

Quality - a competitive advantage on the hotel services market. Case study: Marriott Hotels & Resort versus Radisson Blu

Anca MADAR¹

***Abstract:** The success of a business is determined by how customers perceive the quality they offer. Therefore, the activity of any organization should be directed towards knowing the needs of consumers, who have become better acquainted with the assessment of the quality of products and services and therefore increasingly demanding. The purpose of this paper is to identify the quality strategies implemented by two hotel chains recognized internationally.*

***Key-words:** Quality, hotel services, hotel chain, quality strategies*

1. Introduction

Quality is a concept used in all areas of economic and social life, which has a subjective character and has particular significance for specific areas, functions, or objects. In order to create a market advantage the firm can bring superior technology, quality or brand strength (Boşcor, D. p. 31). Quality has been defined in various ways by experts or consultants in quality, that assigns different meanings to them. In marketing, quality issues are focused on the determinants of purchasing behavior and customer satisfaction.

The high quality of the products or services offered by companies are basic criteria for achieving customer satisfaction and profitability. A high level of quality will result in more customer satisfaction, often allowing cost savings, increasing profitability and ensuring product / service competitiveness on the market. Consumer satisfaction is a vital issue for all those involved in the tourism sector, and service quality is a real global strategic force but, at the same time, it is difficult to apply (Băltescu, p.137).

In the explanatory dictionary of the Romanian language it is stated: "Quality is the totality of the attributes and essential aspects by virtue of which one thing is what it is, differing from the other things" (DEX).

¹ Transilvania University of Braşov, ancamadard@unitbv.ro

According to SR ISO 8402: 1995, Quality Management is defined as: „organizational structures, procedures, processes and resources necessary for the implementation of quality management”. In short, quality management includes all the activities that organizations implement to drive, control and coordinate quality.

The implementation of quality management requires the company to act systematically to ensure that customer requirements are properly defined, that design translates customer requirements correctly into technical features, that manufacturing has the capability to achieve the designed features, that company personnel and leadership know all requirements, and have the training required to achieve them, that quality inspection will be appropriate to maintain the specified level, that when things go wrong, problems will be identified and corrected. (Popescu M., 2010).

To be more competitive and offer customers reliability, the producers have to implement their own quality strategies, so they are investing in new technologies, in the implementation of quality standards and wish to obtain strong certifications, with a high credibility on the market (Neacsu N.A., 2017).

2. Presentation of the hotel chains Marriott Hotels & Resort and Radisson Blu

Marriott International Inc. Is a global operator and franchisor of a number of luxury values, hotels and other accommodation facilities. The Marriott hotel chain is one of the largest and most known in the hotel industry. From a family business, the company has over 2800 hotels in 70 countries. The company offers a wide range of services through 16 brands. On September 23, 2016, Marriott completed its acquisition of Starwood Hotels & Resorts Worldwide (Starwood). Together with owners and franchisees, Marriott and Starwood added more than 68,000 rooms during the year and, despite a tightening credit market, drove our pipeline of hotels under development to more than 420,000 rooms (<http://news.marriott.com/2017/02>).

The Marriott chain is present in Romania through the 5 * JW Marriott Hotel in Bucharest. The cheapest room costs around 600 lei / night, but the tariff can also reach 6500 lei / night, in the case of a presidential apartment.

From a sales point of view, Marriott International has made continuous progress from 2012 to 2016. In 2015 revenue rose by 4.94% compared to 2014 and in 2016 rose by 17.93 % Compared to 2015 (Table 1).

Year	2012	2013	2014	2015	2016
Revenue (Billions USD)	11.8	12.78	13.8	14.48	17.07

Table 1. *Income evolution of Marriott International in 2012-2016*

Source: <http://www.marketwatch.com/investing/stock/mar/financials-1.08.2017>

Radisson Blu is an international 4* to 5* international hotel network, hotels operating in Europe, Africa and Asia. The Rezidor Hotel Group is one of the most dynamic hotel companies in the world and a member of the Carlson Rezidor Hotel Group. The group has a portfolio of more than 483 hotels in operation or under development with over 105,000 rooms. The group and its brands employ more than 43,700 people across 80+ countries. Rezidor operates the core brands Radisson Blu and Park Inn by Radisson in Europe, the Middle East and Africa (EMEA). In 2014 and together with Carlson, Rezidor launched the brands Radisson RED (lifestyle select) and Quorvus Collection (luxury). Since 2016, Rezidor also owns 49% of prizeotel (<http://www.rezidor.com>).

Carlson Rezidor Group recorded a steady increase in revenue from 2012 to 2015, after which it recorded a slight decline in 2016 by 3.61% over 2015 (Table 2). This regression was due to the fact that the franchise contracts of four hotels expired and a hotel was temporarily closed for renovation.

Year	2012	2013	2014	2015	2016
Income (Mil.euro)	923,7	919,5	937,3	997,0	961,2

Table 2. *Evolution of Rezidor Group's Income for 2012-2016 (Million Euro)*

Source: A6A<http://www.rezidor.com/phoenix.zhtml?c=205430&p=irol-library#> -Annual Report 2016

Both hotels emphasize the quality of the services they provide and pay special attention to customer satisfaction. From their profits, companies have invested in designing special products. Hotel JW Marriott Bucharest invested in 2010 to upgrade the Vienna Cafe on the 1st floor of the Grand Ballroom and the Cupola restaurant, which now has a new, steak house concept. In 2016, this hotel invested about 3 million euros in the renovation and upgrading of two executive floors. In order to create a competitive product, the technological equipment of the rooms followed two principles: eco friendly and user friendly. In this sense, all the lighting system is with LED light bulbs, with low consumption and a minimum life of 8 years. The thermostats are equipped with three control functions that switch automatically to a neutral position when the rooms are not occupied and the TVs are Smart LEDs with full HD resolution and small size.

