose. But Jin Jiang has only two languages, Chinese and English. Only two languages go against the development of Jin Jiang due to China is more and more globalization. In addition, Accor offers a forum on the website for offering the customers comment and talk online, and Jin Jiang also takes effective actions to offer comment and suggestion table on line in order to get customers feedback and build long-term relationships with
its customers.

Thus, Accor makes full use of the website resources and internet functions for attracting the customers from all over the world and that could bring a large sum of profits for Accor. And it offering additional trip information could make its customers feel satisfied to the services of Accor. On the contrast, Jin Jiang performs not as well as Accor, its website information is lack and the languages are limited, which could influence the foreign customers’ choices and the turnover of the company. In brief, from the website aspect, Accor is better performing than Jin Jiang.

<table>
<thead>
<tr>
<th></th>
<th>Accor</th>
<th>Jin Jiang</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Website Information</strong></td>
<td>sufficient and more additional information</td>
<td>basic booking and hotel information</td>
</tr>
<tr>
<td><strong>The relationships with customers</strong></td>
<td>effective interactions byforums, etc.</td>
<td>effective communication by guest comment card</td>
</tr>
<tr>
<td><strong>Website Functions</strong></td>
<td>multi-functional and attractive</td>
<td>lack of attractiveness</td>
</tr>
</tbody>
</table>

*Table 5.4: Facilitation products comparison
Source: The authors’ model*

Second comparison is from the real hotels services of these two hotels. Both Accor and Jin Jiang offer comfort environment to their customers but the differences is that, Accor not only offers basic well sleeping environment to its customers but also offers additional high-tech products to its customers. A webcam in the room allows business travelers to keep in touch with the office and their families and a docking system is also its service highlights. Compared with Jin Jiang, Accor has advantage due to its various services to the customers. With the great travel consumption year by year, travelers have higher and higher requirements to the infrastructures in the room, no matter the room levels are high or low. And Accor tries its best to meet the customers’ needs from various aspects and Jin Jiang is relative lack of the additional services offering to its customers.
5.1.3 Comparison of supporting product

Followings are the analysis of these two companies on the supporting products by the compared study. And the compared contents are from leisure, dining, and business respectively.

Firstly, both Accor and Jin Jiang offer services on leisure, including the wedding and the fitness equipment. And Accor offers full-scale fitness equipment for its customers, including the swimming pool, aerobic training equipment, etc. But Jin Jiang is lack of offering such kinds of services to the customers and it mainly has the swimming pool inside the hotels. After doing the interview, the authors know that even Jin Jiang offers the high-tech equipment, it happens in the minority of the hotels which are located in the city center. And the manager is preparing to improve those kinds of infrastructure inside the hotels for offering better humanized services to its customers. The hospitality product can be enhanced by building extras into the service and it could bring the competitive advantage to the hotels.

Then, both of these two hotels hold various food activities by offering traditional food. Tasting typical food is rather important for a person staying in the hotels and the hotels take various actions for meeting the customers’ requirements and maximize repeating business in the hospitality industry. And both these two hotels meet the customers’ expectation through providing high-quality food with characteristic. In Chinese market, Jin Jiang offers more traditional Chinese food, such as farmhouse dish, that more suitable for the tastes of Chinese people. That is related to the culture issue, as a local Chinese hotel, Jin Jiang has full understand the food culture in China and can offer satisfied food. Compared Jin Jiang, Accor also provides Chinese food but not full of characteristics. Classical food can make the hotels be more attractive and own more competitive powers, so it is pretty essential for a hotel providing food which can add brand value for the hotels.

In addition, Accor offers high-tech equipment for the customers having the business meetings, seminars, event, etc. It uses ergonomic chairs and has the professional
persons giving suggestion to the business guests. In contrast, Jin Jiang is short of offering such kinds of high-tech services and only having the basic equipment in the hotels. Accor gives the customers more surprise on having service augmentation and own competitive advantages compared to Jin Jiang. In this point, it is a big problem for Jin Jiang on offering professional business services to its customers. By looking at Jin Jiang website and talking with the interviewees working in Jin Jiang, the authors understand that the hotel has not such high-tech equipments for satisfying the business group like Accor. And hotel is focusing on improving this disadvantage by investing more capital on purchasing the equipment and recruiting excellent persons giving customers creative solutions.

