

**The Hong Kong Polytechnic University
School of Professional Education and Executive Development**

**SPD 4513
Electronic Commerce Strategy and Implementation
Group Project**

Final Report

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Royal View Hotel

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ROYAL VIEW HOTEL
帝景酒店
(SUBSIDIARY OF SUN HUNG KAI PROPERTIES LTD.)

VS



SHANGRI-LA
HOTELS *and* RESORTS

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Summary of Findings

Royal View Hotel is one of main local hotel in Hong Kong. Shangri-La Island is one of its main competitors. Internet is one of the technologies that help business to promote their service. The report want to find out the performance of this two hotels in e-business. First, this report talked about the internet marketing mix. Second, this report talked about the company's implementation of e-CRM. Third, this report talked about the main online communications methods used by the company. In the end, the report would suggest some possible use of digital technologies that will benefit Royal View Hotel.

1. Company Background

Our group will study Royal View and Shangri-La hotel industry in Hong Kong. We will apply the Internet Marketing Mix, e-CRM and online marketing communication that we learn in lecture in real cases. Finally we will make recommendations and conclusion on the hotel industry.

The reason why we choose Royal View and Shangri-La is because they have similar market size, especially for Shangri-La, to be a five-star hotel and give customer quality services. We want to apply the concept what we learn in lesson to find out the key to success in e-commerce perspective.



Royal View Hotel

Royal View Hotel is located in Tsuen Wan and it is near to the airport, Hong Kong Disneyland and Ngong Ping 360 and Central. Its location is convenient to the tourists which were came from airport and spots. It is a four star hotel. Here is some virtual reality of royal view hotel.



Shangri-La

Shangri-La owned by Shangri-La Hotels and Resorts and it is the Hong Kong based company. It aims at providing top level of services and it is a five-star hotel. The Shangri-La was located in Hong Kong Island and Kowloon.



2. Internet Marketing Mix

2.1. Product

The internet Marketing Mix is divided into two parts, core product and extended product. The core product is the basic services that every hotel must have provided, for example, accommodations and dining. Extended products such as wedding, meeting rooms and conference planning are also provided depends on the market size of the hotels. We can know that Shangri-La provide more services such as

conference planning because of its brand building and the trust from consumers. The table here can make a conclusion on the core and extended products for easy understanding.

Add on services	Royal View Hotel	Shangri-La
Core product	Accommodations	Accommodations
Core product	Dining	Dining
Extended product	Wedding	Wedding
Extended product		Meeting Rooms
Extended product		Conference planning

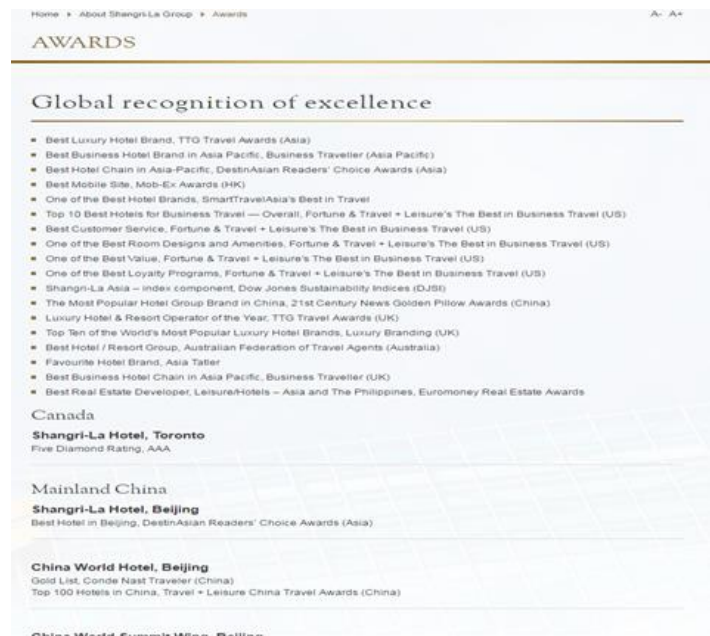
2.2. Varying the extended products

Two hotels, Royal View and Shangri-La also do a lot of brand building activities in order to get the trust from customers. Take Shangri-La as example, it owned by Shangri-La Hotels and Resorts which is famous of its quality of the hotel services. It has subsidiaries such as Hotel Jen and Hotel Trader.

