

Le Meurice Hotel Principe di Savoia
Coworth Park The Dorchester Le Richemond
Hôtel Plaza Athénée 45 Park Lane
The Beverly Hills Hotel Hotel Bel-Air
Geneva London Los Angeles Ascot Paris
London Milan Paris Beverly Hills

Creating unique experiences for
the discerning traveler.

By

Quest Research Company


Dorchester
Collection



Background.

- The Dorchester Collection hotels -- collection of **nine of the world's most iconic and luxurious hotels**, located primarily in major **European** and **American** cities.
- The nine hotels include:
 - The Dorchester and 45 Park Lane, London
 - Coworth Park, Ascot
 - The Hotel Plaza Athenee and Le Meurice, Paris
 - Hotel Principe Di Savoia, Milan
 - Le Richemond, Geneva
 - The Beverly Hills Hotel and Hotel Bel-Air, Beverly Hills, CA.

For 2013, the Dorchester Collection wants to understand **how and where** they should focus their **marketing efforts online**.

) (Research Objective/s

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- **Conduct extensive qualitative research** – online and via mystery-shops in Boston and New York City.
- **Understand current trends in upscale luxury travel**, both for business and leisure among 25 and above.
- **Determine current online image and attitudes** toward the Dorchester Collection as a luxury hotel.
 - Gauge the awareness of the target about Dorchester brand-value/equity.
 - Understand the competition--Four Seasons, the Mandarin Oriental, the Ritz-Carleton, and other boutique luxury hotels.
- **Prepare SWOT analysis** to recommend appropriate **media platform** and **vehicle** to best reach the Dorchester Collection's **desired target**.

Methodology: Research Framework

Primary Research and Secondary Research

Quest researchers conducted **qualitative research** using **primary** and **secondary sources** to collect data on upscale luxury hotels.

Primary research involved visits to **super luxury hotels** such as the **Mandarin Oriental, Boston, The Four Seasons, New York, and The Ritz-Carlton, Boston Common**. All of these are the Dorchester Collection's main competitors.

In order to maintain consistency of the data gathering process, researchers conducted a thorough online search, which included using the individual hotel's own website, social media resources (Facebook and Twitter), and third-party sources such as TripAdvisor. **Based on the findings, a loose framework of questions was developed.**

Methodology: Research Framework

Why Visit On Weekends?

The researchers visited each location on a weekend (**Four Seasons, NYC on Feb.16, 2013; The Ritz-Carlton, Boston Common and the Mandarin Oriental, Boston on Feb. 22, 2013**). The reason for selecting weekends was **based on Mintel's Report on Hotels - US - November 2012 that suggested that most luxury leisure travels among 25-40 comprised short trips, usually on weekends.**

Methodology: Research Framework

Mystery Shops

Researchers used clever ways to get a tour of the rooms and the facilities. On each occasion, the hotel staff was extremely courteous, and quite happy to arrange a tour.

The tours included a look into the **different types of the rooms** – the executive room, the deluxe room, and the presidential suite—tour of the spa, swimming pool and fitness area, and the in-house restaurants.

Every effort was made to learn as much as possible about the competition. The researchers noted that this was a lean season in terms of hotel bookings; all of the hotels visited were offering special low price for the weekends (\$ 405 at the Ritz-Carlton, Boston Common); the **in-house restaurants** had **special offers** such as a **New England winter menu** and samplers, with **suggested wine pairings**; and the guests at the dining venue were mostly **between late thirties and early fifties**. According to **Bert H. Collins, Guests Relations Manager at the Mandarin Oriental, Boston**, luxury spa with special offerings such as in-suite spa sessions, romantic couple spa sessions and special treatments just for men are some of the popular choices of luxury travelers at the moment.

) (Methodology: Research Framework

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Secondary Research and Resources

The Researchers used **secondary resources such as MRI+, Market share reporter, and Mintel, in addition to TripAdvisor** to:

- learn about the general trends for the very upscale, luxury traveler, both for leisure and business travel.
- Find out the current online image and attitudes of this group toward the Dorchester Collection as a luxury hotel.
- Gauge the target's awareness of the Dorchester Collection's brand-value/equity; and its main competitors -- Four Seasons, the Mandarin Oriental, the Ritz-Carleton, and other boutique luxury hotels.