Followings are the comparative table (Table 5.5) which illustrates the situations of these two hotels.

<table>
<thead>
<tr>
<th></th>
<th>Accor</th>
<th>Jin Jiang</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leisure</strong></td>
<td>well-equipped training center</td>
<td>not-grounded fitness infrastructure</td>
</tr>
<tr>
<td><strong>Dining</strong></td>
<td>various food &amp; seeking advice from the guests</td>
<td>good at offering traditional food</td>
</tr>
<tr>
<td><strong>Business</strong></td>
<td>high-tech business equipment and professional meeting organizer</td>
<td>only basic equipment</td>
</tr>
</tbody>
</table>

*Table 5.5: Supporting products comparison*

*Source: The authors’ model*

From the model, it is clearly reflected that on both leisure and business aspects, Jin Jiang needs to improve and strengthen its competitive advantages operating in China compared with Accor in Chinese hospitality industry. And Jin Jiang needs to enhance its services to add the brand value and build long-term positive relationships with its customers by taking effective strategies after learning from foreign hotels’ successful experiences. Those existing shortages are obstructing the development of Jin Jiang
and which will bring small profits and lose the customer loyalty in the future.

**5.1.4 Comparison of augmented product**

The augmented product adds additional features and value to the product, and The augmented service offering, combines what is offered with how it is delivered, e.g., the augmented product of a hotel include the atmosphere created by focusing on lightning and colors to please the senses.

Both Accor and Jin Jiang have a certain understanding of the augmented product. Accor pays attention to the design of the hotels, while Jin Jiang focuses on the distinctive resources and environment to create atmosphere differentiation with the competitors’ same rate of hotels.

The interaction with customers is also a kind of augmented product in hospitality industry, and this always be influenced by the employees, how they deliver the services. From the interviews, the authors knew that both Accor and Jin Jiang have some methods to advance the positive communication between staff and customers. And the author will compare this part in the “people” elements.

**5.2 Promotions**

Firstly, from issuing member cards aspect, each hotel company is willing to build a long-term relationship with its customers, thus fostering the brand loyalty is essential. Accor offers A|Club card and Jin Jiang offers guest member cards respectively and both Accor and Jin Jiang take effective actions for attracting the customers. The customers can enjoy the privilege or discount by being the member of the hotels. And the functions and attractiveness of the card play great role when competing with other rivals. Different levels of customers in each hotel enjoy different preferential policies that can encourage the customers to accumulating the credits for enjoying more privileges. So the member card is a kind of attractive method, which range from common guest card to gold card. A majority of customers have the same psychologies that they want to be advanced member in the hotel. So when they choose the hotels
for their travels, they intentional choose the hotel which gives them the customer member cards. In addition, putting the guest member cards in the customers’ wallet is a kind of unconsciousness to the customers that can strengthen the hotel brand and build the potential customers group.

Secondly, there are obvious differences between Accor and Jin Jiang on the advertisement aspects. Accor takes active performance on the advertisement design in order to expand its company influences in the world. And its advertisements idea is well received by the public comments and gained the rewards in the hospitality industry. The interviewees told the authors that the creative advertisements of Accor help the company gain more customers who are attracted by the excellent advertisements. And the company will continuously promote the hotel brand by the creative advertising designs and that is also a kind of marketing strategy for expanding the market in China. In the hospitality market, besides the high-quality products and satisfied services, attracting customers in the external environment is crucial for competing with other rivals. And advertisement helps Accor gain the advantage compared Jin Jiang in China and that also takes effective roles for Accor operating in China as a foreign hotel company. In contrast, Jin Jiang did little unforgettable performance on publicizing through media. The interviewees analyzed the media communication is that the publicize of Jin Jiang is regional, for example, it promotes in a specific hotel in one city and that lead the certain amount of customers who live that area know the event, activities, and the influences are limited. Jin Jiang is lack of creative and memorable public communication methods and strategies compared with its rivals in China.