Apart from the reason of parent company, Shangri-La gets many awards all over the world. The endorsements and the certificate come from many officials or non-officials organization helps to build the image of Shangri-La as qualified hotel. The global recognition of excellence was captured from its official website.

Third, two hotels also have the tools to help the customer to check their prices, reading the comments given by the

users. The common tools that help the consumers to check the prices and have virtual reality on the hotel are Tripadvisor which is a mobile app to give recommendations for tourists. We can notice that Shangri-La hotel cooperated and support by Tripadvisor in its official website.



Also, social media such as FaceBook, Twitter, google+ and YouTube provide a way that gains the user experience. User can check the special offer or ask question. We can see the great work no matter for Royal View and Shangri-La to have the promotion and interaction with customers.



2.3. Price

Hotels are all affected by price transparency. The search engines, such as tripadvisor and hotels.com are the most famous mobile apps to compare the price and services. We can notice that the download rate is 10 million and 1 billion respectively. Consumers will not try too hard to compare the price so that most people use these two apps to compare the price and decide the hotels. Here are some evidence of tripadvisor and hotels.com



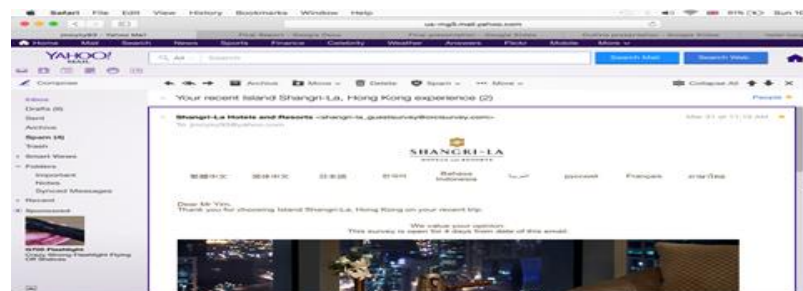
2.4. Place

Place can be divided into four parts and they are reach, Richness, affiliation and syndication. **Reach** means that hotels moving from a single site to representation with a large number of different intermediaries, for real case, Shangri-La motivate customer to reach them not only on their official social media or website but with the help of Search Engines. Search Engines such as tripadvisor and hotels.com are the connectives between customer and Shangri-La. Here is the example of using the SEM to find the Royal View hotel.



Richness means that the information or data was personalized. Royal View hotel and Shangri-La will record the history or the habit of the customer. Because each buying habit of each customer is unique, they will make judgment on the marketing plan. Here is the evidence that Shangri-La sends the e-mail to Jesse Yim for promotion and ask for survey.

For Syndication, it means that re-publishing content on third party websites through feeds or data exchange. In fact, the figure in Price shows that most of the SEM of hotel is doing the syndication. They show the details, virtual reality, services and comments from other customers. SEM provides another way that the customer to interact with the hotel.



2.5. People

People means that how a company staff interact with customers during pre and post sales. We find that Shangri-La and Royal View hotel both are active in facebook and they will answer the question or disappointment of customers. In this case, Royal View hotel is better than Shangri-La because no matter the tone or the answering technique is friendlier.



3. E-Customer Relationship Management

Because of hotel industry does not directly sell products, but sell services instead, hence, the following parts focus on four stages of relationship building. The four stages include attract customers to site, incentives visitors to actions and capture information, maintain online communication and maintain offline communication.

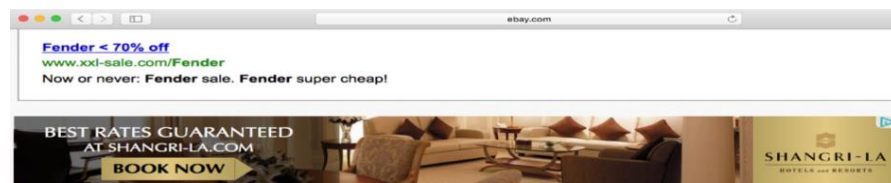
3.1. Attract New and Existing Customers to site

Firstly, the most important thing is to attract people to visit their websites. At this stage, company has to attract customers to visit their site by any means.

Royal View Hotel does not perform outstandingly at this phrase, it acts similar to regular hotels, which attract customers to visit their site through showing QR code in hotel reception and also in the receipt. However, those customers that do not intend to purchase at this moment will not have their first hand information from Royal View Hotel due to they may not know this hotel brand. In another word, target customers would not know Royal View Hotel by reading newspaper or search through websites.

