

hillside

BEACH CLUB

Case Study: Individual Report

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Introduction

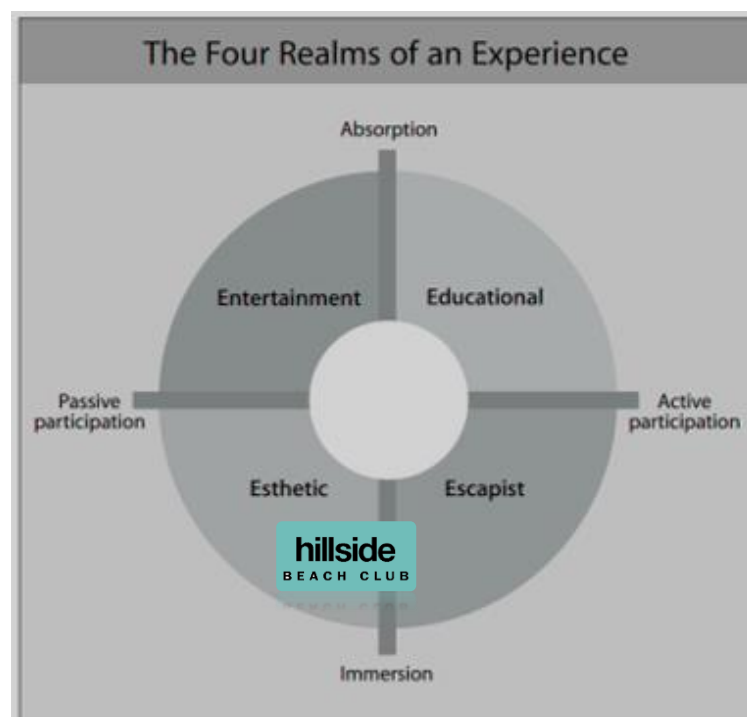
The ‘*experience economy*’ emerged in the 1980s as the next step in the ‘*progression of economic value*’ with customer experiences distinct from commodities, goods and services (Pine & Gilmore, 1998, p. 98). The concept of transactional consumption evolved into a holistic experience of interactions between customer and company, with the customer experience designed to create value for the customer or a source of differentiation as a competitive advantage for the company (Gentile, Spiller & Noci, 2007).

Defining the Signature Customer Experience

A signature customer experience is defined by the intersection of three characteristics that make the experience unique to a company.



The function, description and emotion of the experience in the consumption context can then be captured in a single sentence to form the customer experience motto of the company (Pine & Gilmore, p. 102).



The motto of the Hillside Beach Club is simply '*to feel good*' and this motto is the main pillar of the resort's customer satisfaction philosophy that seeks to deliver "a feel-good luxury family vacation to travellers without the formal, old-school, five-star hotelier mind-set" (Ilkbahar, as cited in Lal & Yucaoglu, 2016, p. 7).

Abandoning the glitz and glamour adopted by the other upmarket hotels and resorts competing for clientele, the Hillside Beach Club concept instead focuses on the 'feel-good factor' of a family vacation in the Mediterranean "with all the amenities of a luxury hotel but none of the sterility or pretention" (Lal & Yucaoglu, p. 1) when defining the customer experience. While the Hillside Beach Club "offers comfort, quality, sports, nature and fun", providing superior service in a "holiday resort that has something for everyone", it is the "unique combination of warmth, enthusiasm and hospitality" (Hillside Beach Club, 2022) exhibited by the resort's employees in their interactions with guests that has created an atmosphere of genuine happiness between company and customer (Ilkbahar, p. 7) and a signature experience described as "paradise on Earth" by its guests that sets the Hillside Beach Club apart from its competitors .