Thirdly, there are huge differences between Accor and Jin Jiang on their social responsibilities. Accor frequently upgrades its status by the sponsorship, donations, and any other styles of utilities. That is an effective method for a company being well received by the society because each customer is living in the society and feeling different companies’ actions and performances on charity. And the interviewee working in Accor illustrated that one of the company cultures in Accor is to do the
charity for the society, including support Chinese tour, donate for helping people in China, and taking precautions against AIDS, etc. In contrast, Jin Jiang did less on the charity in China and the influence is little. It is rather important for Jin Jiang to do more social responsibility in China because in this process, Jin Jiang can have more opportunities to let the customers know this brand and be more popular. And the interviewee working in Jin Jiang admits that the company should take more actions on the social charity.

Following is the comparison of the two hotels on promotion aspect (Table 5.6). And that is the summary of above mentioned analysis part. From the comparison table, we can conclude that there is the same performance between Accor and Jin Jiang on their after-sales services by issuing the member cards to their customers. But in publicize and social responsibility aspects, it is high time for Jin Jiang took actions for improving its performances.

<table>
<thead>
<tr>
<th></th>
<th>Accor</th>
<th>Jin Jiang</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>After-sales services</strong></td>
<td>issuing A Club card</td>
<td>issuing guest member card</td>
</tr>
<tr>
<td><strong>Media publicize</strong></td>
<td>creative advertisement</td>
<td>few advertisements with creativity</td>
</tr>
<tr>
<td><strong>Social responsibility</strong></td>
<td>actively fulfill various social responsibility</td>
<td>few performance on charity</td>
</tr>
</tbody>
</table>

*Table 5.6: Promotion comparison between Accor and Jin Jiang*

*Source: The authors’ model*

### 5.3 People

To enhance the service quality, the people who deliver the core product and service are the key to success. How to attract talented people and improve staff training and development is also a challenge for today’s hospitality industry.
5.3.1 Comparison of selecting talents

Accor focuses on the high ability of its employers so that guarantee the distinct performance in the hospitality industry. So, for different recruitment target, it has several medium for finding the right person for the right job. Accor increase the channel to reach to the best employee in different areas. Compare with Accor’s wide range of channel of recruitment, Jin Jiang mainly prefers to internal selection and more than fifty percent of its employees are recruited and selected from human resource website.

Accor’s diversifying style of selecting talents helps it to find more favorite people who have high ability and technology. But Jin Jiang has its own advantage that it’s easier to improve employee loyalty when the internal selection is put first.

To better understanding of Chinese market and culture, Accor hire a certain number of local people on management position. However, Accor also realized that there are lacks of the Chinese managers who have advanced hotel management experience. Thus, Accor established the Academia Accor Chengdu Campus to train young Chinese people to take up global managerial positions. In the long-run development, this will not only help Accor’s adaptation to Chinese market variations, but also contribute to Chinese hotel market personnel training.

To create an international image of Jin Jiang Hotel, Jin Jiang began to hires foreign managers. This is an innovative and exceptional move in the history of Chinese hotel industry. It has broken through the old employment awareness, talent-selecting system and the management of employee. The foreign managers bring the advanced hotel management concepts and experience to not only Jin Jiang hotels but also the whole Chinese hotel industry.

5.3.2 Comparison of employee training

As one of the world's largest hotel groups, Accor is committed to staff training so as to ensure skill development of its employees, and to improve the quality of service
offered to customers. Accor has two kinds of trainings, Accor course and Hotel course. Firstly, Accor course aim to teaching the Accor awareness, policy, management style, and so on. It’s an important component element to create loyalty and turn regular staff to Accor employees. Secondly, Hotel course pay attention on how to improve Accor employees’ hotel knowledge, technology and skills. It focus on train prospective Accor’s successor.