) (Findings: Situation Analysis

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The Category - General trends for the very upscale, luxury traveler

- Highly competitive market category.
- The ongoing recession in Europe and to some extent the United States, has had a negative impact on the luxury travel market. However, the two Californian cities -- **Los Angeles and San Francisco** continues to be top performers. (**Mintel- Hotel market performance by major city in the Americas, YTD June 2010 & June 2011**)
- **Market-Share--Top Hotel Companies, 2011** --The industry generated revenues of \$121.7 billion. Business travelers claimed 28.5% of the market, vacation travelers 25.7%, conference travelers 25% and personal or family travelers 20.8%.

| | |
|------------------------------------|-------------|
| Marriott International Inc. | 6.7% |
| Hilton Hotels | 5.0 |
| Starwood Hotels and Resorts | 3.5 |
| Wyndham Worldwide | 2.5 |
| Other | 80.5 |

) (Findings: Situation Analysis

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- According to Mintel's report on the "Types of the US Hotels Used in the Last 12 Months, August 2012," (This report was based on 1,203 Internet users ages 18+ who stayed overnight in a hotel or motel in the last 12 months.)

- 43 percent stayed in an up-scale hotel chain
- 35 percent stayed in an upper up-scale chain.



- Distribution by diverse electronic means (including global distribution systems, or GDSs, online travel agents, or OTAs, and proprietary websites) continues to grow relative to other channels. Due to the fear of not selling rooms during the recent economic downturn, OTAs gained share of hotel Web bookings, but with the revival in the fortunes of the hotel sector, it is expected that the websites of the major chains will start to gain back share. (**International Hotel Industry - September 2011, Mintel**)

) Findings: Situation Analysis

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The Consumer

Consumers' expectations of the hotel industry are evolving, with more guests expecting that their stays be inclusive of a wider array of in-room and out-of-room services and amenities. Based on 2,000 Internet users above 18+ Mintel's study on Hotel Features of Interest, August 2012.

- 48 percent want more opportunities to use advanced technology in hotel rooms for free.
 - 48 percent expect complimentary shuttle/ driver service.
 - 30 percent want automated check-in procedures similar to retail check-out or airport kiosks.
 - 24 percent want complimentary car rental service.
 - 23 percent want in-room spa services.
- Consumers want more of the home-like elements, exceptional experience and service, high value for their money otherwise they are willing to opt for lodging alternatives such as vacation home rentals. Mintel's report on Hotels - US - November 2012.
 - Consumers are using online travel sites (expedia, TripAdvisor etc.) for price comparisons, to find last minute deals, to read and review peer recommendations.

HOTEL FEATURES OF INTEREST, AUGUST 2012



Base: 2,000 internet users aged 18+
SOURCE: MINTEL

) (Findings: Situation Analysis

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Online Image of the Dorchester Collection

While there is reasonably good online recognition of the individual hotels, very few people actually realize they are part of the Dorchester Collection.

Poor brand recognition due to a lack of uniform identifying features – visual identity, signage, icons and such.

In comparison, everyone can easily recognize a Four Seasons hotel regardless of its location.

When you look for the Dorchester on **TripAdvisor** or any other online travel sites, you are directed to the Dorchester in London and not to the collection of hotels.

In contrast, **Mandarin Oriental**, **Ritz-Carlton**, and **Four Seasons**' properties are all known as “**brand-name followed by the city.**” For instance “**Four Seasons Hotel-Boston,**” “**Mandarin Oriental- Boston,**” and so on.