Factors in Creating the Signature Customer Experience

The "dynamic and pioneering approach" (Lal & Yucaoglu, p. 4) to creating a unique culture that has proven critical in driving Hillside Beach Club's success, began with the "enthusiastic and entrepreneurial spirit" (Lal & Yucaoglu, p. 4) of the resort's founder and CEO, Edip Ilkbahar. Under his leadership, the key factors contributing to the resort's performance were identified and the attributes rooted in the critical experiential components recognised, as dimensions of a conceptual framework for implementing the holistic experience, best leveraged to create value for the customer or to provide the company with a competitive advantage.

Sensorial

Located on the Aegean coast by the town of Fethiye, in a secluded bay on the Mediterranean shores of Turkey, the Hillside Beach Club's three private beaches of golden sand and crystal clear turquoise waters, backed by rolling green mountains that bask in the warmth of the sun, offer total tranquility as a sensorial component of the customer experience for guests seeking peace and respite from the hustle and bustle of the everyday world. Guests can indulge in a

sense of total calm by listening to the sound of waves breaking upon the shore or birds singing from the fragrant pine forests surrounding the beaches, as they relax and reconnect with nature.

Each one of the resort's 350 rooms are designed as a private oasis, in harmony with the natural beauty of their surrounds, filled with natural light, sea breezes and spectacular views to complement the creature comforts and soft tones of the rooms' pine interiors to meet "guests' needs without being over-the-top luxurious or imposing" (Ilkbahar, p. 4).

Along with giving "great importance to the pleasures of life such as comfort and food" (Ilkbahar, p. 6) catered through a delicious selection of "world cuisines appealing to every taste" (Hillside Beach Club), guests can totally immerse themselves in the sensory spa and other wellness offerings, from the sauna, whirlpool, snow fountain and traditional Turkish baths or at the hands of their Balinese massage therapists in a special body treatment "*to feel good*" from head to toe.

Emotional

The primary purpose of the resort is to make guests feel good and it is the emotional component of the customer experience that establishes an affective relationship between a guest and the Hillside Beach Club brand. Like "the happiness and satisfaction you get when you have a joyful dinner with your family and nothing else matters" (Ilkbahar, p. 5), HBC understands that when their staff are happy delivering the service, the guests will too feel happy as a result of the positive energy from the interaction. This emotional component of the Hillside Beach Club's customer experience aims to "create a genuine atmosphere where our team and our guests feel good together" (Ilkbahar, p. 5) and intended for "guests to remember their time at HBC when they think of happiness" (Ilkbahar, p. 5).

In the mission to leverage the '*feel good factor*' within the Hillside Beach Club, Ilkbahar comments that "We are bound to our employees, as well as our guests. We are in the business of making people feel good, we define feeling good in the real sense, not through notions like possessing or luxury, but as the emotions that you feel sitting under your favourite tree or the joy of having a friend over at your home. This philosophy of making people feel good with sincerity has helped us gain many guests that keep coming back, and staff that stay with us for many years." (Alarko Holding, 2016).

Cognitive

The Hillside Beach Club employs a cognitive component in the customer experience to challenge any assumptions guests may hold about what constitutes as superior service within the luxury segment of the hotel market. “At HBC, our staff doesn’t speak to our guests in a formal way, nor do they wear white gloves when serving our guests” (Ilkbahar, p. 5).

The resort’s customer centric approach and “emphasis on convenience, spontaneity and genuineness in service” (Lal & Yucaoglu, p. 5) “rather than aiming for precision” (Lal & Yucaoglu, p. 8) or attempting to impress means both staff and guests must consciously “re-think the service every day” (Ilkbahar, p. 4) and find the “delicate balance between friendly and respectful” (Ilkbahar, p. 4) without the pretentious five-star hotel attitude of the ‘servant and master’ relationship commonly found in other resorts.

Pragmatic

The Hillside Beach Club’s included amenities and facilities are notable for their “simple, universal, comfortable design” (Lal & Yucaoglu, p. 5), from the swimming pool to the shopping arcade or one of the many bars and restaurants available, making this practical component of the customer experience a favourite among guests travelling together or as part of a group.