Jin Jiang’s employee training is also in perfect order. In-house training increase the staff’s work capability, at the same time, it saving the training fee because trainees work the same as regular staff but get less pay. Out-house training is good for employee to pay whole attention to the study when they leave their job for a while.

Both Accor and Jin Jiang have campus for training their workers. These schools not only train the staff for the companies, but also bring the world’s advanced technology, management concept, experience and skill to Chinese hospitality industry.

5.4 Prices

Both Accor and Jin Jiang are focus on the pricing to its customers in order to expand the market which is full of severe competition. But there are some differences between them and followings are the comparison table of theirs (Table 5.6).

<table>
<thead>
<tr>
<th></th>
<th>Accor</th>
<th>Jin Jiang</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price determination</strong></td>
<td>guarantee the best price; appealing price with high quality product</td>
<td>offer special price by giving in holidays</td>
</tr>
<tr>
<td><strong>Price Administration</strong></td>
<td>own professional team for setting price</td>
<td>have no professional pricing team</td>
</tr>
</tbody>
</table>

*Table 5.7: Comparison table for price aspect of Accor and Jin Jiang*

Source: The authors’ model

Above table illustrates the different performances inside the company about the price. Firstly, both companies have specific actions for offering low price for its customers by various forms. Accor has promises for its customers for guarantee the best price
and it offers its unique wine with satisfied price and high quality and in this process, it has built its unique wine brand. While, Jin Jiang also provides its products by the forms of giving—“Stay 3 nights for 2 nights’ price”. So each hotel is good at its price determination by taking various attractive strategies to its customers.

But, there are obvious differences on the price administration aspect which is related to the price management. Accor has its professional team for setting the price, and this team can just focus on the hotel’s price issue. This team of employees can concentrate their attentions on the price strategies for Accor to make its pricing policy be more feasible. On the contrast, Jin Jiang has not any professional team for its price setting. And the interviewee admits that the marketing manager has many works to deal with and he has not so much attention on the pricing strategies. So Jin Jiang is not good at the price administration in the company.

5.5 Place

Both Accor and Jin Jiang have plans to expand their businesses in China by several marketing strategies. But Accor is getting more success compared Jin Jiang by means of its high-tech facilities with high quality and its satisfied services to its customers. It designs different plans and strategies in different places and it pays attention on the location of the hotels which can bring the location advantage for Accor. And no matter where it is going to expand, it concentrates the quality and high-tech products. And Jin Jiang has mid-level abilities to meet the huge hospitality market compared with its foreign rivals in China because its offerings are not as good as that of Accor. Beijing is the capital in China and Jin Jiang choose it as a goal for developing its business but it did not get the success due to its whole relative low competitive power. So Jin Jiang is lack of competitive advantages in the process of expansion.

Besides, it focuses mainly on Shanghai, and concentrates less on the other important city in China which is a vast market and there has various huge opportunities for Jin Jiang to do the business and get the expansion. It just takes a few strategies for
expanding the others markets but in this process, it is lack of effective strategies such as the consideration of locations, how to meet various requirements of its various targeted consumers, etc. Besides, due to different kinds of markets in different cities in China, Jin Jiang has not certain expansion goals and methods on how to accurate enter into a market effectively. Place choosing is important but how to enter a market for getting best result with low costs is much more important.

5.6 Process

Both Accor and Jin Jiang have taken effective marketing strategies on the services processes for building relationships with their customers and holding competitive advantages. Firstly, they both give the customers satisfied price for their service supply and gaining the regular customers by attracting them. Then, they offered products and facilities with high level and quality to their various customers for meeting their needs. In this process, they can own different consumer groups in China which are the loyal customers of the hotels. In this process, they gain the effective result while using low cost due to the well taken advantage of information technology, and finally they gain the competitive advantage. Besides, they both have broadened relationships with their vendors and partners for offering best services in the process. Thus, process is a sequence of activities of the company related to both inside and outside marketing steps, which can push the company to develop successfully and gain the competitive advantage.