In contrast, Shangri-La promotes their own website through web advertising, such as in eBay. Hence, customers are attracted to click into that advertisement regardless intention of purchase.

Besides attracting target



customers, it also spread Shangri-La's name as put it into web users' mind as hotel means Shangri-La.

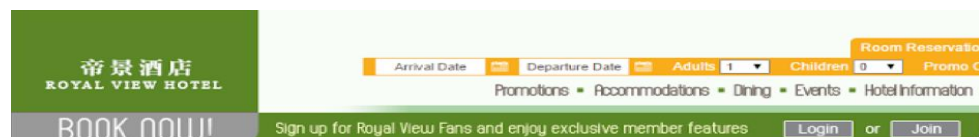
3.2. Incentivise Visitors to Action and Capture Customer Information

This stage converts the action of push to pull, therefore, it reduces the wastes of resources to approach wrong customers. After attracting customers to browse hotel websites, it is difficult for them to take action of subscribing due to renting hotel room is not a fast moving consumer good.

Hence, Royal View Hotel add a banner inside of their website as shown with caption of "enjoy exclusive member features", it creates a perception to customers that through

signing up,

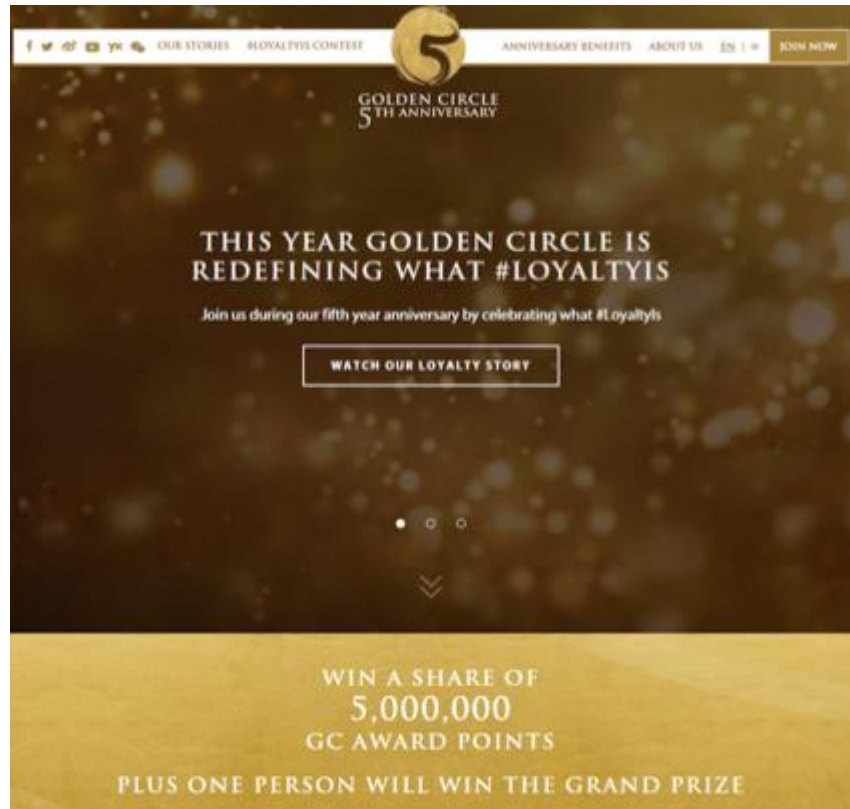
customers



can be treated as an exclusive member, in another word, it adds values to customers when they sign up for it.

Shangri-La does well in this area as they created a new web page for a campaign of joining it to be an exclusive member and win the points for the VIP account. For this action, customers should feel Shangri-La treats customers as the most important asset to them.

After attracting customers to get involved with them, the most important job is to capture information to segment the customer for future and predict the future. Hence, the required information is important, but both company do not ask personal



information such as occupations or salary level, the required field only include name, address and also day of birth.

Royal View Hotel Membership

ROYAL FANS

As a valued Royal Fans, you have exclusive access to the Fans only experience every time.