As a “holiday resort with something for everyone” (Hillside Beach Club, 2022), HBC must also provide ongoing activities and other creative and fun ideas as options in the customer experience. However, having observed the behaviour and preferences of their guests, management emphasises that the activities on offer are optional, with an absence of any pressure for guests to join in. The resort instead employs ‘*soft animation*’ as a pragmatic concept inherent to the ‘*feel good factor*’ that works both ways, by giving guests the choice to participate instead of forcing a vacation formula on anyone.

Lifestyle

The aim of making the Hillside Beach Club “the number one tourist destination, with a focus on family vacations” (Lal & Yucaoglu, p. 4) is an aspiration that management and staff share with their guests through the lifestyle component of the customer experience. While the Hillside Beach Club caters to all types of customers, unlike other luxury resorts that have built

privacy and seclusion into their design so that crowds and gatherings are generally avoided, the HBC “resort was designed – from its physical structure to the activities it offered to its guests – to invite guests to socialise” and “its compact and easy-to-navigate layout made it a favourite among families with kids looking to vacation together” (Lal & Yucaoglu, p. 4). By creating “opportunities for interactions that make the whole experience richer” (Gursel, as cited in Lal & Yucaoglu, p. 7) and conducive to bringing people together, “many families meet new people at the Club and become friends” (Gursel, p. 7), with some affirming their adoption of the HBC lifestyle experience by making mutual plans to return to the resort together with their families on vacation the following year.

Relational

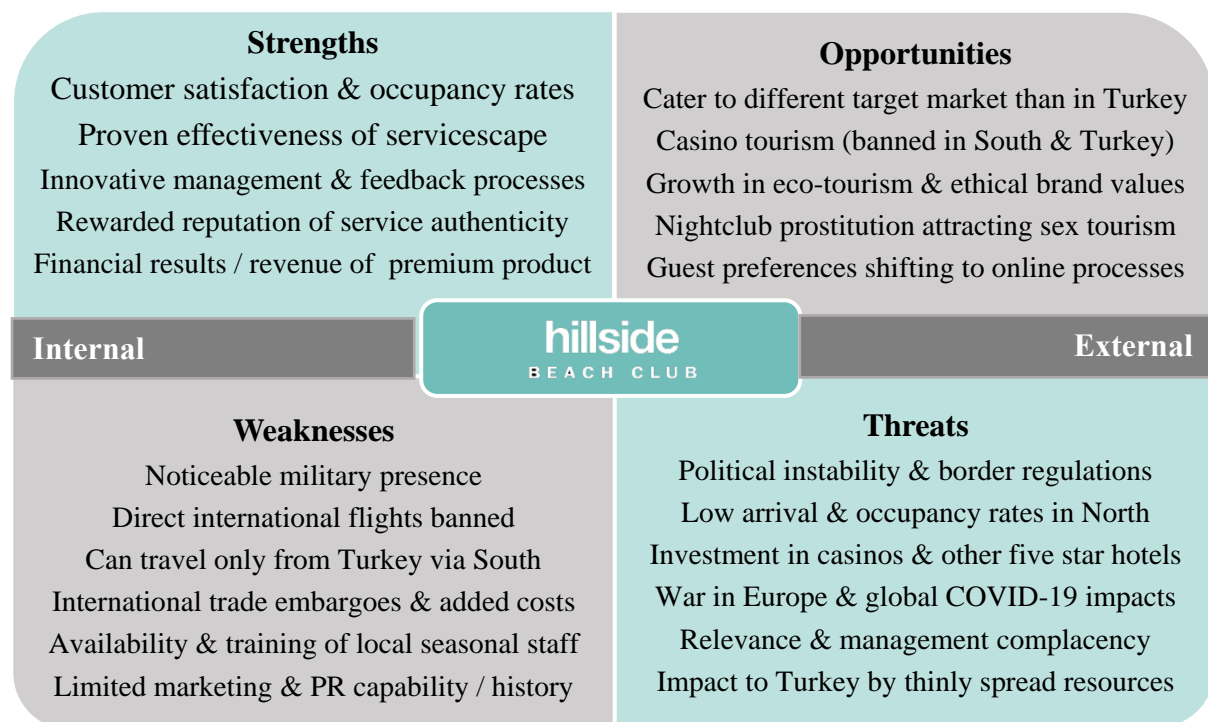
The relational concept of the customer experience links with the lifestyle concept through the relationships formed with staff and other guests during their vacation at the Hillside Beach Club. The ‘*Hillside Way of Life*’ reflects the proactive “happy employee, happy customer, happy company” (Ilkbahar, p. 9) credo embedded in the ‘*feel good*’ concept’s philosophy because “without happy employees, we will not be able to foster happy guests” (Gursel, p. 8). At the Hillside Beach Club, staff can be seen mingling with guests around the resort, having unstructured and spontaneous interactions “so as to get to know each family, their likes and needs”. “Our personnel are the hosts of the Club. We view them as part of our family, part of the culture we want to build with our guests and as main contributors to our brand.” (Cakili, as cited in Lal & Yucaoglu, p. 9)