Radisson Blu has invested about 15 million euros in the renovation of the hotel in Chisinau. As a result of this investment, the hotel has become a modern, full service and has expanded further by opening new rooms for business events, meetings, etc. In addition to modernization, the hotel comes with several unique service concepts, such as the super-breakfast, which involves a wide range of domestic and local gourmet products.

3. Quality strategies adopted by the two hotel chains

1. The Strategy of Quality Differentiation - emphasizes reliability, maintainability, availability and accessibility features for the products / services of the same type (Todoruţ A.V. 2007). In the case of the two hotel chains, this strategy envisages offering products / services at affordable prices to consumers and increasing promotional activities. In 2009, following the economic crisis around the world, the Marriott hotel chain suffered as the demand for accommodation decreased. That's why the company has worked hard to further focus on the quality of service and brand reputation. In a pricing-oriented industry, rising prices was not an option to compete. In order to keep the price level unchanged and to maintain its customers, the Marriott hotel chain has reduced staff numbers, water and fuel consumption and other hotel utilities, but without compromising the quality of the services provided. In this way, they could save money without raising prices.

The accessibility of the services in terms of prices also refers to the constant maintenance of tariffs on all distribution channels, regardless of the fee charged by the online travel agencies. In order to ensure that all Marriott hotel managers adopt this strategy, the company has enforced ethical rules on rates, called "Look No Further - Best Rate Guarantee".

2. The Strategy of Continuous Quality Improvement - aims to gradually improve the quality of products and services, as well as productivity and competitiveness, with the participation of all staff (Todoruţ A.V. 2007). The standards and certifications obtained demonstrate the high level of service quality offered by the two hotel chains.

In 2005, JW Marriott Hotel in Washington DC became the first US hotel to receive ISO 50001 Energy Management certification. This certification aims to create a good energy management framework used by any hotel in the most efficient way. Achieving this certification has also led to an increase in employees' awareness of the use of energy resources.

Marriott International has tested the world's first "Volume Program", created by LEED (Leadership in Energy and Environment Design). Thus Marriott has been certified as a "green hotel" (a hotel that uses as much recyclable energy, recycles its resources, offers jobs for the local market and contributes to local economic growth). This collaboration has been a great success since many of the hotels in this chain have received this certification. LEED is a globally recognized green building certification system developed by the Green Building Council in the US.

The Radisson Blue chain has been awarded the eco-label for the hotel in Bucharest, certified by the prestigious Green Key international organization. The Green Key program is based on five pillars: educating staff, customers and owners towards sustainable development and raising awareness of environmental protection in hotel establishments; preserving the environment by reducing the impact in each accommodation unit; management based on driving consumption, which translates

into a cost reduction; marketing strategy to promote the Green Key tag; strengthening the tourism and leisure industry by taking on a wider responsibility not only in individual units.

With regard to environmental protection also the Radisson Blue Bassel Hotel is based on the 14001 (Environmental management systems) standard. This standard is a tool at the disposal of management that allows products / services to continually improve their environmental performance and implement a systematic approach to processes to set environmental objectives and tasks.

With the desire to protect the environment, both hotel chains have increased customer confidence, becoming loyal, consolidating the company's position in front of customers and improving brand image.

3. The Strategy of Maximum Performance - aims at acquiring supremacy in quality by maximum performances that can be obtained from products or services (Todoruț A.V. 2007). Over time, both hotel chains have received various awards for their services performance.

Radisson Blu received the TripAdvisor Certificate of Excellence for hotels in Jordan and Denmark, based on reviews provided by former hotel guests. This certificate is an appreciation of the quality of services and facilities within these hotels. Radisson Blu Cork has won the Environmental Manager of the Year award after implementing a project of exceptional environmental quality. In just three years of implementing this project, the hotel reduced its energy consumption by 30%, water consumption by 20%, recycling nearly 75% of its waste. The Radisson Blu Dublin Hotel has won the "Green Hospitality Platinum" award for its environmental management. This is the equivalent of the highest prize for green certification in the hospitality industry worldwide. The Radisson Blu Astrid Hotel in Antwerp was certified Green Key. To get this certification, LED light bulbs were switched on, and water consumption was reduced by installing shower heads with water-saving functions. Filters have also been installed to limit the water flow in the taps. The Radisson Blue Hotel in Lucerne was awarded for the highest quality level by the Swiss Tourism Association.

Rezidor Hotel Group was the first hotel chain in the world to receive Green Key certification for the entire Middle East hotel portfolio and award for best hotel service. Marriott's hotel portfolio also includes awards such as: Best Luxury Hotel Award, Best Hotel Service Award, Best Business Hotel Award, Best Digital Marketing Award, Best Advertising Award and so on.

4. Conclusions

Achieving high-quality products or services is the key to customer satisfaction, a prerequisite for business survival in an increasingly competitive business environment. In order to achieve the proposed quality objectives, organizations

implement different quality strategies. This paper highlights how the implementation of adequate quality strategies, in accordance with customer needs, proposed objectives and available resources, has produced spectacular results for the two hotel chains analysed.

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