First Name :

Last Name :

Country of Residence :

Email :

Password :

Password Confirmation :

Be our fans to enjoy Exclusive Benefits at Royal View Hotel as below :

- Late Check-out till 13:00
- Exclusive Seasonal Room Packages
- Free Local Call
- Complimentary Welcome Drink

☒ I agreed that Royal View Hotel may send me promotional material, special offers and information about products and services that may be of interest to me.

☒ Don't worry, your email is safe with us. We'll never share your private information and you can unsubscribe any time.

[Sign up](#)

Shangri-La Golden Circle membership

Fields marked * are required.

Personal Information

Title*

Family Name/Surname*

First Name/Given Name*

Preferred Name on Membership Card*

Date of Birth*

Gender* ☐ Male ☐ Female

Contact Information

E-mail Address*

Retype E-mail Address*

Mailing Address*

Street or PO Box

Room/Floor/Building Name

District

City/Town

Country/Region*

State/Province

Postal/ZIP Code

Mailing Address Type ☒ Home ☐ Business

Phone Number*

[Select Type](#)

3.3. Maintain Dialogue Using Online Information

At this stage, the objective of company is to build and create two-way communications between company and customers.

Royal View Hotel is performing well at this stage due to it regularly send email to customer who signed up as newsletter. The most important is that they provide special discount to customers based on different festivals and special day of a year. However, Royal View Hotel does not provide a customised email as every email starts with “dear valued customer”, it seems every other customer are potentially receipting the same email. Therefore, it does not create an image of exclusive member.

On Monday, March 14, 2016 6:34 PM, Royal View Hotel <pr@royalview.com.hk> wrote:

Dear valued customers,



For Shangri-La, due to they have royalty system golden circle, hence customer is able to check their points through mobile application or website. By providing mobile application and website, it adds value to consumer as consumer is treated as the most important. Also, every email sent by Shangri-La is clearly customised in contrast to Royal View Hotel. Each email will be started with client's name and all the contents are well fitted to customer's actions during the staying in the hotel, so these actions will indeed create a warmer image to consumers. Besides customised email, customer will receive an email survey after each staying and monthly letter about their exclusive information about Shangri-La, therefore, it maintains a communication even after staying in hotel which is post-purchase. By those actions, there are continuous communication with customers from the beginning of purchase to after purchase.

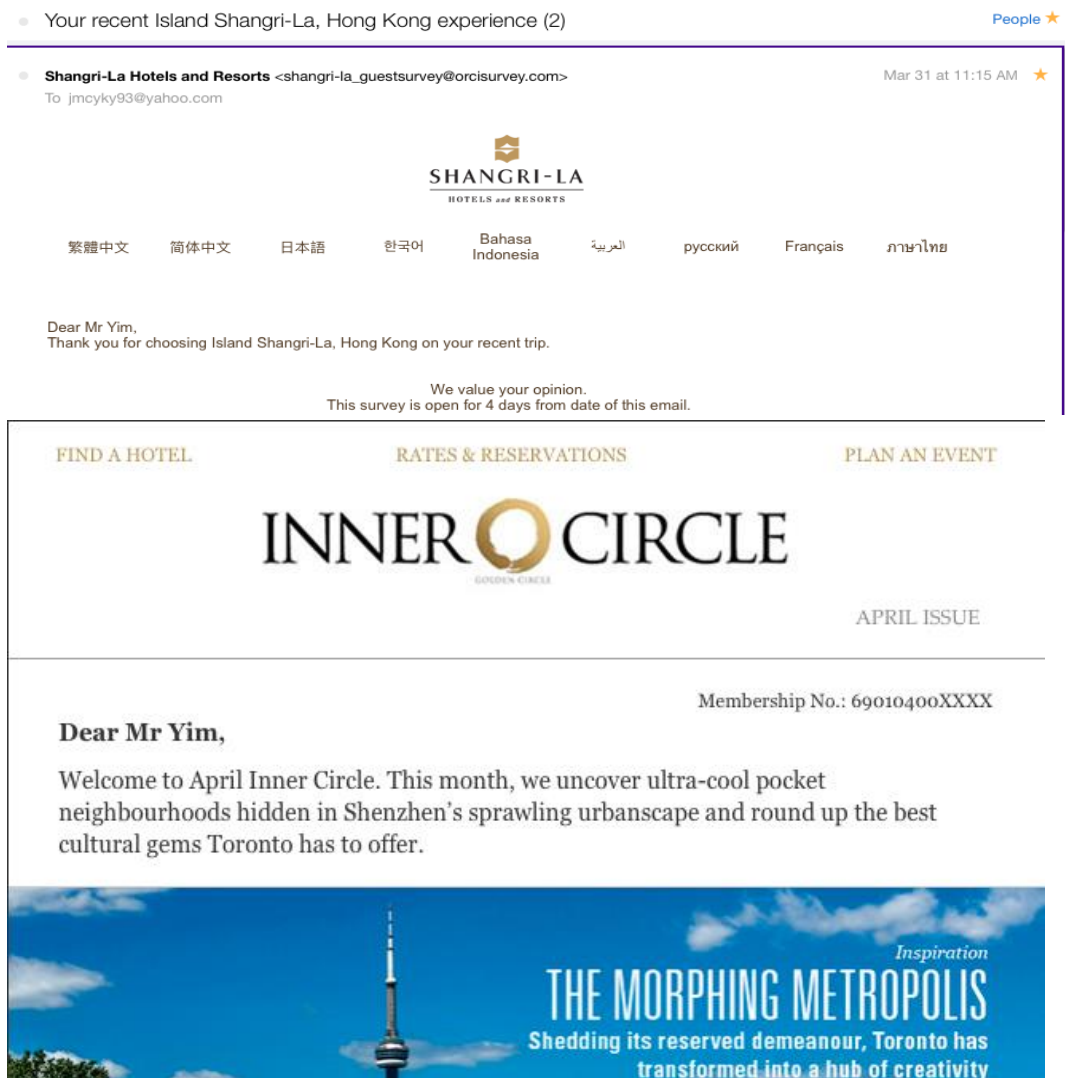
Shangri-La Hotels and Resorts <shangri-la_guestsurvey@orcisurvey.com>
To jmcyk93@yahoo.com