[Le Meurice](#) [Hotel Principe di Savoia](#)
[Coworth Park](#) [The Dorchester](#) [Le Richemond](#)
[Hôtel Plaza Athénée](#) [45 Park Lane](#)
[The Beverly Hills Hotel](#) [Hotel Bel-Air](#)
[Geneva](#) [London](#) [Los Angeles](#) [Ascot](#) [Paris](#)
[London](#) [Milan](#) [Paris](#) [Beverly Hills](#)



) (Findings: Situation Analysis

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Positive Attributions

Each of the hotels of the group enjoys an average user rating of 4.5 to 4.9 on popular sites such as the TripAdvisor. The ratings are based on factors such as:

http://www.tripadvisor.com/Hotel_Review-g187147-d188732-Reviews-Le_Meurice-Paris_Ile_de_France.html

- Room cleanliness -- 4.9 .0 out of 5
- Service & staff -- 4.8 .0 out of 5
- Room comfort -- 4.8 .0 out of 5
- Hotel condition -- 4.9 .0 out of 5
- Surrounding neighborhood -- 4.9 .0 out of 5
- **94% of positive guest recommendations**
 - Large and very comfortable rooms- Phyllis from Houston, TX; posted July 28, 2010 on TripAdvisor: Great Stay at Le Meurice –“I recently returned from a week stay at Le Meurice. Everything was perfect. It has a fun and fashionable restaurant in the lobby that is great for people watching. The staff was very friendly and helpful. Our room was very large and very comfortable with a beautiful sitting area and dressing room.”

) (Findings: Situation Analysis

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Collection Positive Attributions

- **Friendly and courteous staff that go above and beyond to make their customers stay memorable**—By Lynne from Boston, MA; posted October 16, 2011 on TripAdvisor: A real treat in Paris-- “While expensive the hotel is magnificent and the accommodations were spectacular. The hotel staff goes above and beyond to make your stay as wonderful as it can be with personalized service where you are called by name. The rooms are immaculate and beautifully appointed.”
- **Great experience; customers are made to feel like royalty**— By A verified traveler from Boston, MA; posted November 15, 2011 on TripAdvisor: One for your journal – “This place is simply amazing. They have everything that you could ever need and more. The service is outstanding, food is amazing, fantastic location, and service remarkable!! You can't go wrong here. They made us feel like royalty.”
- **Fashionable restaurants**— By Maria from Houston, TX; posted September 7, 2011 on TripAdvisor: One of the best hotels I ever stayed in!!! – “Beautiful hotel. Really enjoyed their restaurant and room service food. Very nice bar with live jazz music at night. Service was impeccable. Location is great - only about 5-10 min walking distance to Louvre. Whenever we are back in Paris, we will definitely stay at this hotel again!”
- Fantastic location; just 15 minutes from the Louvre
- Outstanding, personalized service and guests are called by name.
- Beautiful property.
- Expensive but great overall value.
- Great bar with live music at night.

) (Findings: Situation Analysis

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Negative Attributions

- Management only responds to positive reviews from guests.
- No price uniformity across the chains.
- No brand recall.
- Not very active online.
- Recent flurry of twitter feeds but very few recent responses from customers.
- **By Katy from Washington DC, posted January 28, 2011, TripAdvisor. Christmas in Paris**—“Loved our stay at the Meurice, but for **one, wee issue**. We had a beautiful junior suite...but **every morning around 1:30/2am, we were awakened by the sounds of clanging, banging, furniture moving, etc.?** I finally realized it likely had to do with cleaning up after bars/restaurants closed (we were on the 1st floor) and we didn't complain to hotel staff about it...but just be forewarned and bring your earplugs. That was quite literally, the **ONLY** thing that I would have changed.”

) (Findings: Situation Analysis

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Online Image And Attitudes Toward Dorchester's Key Global Competitors

- **Four Seasons** won **TripAdvisor's Traveler' Choice Award** for 2013 under three categories – **luxury**, **top**, and **best service**. It enjoys favorable reviews from both the business and leisure travelers.
- When guests walk into a **Four Seasons** property they know exactly **what to expect** and are willing to pay a **high premium** for it.
- Special offers on **advance bookings**, **room discounts** by location and other promotions are a big draw for the travelers.
- Equally important is Four Season's **brand recognition** among the consumers.
- Four Seasons has its own **in-room travel magazine** – **Four Seasons Luxury Travel Magazine** (<http://magazine.fourseasons.com/>) published by **Pace Communications**. It offers **reviews**, and **news** on **luxury destinations**. The **digital edition** expands **the experience of Four Seasons online**, providing interesting and evocative content about some of the world's most fascinating travel destinations.