5.7 Physical evidence

Physical evidence in service marketing mix is a part of transmitting the service characteristics and advantage. It is seen as powerful demonstration of supporting and reflecting of products’ quality. Customers apperceive the physical environment and create the first impressions which influence the customers’ evaluation for the company’s service products and its image.

Accor and Jin Jiang, both of them know that physical evidence is an important tool to
satisfy their customers and they always try to use and manager the physical environment to attract more visitors. But, compare with Jin Jiang, Accor hotels’ humanization idea is very successful that every detail in the hotel make customers feels convenient and comfort.

5.8 Overall analysis of Accor and Jin Jiang

After analyzing the operating of Accor and Jin Jiang respectively, all in all, they both own their unique advantage in the process of developing in China.

For Accor, who is a global hotel company which owns great financial power and rich experiences which are included the management experience, product promoting experience, staff training and management experience, etc. Those accumulated experiences and strong capital power enable Accor own favorable conditions better integrating into Chinese hospitality market. And Accor expands its market all over the world, which makes Accor own rich overseas market expansion experiences which could be the advantage for Accor entering and developing its business in China.

For Jin Jiang, it is a Chinese local hotel company who has the geographic advantage and has a better understanding toward Chinese culture. That enables Jin Jiang grab the consumption habits and psychologies of Chinese customers and then gain the customer satisfaction in the final. And it usually holds some special activities, with the purpose of building positive relationships with its customers, which is full of Chinese characteristics, ranged from wedding party to Chinese food festivals.
6. Conclusion

After entering WTO, China has become a huge potential market for both the local and foreign companies in the hospitality industry. And Chinese local companies are facing the severe international competitions. This research aims to find the advantage and disadvantage of both foreign and local companies operating in China, Accor and Jin Jiang, by comparative study and then making the developing strategies for Chinese local hotels. The authors gather the first hand information by interviewing the workers in both Accor and Jin Jiang. And the authors choose the Marketing Mix as the theoretical base which includes 7Ps and the research focuses on the product, promotion and people parts, other parts in the marketing mix are also mentioned.

When comparing Chinese local hotel firm-Jin Jiang with foreign hotel group-Accor operating in china on service marketing aspect, the authors find that Chinese local hotels have acquired the ability of competing with international hotel chain in China and the management technology has reached a certain international advanced level. But, in several aspects, Chinese local hotels still need to learn the advanced experience from the global hotel firm. Followings are the main and concise improving solutions:

Product strategy is the most important one that should be put on the first place when the local company develops the marketing strategies. One of the product strategies is to create different brand names for different levels of products like Accor. That can make the management of product be better organized and attract various consumer groups. And then company should set various marketing plans for its different brands. Then, the promotion and people strategies are also important because these strategies can easier upgrade the service quality. Companies should consider setting unique and innovative way for publicizing its product for attracting customers and expanding the market. And enhancing the channel of recruitment and increasing the groups from which collect the talents can make the company be more globalization.
As the study of object, Jin Jiang is a typical one among Chinese local hotels who owns typical and common operating problems. The research presents the improving suggestion in the following recommendation part for Jin Jiang and offering the referencing and guidance for the whole Chinese hotel companies is the ultimate goal of the research.
7. Recommendations

Since the authors compare the elements of service marketing mix between Accor and Jin Jiang and find both the advantages and disadvantages on these elements, the recommendations are given to Chinese local hotels like Jin Jiang for completing their marketing strategy to compete with the International hotel chain.

In this chapter, the following recommended marketing mix was designed by the authors based on the comparative study between the international hotel – Accor hospitality and the Chinese domestic hotel company – Jin Jiang.

7.1 Product

- Core product

First of all, Jin Jiang should create different brands to meet different demanding. Secondly, diverted attention from budget segment to economy market, and the upscale and luxury market are also important and worth to investment. Last but not the least, besides the big cities and coastal cities, the secondary cities, inland cities, and small tourism cities need to pay more attention.