Mar 31 at 11:15 AM ★



繁體中文 簡體中文 日本語 한국어 Bahasa Indonesia العربية русский Français ភាសាខ្មែរ

Dear Mr Yim,
Thank you for choosing Island Shangri-La, Hong Kong on your recent trip.



3.4. Maintain Dialogue Using Offline Information

The last stage is clearly to cover the lost ground of using online communication because there are many chances that emails are not read, such as deleted by customer and accidentally moved into spam box without acknowledgement to customers. Therefore, this stage is as important as the previous stages.

Royal View Hotel is not taking any action in this phrase due to “go green” policy of their company, hence they could not break this rule to print tons of letters and mail to customers regularly. The similar situation happens in Shangri-La, because of “go green” trends, many companies now tend to use electronic methods to keep connection between customers and companies. Therefore, both of the hotel do not do anything to keep connection between customers and hotels in offline.

After the four stages analysis, Royal View Hotel does a good job from the beginning to the end, however, by comparing with a five-star hotel Shangri-La, it seems there are a lot of spaces to be improved, and recommendations will be given in the last part of this report.

4. Online Marketing Communication

4.1. Search Engine Optimization (SEO)

Royal View hotel and Shangri-La's website has use some Meta tags to help the search engine to help customer to search it. Royal View Hotel's website has use many

keywords in the Meta tag but Shangri-La's website one only put on a title and description. Also, Royal View Hotel's website has some keywords that is related to other

services, for example, “Good place for BBQ”. Therefore, some local customer can search to use their restaurant. However, Royal View Hotel meta tag contains keyword, for example, ‘iPad’ and ‘ipad2’.that is not workable because the hotel is not selling it and most search engine will filter it and not show to the user.

Also, using Google (the biggest search engine), if the customer type “Hong Kong Hotel” in the search box, it is easily to find Royal View Hotel’s website in the first page but can’t find Shangri-La’s website. However, it only happened in this keywords. If user change a little bit in the keyword, like “hk hotel” or using other language, they also can’t easily to find Royal View Hotel website. Therefore, it should be improved.

4.2. Paid search marketing

Royal View Hotel don't put any advertisement in the search engine. However, Shangri-La did it. Shangri-La put an advertisement in the Google search engine. When the customer search some of the keywords, the link will show in the front of the result. Therefore, customer can easily get these message and go to the website. Royal View Hotel can try to pay some advertisement to promote their hotel and get more customer to come.