FOUR SEASONS
Hotels and Resorts

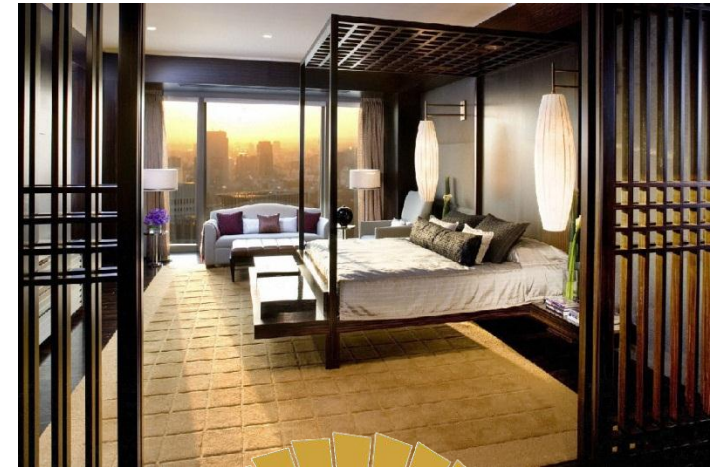


) (Findings: Situation Analysis

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Mandarin Oriental

- The Mandarin Oriental hotels are also city hotels which enjoy favorable online customer reviews. This chain of super luxury hotels enjoys strong brand recognition among **global travelers who are looking for superior service and their “home away from home” experience.**
- **This hotel offers special rewards for an extended stay.** For instance, if you stay for 5 nights then you can earn a free night’s stay at the hotel. Mandarin Oriental offers free cancellation option across selected properties.
- **Mandarin Oriental boasts of renowned celebrity fans** like Sigourney Weaver, Kevin Spacey, Sophie Marceau, and Christian Louboutin to name a few.
- Special global offers --“Can we tempt you” is a big draw. Special tie-ups with marketing partners to offer frequent flier programs with top airlines (<http://www.mandarinoriental.com/marketing-partners/frequent-flyer-programmes/>)
- **Tie-ups with American Express:** Free extra-day stay for AmEX cardholders between January 4 and April 4, 2013. (<http://www.mandarinoriental.com/marketing-partners/american-express/>)
- **MO Experience** (<http://www.mandarinoriental.com/experience/>) a short video demo encapsulating the Mandarin Oriental experience to appeal to both the business and the leisure travelers.
- **The website design is very clean, simple, and easy to navigate.** It is focused toward the users’ needs and ensuring that they can quickly find what they were looking for.



MANDARIN ORIENTAL

THE HOTEL GROUP



SWOT Analysis

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Strengths

- Exceptional service.
- Personalized service.
- Prices vary across the chain of hotels.
- Situated in Iconic locations.
- Enjoys good online reviews.

Weaknesses

- No brand recall—individual hotels are more popular than the collection.
- Very little online marketing promotions.
- No corporate tie-ups or marketing partners.
- Limited social media presence.
- Pricey.
- Appeals to a very niche group.

SWOT Analysis

Opportunities

- Explore partnership options.
- Develop the social media aspect.
- Invest more in online marketing efforts.
- Take advantage of the iconic locations.
- Increase brand awareness.
- Build brand values and personality.

Threats

- Highly competitive category.
- Foundation of new luxury hotels.
- Budget chains.
- Boutique hotels exceptional service at a lower price.
- Vacation home rentals.
- Economic recession

) (Implications & Recommendations

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Create a unique new image for the Dorchester Collection of hotels in social and digital media which would resonate with the younger section of its target audience.

Why?

Consumer- Chief Marketing Officer

Today, the consumer has become the Chief Marketing Officer. **Word of mouth** has taken over from **traditional means of branded messaging** as a more effective and trustworthy source of information. In the luxury travel and hospitality market today, there's a **growing trend** which shows consumers gravitating towards what people say about a brand as opposed to what a brand says about itself.