- Facilitating products

Jin Jiang should enhance its ability on its facilitating products offered to its customers by the high technology. Nowadays, the hospitality industry is rapidly transforming from a traditional style to an increasingly technologically driven one. So Jin Jiang should change its website from a simple customer database to an intelligent, attractive and sophisticated one. For example, it should add its website’s interactive function by designing the customer’s forum, and it also could add sufficient information including on traveling and business trip for its customers in order to provide distinct services to its customers. In addition, Jin Jiang should offer more high-tech and human services to its customers like Accor. It should consider the various needs for its customers by providing distinct equipment inside the rooms, no matter they are on business trips or on the travel. For example, it should install the "docking system" like Accor, which
can recharge different devices, like digital cameras, USB, and so on. Offering services like above mentioned, the customers will feel satisfied with the services offered by Jin Jiang and have an unforgettable stay experiences in China.

- Supporting products

Jin Jiang should enhance its ability on offering extra services to its customers. Firstly, it should improve its services on leisure. It should build multi-functional fitness center for its customers who are willing to keep good shape. Nowadays, the functional equipment is lack and the company should input the capital on investing to purchase in order to give customers a surprise and make them feel satisfied when staying in the hotels. Meanwhile, the hotel also should recruit professional gym coach for holding its competitive advantage. The customers will consider the hotel not only is a pure rest place, but a place which makes the customers to gain more benefits. Then, Jin Jiang should enhance the ability on the high-tech business equipment offers. It is rather important to attract the business group choosing the hotels due to they are a large consumer group in the market. And everyone needs to have business meetings in comfort environment with going on wheels. In addition, Jin Jiang should add its services which match the Chinese culture. As a domestic hotel, Jin Jiang is good at understanding the Chinese cultures compared with foreign competitors, so offering traditional services should own competitive advantage for Jin Jiang and that also the local advantage which the foreign rivals do not own. Jin Jiang is lack of the cultural characteristics in the Chinese hospitality industry and it is not hard for Jin Jiang to improve on this point by dint of the domestic advantages. And that should dramatically enhance the ability and brand name of Jin Jiang and then own the competitive advantage compared with its rivals.

7.2. Promotion

Jin Jiang should take creative strategies on its media publicize by unique advertisement design, etc. It has geography advantage which is a good condition for Jin Jiang to promote its products and upgrade its brand in China. Jin Jiang is lack of
culture characteristics in the domestic market and that can be a crucial improved point for Jin Jiang expanding its market. For example, it can design the advertisement which is rich in the Chinese culture. On the one hand, the advertisement can meet the Chinese guests’ taste due to that is a real reflect of Chinese local culture. That can make the Chinese guest accept and appreciate the promotion taken by Jin Jiang. On the other hand, it can greatly attract the foreign customers, no matter they come to China for business trips or family travels. The foreign customers are willing to feel the Chinese culture and they would like to choose the Chinese hotels with full of Chinese traditional cultures. So it is high time for Jin Jiang took actions for making creative and unique ideas in the marketing communication process.

Besides, Jin Jiang should invest more capital on the social charity. On the one hand, it can bring more influential power for Jin Jiang and the positive words of mouth which can help the company upgrade the brand image and then get more customers. On the other hand, it can own the comparative advantage compared other Chinese hotels and foreign hotels which taken less performances on the charity. Jin Jiang is a Chinese local hotel and it should do more charity and contributions to the society compared its other foreign rivals, or it might negative image and lose the customer loyalty.

7.3 people

Key issue in a highly competitive environment to create point of difference in the service is to manage the talents and synergize them.

- **Selection talents**

First of all, increase the channels of recruitment to find more talented employees. Secondly, human resources marketing, to promote its job skills and enhance Jin Jiang image as a good place to work, a wide range of human resources marketing media should be developed all over of China. Lastly, don’t focus on local labors, to hire more international employees to gear to international standards.

- **Employee training**
Take full advantage of many kinds of resources to create diversifying training programme to match different kinds of positions in a hotel group.