Shangri-La Luxury Resorts - Shangri-La.com
廣告 www.shangri-la.com/ ▼
Your Heaven of Serenity & Comfort Free In-Room WiFi. Book Now & Save!
Best Available Rate · Official Site · Luxury Hotels & Resorts
您曾多次造訪 shangri-la.com。上次造訪日期：今天

[Find A Hotel By Location](#) [Shangri-La Gallery](#)
[Contact Shangri-La](#) [Book on Our Official Site](#)

4.3. Online PR

According to moz.com, which is a tool for checking backlink of a website,

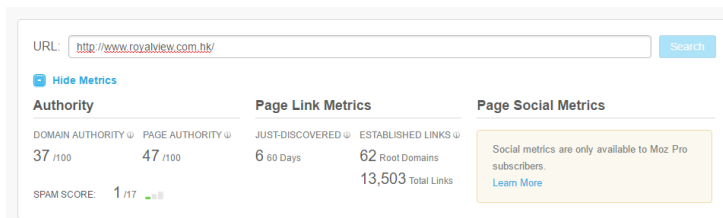
Royal View Hotel's website has 13503 backlinks from 60 domains. However, most of them are from

partners in the same company, only a few from third-party. Although the link is many, customer still can't find the website easily if the customer don't use other service from the same company. The hotel can ask for some third-party to promote the hotel, so the backlink would be better. However, Shangri-La's website only has 141 backlinks from 3 domains. The link are from some campaign

provided from some third-party. Shangri-La should work more on

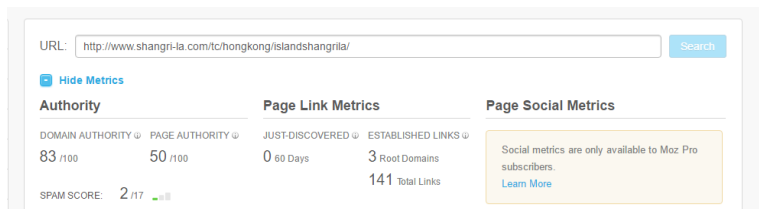
backline. As Shangri-La is a big hotel group, hotel may have more resources to do more too all website around the world.

Two hotels has used some of the social platform to share their news and the news are updated. However, Shangri-La has much more follower in these social platform. Also, Royal View Hotel's social network has some unhappy comment from our customer, but no one has replied to them or want to know about what happened. Shangri-La has replied and want to say sorry or do something to help on the customer. Royal View Hotel should try to do something like that so that our customer may not think bed to their hotel. Also, Royal View Hotel's social platform are mainly used in Chinese, but Shangri-La use both Chinese and English. Therefore, they can reach more customer.



URL: <http://www.royalview.com.hk/>

Authority		Page Link Metrics		Page Social Metrics
DOMAIN AUTHORITY	PAGE AUTHORITY	JUST-DISCOVERED	ESTABLISHED LINKS	Social metrics are only available to Moz Pro subscribers. Learn More
37 /100	47 /100	6 60 Days	62 Root Domains 13,503 Total Links	
SPAM SCORE: 1 /17				



URL: <http://www.shangri-la.com/tc/hongkong/islandshangrila/>

Authority		Page Link Metrics		Page Social Metrics
DOMAIN AUTHORITY	PAGE AUTHORITY	JUST-DISCOVERED	ESTABLISHED LINKS	Social metrics are only available to Moz Pro subscribers. Learn More
83 /100	50 /100	0 60 Days	3 Root Domains 141 Total Links	
SPAM SCORE: 2 /17				