Recommendations for Adapting the Signature Customer Experience

Taking the concept and extending the Hillside Beach Club brand in another location will not be an easy endeavour, not only because operating in a new country with a different culture and unfamiliar logistics would present a challenge to any business but because the Turkish Republic of Northern Cyprus remains unrecognised and divided from Southern Cyprus by a UN buffer zone since the failed military coup d’état by Greece in 1974. The ban on direct international flights and regulations imposed on foreign visitors crossing the border adds additional complexity to the adaption of the HBC concept in Cyprus and further difficulty in duplicating the success of the signature customer experience established in Turkey.

A SWOT analysis of the Hillside Beach Club's competence and capabilities, along with consideration of the behavioural impact that the '*servicescape*' plays in guest and staff interactions and '*service encounters*', can aid in the development of an operational plan for expanding the Hillside brand and help determine which customer experience factors serve as sources of competitive advantage to adapt when implementing the current concept in a new location.

SWOT Analysis



Operational Plan

The Hillside Beach Club has gathered a wealth of knowledge and insight about the key factors that create customer experience and “the ability of the physical surroundings to facilitate achievement of organisational as well as marketing goals” (Bitner, 1992, p.57) over the course of the resort's thirty years in operation. Earning a reputation for award-winning service as a result that is reflected in the resort's high occupancy, guest satisfaction and return visitor rates, the revenue growth and profit generated proves the HBC concept “*to feel good*” a strategic success.

But while the factors that contribute to the signature customer experience could be adapted to the HBC concept for Cyprus, with the elements of the '*servicescape*' similarly replicated in the design of the physical surroundings at the new location, the analysis suggests that the Hillside Beach Club's weaknesses limit the ability to leverage any opportunities using the current concept that is suited to family vacations and that the risks posed by external threats are not lowered by the strengths HBC has '*to feel good*' with any strategy to ensure the same success abroad can be accomplished.

Rather, the recommendation for Edip Ilkbahar and his team is that the same customer focused approach central to the Hillside Beach Club's achievements be applied in creating a decidedly different customer experience for the Cyprus site that is suited to target the opportunities for new customers in a market at odds with the existing concept that aims to deliver the ultimate family vacation in Turkey. The lessons learned from the design of the HBC '*servicescape*' can still be applied to one separate for Cyprus that still supports the superior service synonymous with the Hillside brand yet is also unique to the environment of the new location.

From Disneyland in Paris, Mattel in China, McDonalds in Jamaica to Starbucks in Australia, history will show that a strategy successful in one country does not always equate to a winning formula in another. The competitive advantage in Cyprus must be found by management retaining the '*Hillside Promise*' to anticipate guests' needs and exceed their expectations but instead of imitating the Hillside concept abroad, the new resort should deliver service with differentiation for a signature customer experience of value, for customers and the company.

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