And with social networking sites like **Twitter and Facebook**, combined with review sites like **TripAdvisor, Yelp, ActiveHotels, Ctrip and Agoda**, it has become that much easier to find **real-time** individual perceptions of brands.

) (Implications & Recommendations

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Digital age in luxury

The **Affluence Collaborative**, a research firm that explores the **habits of high-income consumers**, indicates a general trend towards the “**affluent**” and the “**wealthy**” becoming **more digitally attuned** (the research group defines the “affluent” in the U.S. as people with household incomes of at least **\$200,000** and the “wealthy” as **earning \$500,000 or more**). Their research indicates that **fifty-seven percent** of the wealthy expressed a desire to own the latest gadgets and be in the know about what’s next in technology. **Seventy-two percent** of the wealthy said they were **active Facebook members**.

Twitter usage among this audience also **increased by 350 percent** year in 2010. Further, **Luxury InSTITUTE**, another luxury **consumer focused research firm**, found that **one third** of wealthy consumers own a **tablet or e-Reader**. And **71 percent** of guests bring their **iPhone or smartphone** and **61 percent** bring an **iPad or other tablet on their travels**.

What does it mean?

As social and digital media have become an increasingly intrinsic part of the luxury consumer’s life, it has become imperative for **The Dorchester Collection group to maintain a digital presence which would enable a two-way conversation between the brand and the consumer**.

) (Implications & Recommendations

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The Dorchester Collection Social Media recommendations

Facebook:

Dorchester Collection's FB page has a mere **2,756 likes** as opposed to **152,425 likes** of Four Seasons, **84,562 likes** of Mandarin Oriental, Ritz Carlton's **4,269 likes**, Jumeirah's **23, 059 likes** and **15,645 likes** for the Peninsula.

While **some of the hotels** under the Dorchester Collection, like the **Beverly Hills hotel** have **higher number** of likes (13,613), they still **don't match up** to the popularity of the **Four Seasons or the Mandarin**. This could be attributed to the more aristocratic ,“old world” charm that the Dorchester Collection hotels seem to imbue as compared to some of the other hotels. But that argument is offset by the popularity that The Dorchester, the group's flagship hotel enjoys with 10,257 likes. The truth is that the **Dorchester Collection hasn't paid much heed to its digital media presence, and that's the reason its popularity is suffering.**

- People associate the word “Dorchester” with a certain class and level of service in the hospitality industry. And the Dorchester Collection can definitely benefit from this rebranding all of their hotel names to wear the “Dorchester” name as a mark of excellence. So, essentially Hotel Bel-Air would be called the Dorchester Bel-Air, and Le Meurice would become The Dorchester Meurice.

) (Implications & Recommendations

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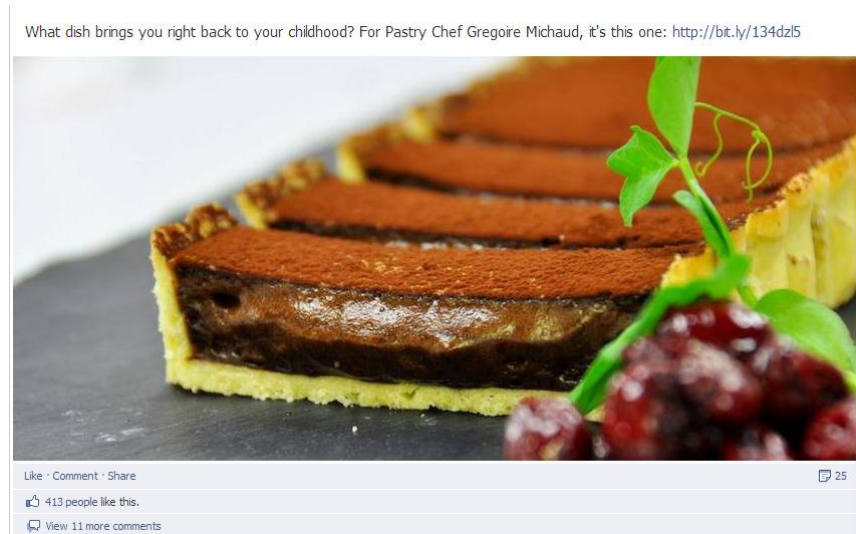
While the names would tie-in the Dorchester brand into each hotel's FB presence, it would essentially create a much more identifiable thread tying in all their hotels under the same brand.