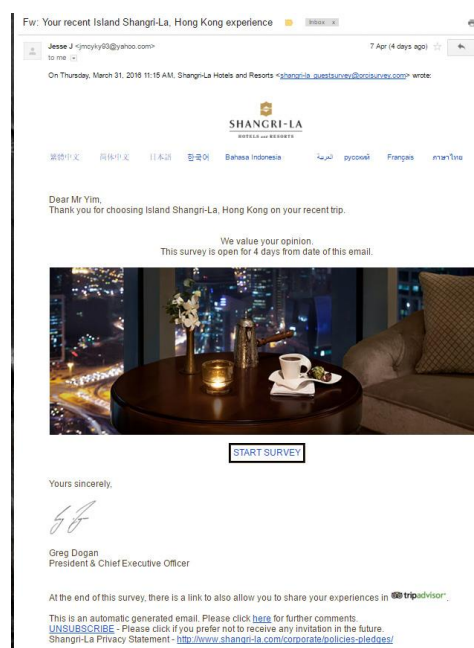


4.4. Email marketing

Royal View Hotel's email sent to customer is not very success and need to improve. The email has right timing that show the promotion in coming month of restaurants. Also, it give a phone number and email for booking that integrated to offline channel. The deadline of the promotion is shown in the email to clarity to the customer. The email is not customized to specific customer, for example, use "valued customer" but not the customer name. It is also not creative. The layout is the greeting and a poster to the topic. Although the poster is colorful, the customer may feel it is only an advertisement. Also, the landing page of the email is to home page of Royal View Hotel's website and if the customer want to know more, they can't know more. Also, the opt-out function is to send an email or direct mail back to hotel. It is not a good option to use too.



Shangri-La's email is better than us. They have used the surname of the customer. Also, Shangri-La email has a beautiful layout. It look like a simple email so that customer is not easily to close it. They asked for a survey to customer after they have live in the hotel. Also, they have provided different language version for the customer to read. It would be easy for everyone to read. The landing page is the survey page and the customer can click to do it. However, their opt-out option is a link to click and unsubscribe is done. This is not good that hotel cannot



know why they unsubscribe it. Also, their email don't have any offline channel for the customer to find them easily for any comment.

5. Suggestion to company

5.1. Working closer with the search engines applications

We notice that when we try to find Royal View and Shangri-La hotel in the search engines, it has to spend some time to find two hotels. As the search engines is one of the trend for the hotel industry, customer especially for youngsters will use the app more often. Therefore, hotels can work closer to the famous applications such as TripAdvisor or hotels.com so that their searching result will show hotels on top. This will definitely motivate or provide alternative way for customers to reach them.

5.2. Improvement of relationship building process

Since by comparing with a high industrial standard Shangri-La, Royal View Hotel performed as best as they could, however, there are still room to be improved. Firstly, for the first stage, Royal View Hotel should place more advertisement in order to increase exposes rate of their name to target customers. Next, in the third stage, Royal View Hotel should design their email like Shangri-La that customized as putting customers' name into it. Lastly, Royal View Hotel should collect more information from customers as it helps to segments customers into a reachable target, therefore they are able to find these get connection with these target customers.

5.3. Social network campaign

Nowadays, many companies use their social network page to start some campaign to promote their company. I think Royal View Hotel can also do that. Although they have used different social network platform, they don't have much followers in each platform. Therefore, if they can create some campaign to promote their page, more and more people can know about the hotel. The campaign can be easily asking questions and sharing the post. After that, there are a lucky draw with some small gift. After sharing, more people will come to their page to see and the follower can be increased. Also, the potential customer may know the hotel and try to come to use the services.

5.4. Virtual reality in Hotel

Virtual reality is a new technology that can replicates the environment and real situation to the user device and user can see through the device. As the textual expression of the hotel room cannot really give the idea of the room to the customer, they can use the VR camera to see the hotel room. It will be easy for the customer to choose the room for them as they can use their eye. Therefore, if the customer can choose their favorite room, they may feel happier in their trip. Therefore, Royal View Hotel should implement VR application in the room reservation system so the customer can view the room of the hotel.

Reference List

<https://www.google.com.hk/search?q=hong+kong+hotel&oq=hong+kong+hotel&aqs=chrome..69i57j69i61j69i59j69i61j0l2.4521j0j7&sourceid=chrome&ie=UTF-8>

https://moz.com/researchtools/ose/links?site=http%3A%2F%2Fwww.shangri-la.com%2Ftc%2Fhongkong%2Fislandshangrila%2F&filter=&source=external&target=page&group=0&page=1&sort=page_authority&anchor_id=&anchor_type=&anchor_text=&from_site=

https://moz.com/researchtools/ose/links?site=http%3A%2F%2Fwww.royalview.com.hk%2F&filter=&source=external&target=page&group=0&page=2&sort=page_authority&anchor_id=&anchor_type=&anchor_text=&from_site=

Division of Work

Task	Chan Kwan Wing 14011142S	Ng Nam Yung 14063612S	Yim Kan Yeung 14077120S
Summary of Findings	✓		
Company background		✓	
Internet marketing mix			✓
e-CRM		✓	
Online Marketing Communication	✓		
proofreading			✓