7.4 prices

For Jin Jiang, it should enhance its ability on the pricing. On the one hand, it could build a professional team like Accor for concentrating the price setting issues. That could make company have a specific group of workers on the pricing policy and make its pricing strategy be more feasible and competitive among its rivals. That is to say, Jin Jiang should upgrade its pricing administration. On the other hand, on its price determination aspect, it should use more attractive methods for owning the customers and so far its price policy is common and basic and which has not direct price discount like Accor. In brief, Jin Jiang has local advantage which has lower operation costs compared its foreign rivals in China and it should maximize this advantage for offering satisfied price to its customers.

7.5 Place

For its expansion, Jin Jiang should firstly set an ongoing program inside the company and consider carefully the exact steps on expanding the markets in China rather than just focusing on Shanghai markets. It should consider the specific strategy for one targeted market such as its location, its offerings with competitive advantages, etc. For getting this goal, it can recruit the professional persons on the program setting and take various strategies for various markets.

Besides, it should enhance its levels on the services levels and facilities for its targeted consumer and finally get the competitive advantages compared with its foreign rivals. For example, it could learn the experiences and advantages from the foreign hotels and improve itself to be more attractive for its customers and make its customers be willing to enjoy their staying experience in Jin Jiang.

7.6 Physical evidence
Jin Jiang hotel should pay more attention on the details of the room and service, and take humanization idea blend into the room design and the management. Through details to satisfy customers, increase the word-of-mouth, and build loyalty.
Reference list

**Book**


**Journal Article**


Hanqin Qiu Zhang, Ray Pine, & Terry Lam. (2005). *Tourism and Hotel Development*


Website


Jinjianghotels corporate website, 2009, Jin Jiang hotel categories heritage, accessed


Appendix

Appendix1: Interview

Name of the interviewee ___________ Job title _______________ Date __________

1. What kind of different levels of product do you provide for Chinese customers and what the quantitative distribution in China?

2. What kind of supporting product do you prefer to provide to your customers in your hotel?

3. Do you pay much attention on online services and what do you think about it? Nowadays with the development of the e-commercial, using on-line booking system is quite common. And what are the unique characters of your company when using this system?

4. What is your perspective toward the service quality of your hotel group and what do you do to keep the service quality?
5. Please talk about the advertisement of the product of your hotel group. Like what’s your media method for your advertisement?

6. Please say something about your promotion of different products. What’s your main way to do the promotion? And do you think it’s an effectively way?

7. What the situation of the human resource management system inside your company and is it systematically and effective?

8. What’s your media method for collecting the talents?

9. We know that employers need to have further study while working and what kinds of training your company offering to your workers? And what is the objective of it for your employers?
10. How do you price the hotel rooms of different levels of brand?

11. From the aspect of pricing, Compared with other foreign rival operating in China, is your price higher or lower to the same level of your products?
   A. Higher  B. Lower  C. The same

   What about the pricing compared with Chinese local hotels?
   A. Higher  B. Lower  C. The same

12. Is the price the same in different regions in China towards the same level hotels?
   A. Developed regions are higher
   B. All regions are the same
   C. Travel regions are higher

   Is the price the same in the same region with different seasons each year?
   A. Busy season is higher
   B. Off season is higher
   C. The same
Appenix2: Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title Description</th>
</tr>
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<tbody>
<tr>
<td>Jin Jiang</td>
<td>Mr. Fang Zhang (Trainee in HR department in Shanghai Jin Jiang International(Group)Limited)</td>
</tr>
<tr>
<td></td>
<td>Ms. Kun Liu (General manager assistant of Hua Ting Hotel and Tower)</td>
</tr>
<tr>
<td></td>
<td>Mr. Xing Ma (Marketing manager of Hua Ting Hotel and Tower)</td>
</tr>
<tr>
<td>Accor</td>
<td>Mr. Ken Kong (HR manager of BoAao Sofitel Hotel)</td>
</tr>
<tr>
<td></td>
<td>Ms. Yunnan Liu (Lobby assistant of BoAao Sofitel Hotel)</td>
</tr>
<tr>
<td></td>
<td>Mr. Hao Bin (Supervisor of marketing department of Boao Sofitel Hotel)</td>
</tr>
</tbody>
</table>

*Figure of interviewees*

*Source: the author's model*