- The Dorchester Collection needs to become far more active on FB. A comparison to the Four Seasons FB and Twitter pages shows how infrequently the brand posts or tweets. Further, they use smaller images with a lot more subtle imagery in their FB posts as compared to the grandeur depicted in the Four Seasons' larger image posts:

Dorchester



Four Seasons



) Implications & Recommendations

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Twitter

- In keeping with their overall brand image, the **Dorchester Collection** employs more sophisticated color palettes in all their social media communication which makes it a little less attractive. **Dorchester Collection** needs to switch to a more vibrant image in order for the brand to become “socially” inviting.
- The **Dorchester Collection** hotels are also quite dormant on **Twittersphere**. Ironically enough, even here the hotels that have slightly more engaging conversations with the consumer are 45 Park lane, and Coworth Park.
- A guest at a **Four Seasons** resort made a light-hearted comment on Twitter about the hotel’s turndown music, she later received a bottle of wine and a note from the General Manager apologizing for the “Muzak” tunes along with a listing of local radio stations. In a similar incident, when a guest lamented via Twitter that there were no good movies on TV that night, the concierge pointed her to the hotel’s expansive DVD movie library. This is the kind of **real-time social** media engagement that **Dorchester Collection** needs to maintain in order to retain its saliency amongst the target audience

The screenshot shows a Twitter thread. The first tweet is from Sarah-jane Peck (@SJtimelm) on Jan 10, praising the steaks, room service, and breakfast at 45 Park Lane. The second tweet is a reply from 45 Park Lane (@45ParkLaneUK) on Jan 11, thanking her and promising to welcome her back. The third tweet is another reply from Sarah-jane Peck on Jan 11, saying she was welcome and the room was beautiful. The fourth tweet is a reply from 45 Park Lane on Jan 11, thanking her and saying she will share the comments with the team. Below the tweets, there is a retweet section showing 1 retweet by the user 'time'. At the bottom, there is a reply box with the text 'Reply to @45ParkLaneUK @SJtimelm'.

Sarah-jane Peck @SJtimelm Jan 10
@45ParkLaneUK love your steaks, loved the room with butler and a wonderful breakfast - what a wonderful stay
Expand

45 Park Lane @45ParkLaneUK Jan 11
@SJtimelm Thank you Sarah-Jane, delighted to see this. Looking forward to welcoming you here again soon
Expand

Sarah-jane Peck @SJtimelm Jan 11
@45ParkLaneUK you are welcome it was wonderful and the room beautiful
Expand

45 Park Lane @45ParkLaneUK Jan 11
@SJtimelm Thank you, will share your kind comments with the team here
Hide conversation Reply Retweet Favorite More

1 RETWEET

7:22 a.m. - Jan 11, 2013 · Details

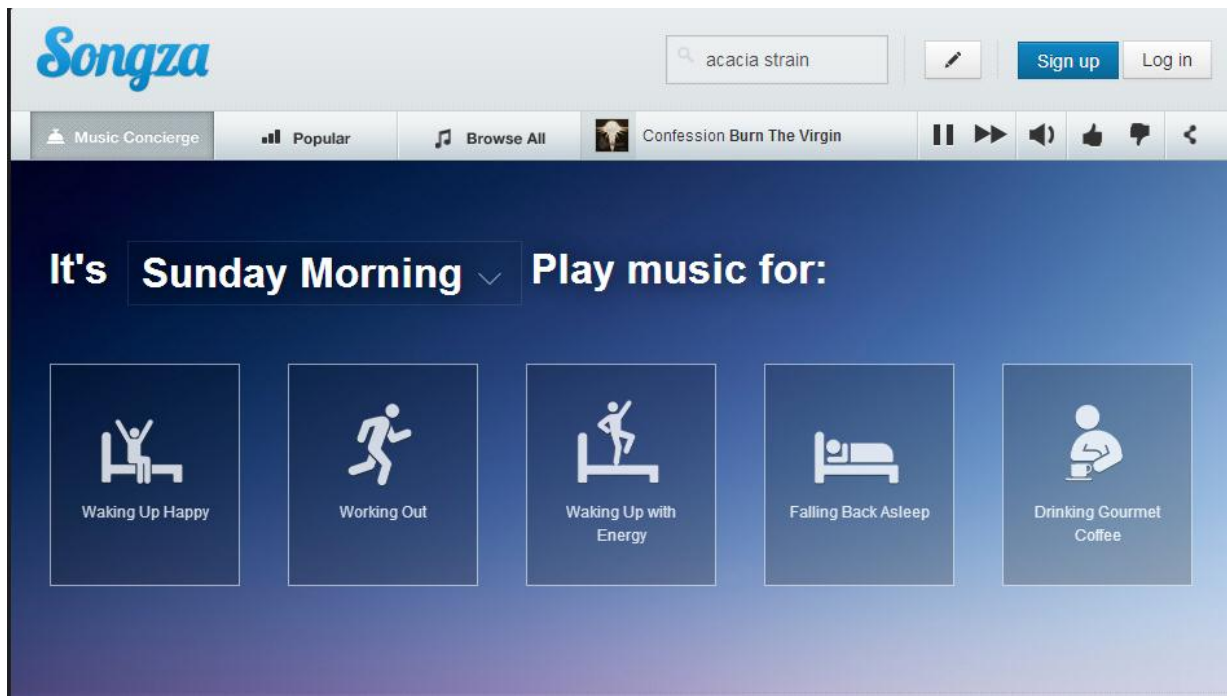
Reply to @45ParkLaneUK @SJtimelm

) (Implications & Recommendations

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Integrated & Intuitive App for the Dorchester Collection

An **integrated App** that the Dorchester Collection could develop - **based off the insight that most luxury consumers want their experience to be customized to their own needs, at their own convenience.** Much like **intuitive website designs** which offer music playlist “**solutions**” in accordance to the time and day, we can develop an App that would let customers choose the day, occasion, and purpose of their stay at Dorchester Collection, and with whom they’re planning to stay. Accordingly, Dorchester collection could offer a range of **pre-sets** which would specify options for **room, amenities and available customizations.** This way the consumer needn’t have to go to a front desk to make any special arrangements. It would all be at the tip of your finger.



References and Resources

Primary Research Resources:

- Four Seasons, NYC, Mandarin Oriental, Boston, and the Ritz-Carlton, Boston Commons.

Secondary Research Resources:

- TripAdvisor http://www.tripadvisor.com/Hotel_Review-g187147-d188732-Reviews-Le_Meurice-Paris_Ile_de_France.html
- Yelp
- ActiveHotels
- Ctrip
- Agoda
- Facebook
- Twitter : https://twitter.com/DC_LuxuryHotels
- MRI+
- Mintel
- Market share report
- Company websites of the Dorchester Collection : <http://www.dorchestercollection.com/>
- Company websites of the competition (Four Seasons : <http://www.fourseasons.com/>; Mandarin Oriental : <http://www.mandarinoriental.com/>; The Ritz-Carlton: <http://www.ritzcarlton.com/en/Default.htm>)
- **Affluence Collaborative** research firm's report on the habits of high-income consumers.
- **Luxury Institute**, a luxury consumer focused research firm's report on the digital consumer behavior
- Mandarin Oriental - Special Tie-ups With Marketing Partners (<http://www.mandarinoriental.com/marketing-partners/frequent-flyer-programmes/>)
- Mandarin Oriental - Special Tie-ups With the American Ecpres <http://www.mandarinoriental.com/marketing-partners/american-express/>)
- Mandarin Oriental - .Experience (<http://www.mandarinoriental.com/experience>)
- **Four Seasons Luxury Travel Magazine** (<http://magazine.fourseasons.com/>)
- Four Seasons won TripAdvisor's Traveler' Choice Award for 2013: <http://www.tripadvisor.com/TravelersChoice-Hotels-cLuxury-g191#18>