

## A Comparison of International and Domestic Hotels in Sanya, Hainan Province, China

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**Abstract:** This paper focused on the hotel industry in Sanya, the southern city in Hainan Province, China. Its objective was to compare domestic 5-star with international 5-star hotel and to find out the differences between the two hotels. Using qualitative approach with in-depth interview, observation and a systematic of review literature, we found the differences of each hotel operation and effective suggestions to make a better development, according to their market environment. To understand these differences, the paper indicates them in the context of advantages, disadvantages and suggestions in the competitive market environment.

### 1. INTRODUCTION

At the time of China opening itself to the outside world, the hotel industry was one of the earliest industries. The foreign hotel brands, for a long time, had entered the Chinese market, and in recent the world's top ten foreign hotel brands have entered China. After they had absolute advantage in first-tier cities, they became large and permeate lower-tier cities and scenic spots. The foreign hotel proportion was 10% in china, but it occupied 90% of the profits (Xu Yakun, 2010). Thus, it can be seen that foreign brands of high-end have absolute advantage, domestic hotel brand was rising in the field of economy. However, foreign brand in China attached great importance to the development of brand building, market research, strategic management and capital operation, and had a global vision, the ability of global learning and resource integration capability, and had a clear positioning

and loyal customers; meanwhile, domestic hotel brand was relatively lacking in these aspects, so, this made the domestic hotel brand to develop high-end hotel market were relatively difficult (Wang Hanxi, 2010).

According to China's tourism industry "thirteenth five-year" development planning and the present situation, tourism became a important industry of our country, and always maintained a rapid growth trend, China has entered into the world's largest inbound tourism receiving country and the fourth largest outbound travelers. Thus, China has formed the world's largest domestic tourism market. Then, Hainan will become an international tourism island (Wang Tao, 2016).

Hainan government was further enhancing the management level of Hainan hotel, to promote its scale, the popularity of brand and internationalization direction. At the same time, hotel industry was the basic

condition for the tourism industry (Yu Xueqin, 2014).

As for the different culture in the same hotel, especially in China, managers who were transferred sometimes that cannot avoid some management problems. Hotel of Hainan province had some problem in human resources management, and the price of hotel was not regular. The study focused on management and marketing strategy to analyze the concrete differences in hoteling between international 5-star hotel and domestic 5-star hotel in Sanya, Hainan Province.

## **2. LITERATURE REVIEW**

### **Competitive Advantage Theory**

The Competitive Advantage of an industry was an ability of creative. Michael Porter pointed out that creating products and creating service is creating differences. Where there is a difference, there is a market. And difference can make your business in an invincible position among all the competition. Any enterprise that wants to survive for a long time has to form a unique advantage over all competitors through differential strategies (Porter M E, 1985).

The competition in hotel industry, actually was a product competition. In nowadays, personalized consumption has become increasingly apparent, the hotel which owns the favorite features, will be able to firmly catch consumers, no matter what product, only to form their own characteristics, were recognized and loved by consumers, and can attract more customers. In a competitive industry, creating new and innovative ideas was crucial to

differentiate products from other similar products (Hugh Taylor, 1997).

### **SWOT Analysis**

SWOT was a tool that can help analyze from both internal and external. It stated that an effective strategy comes from a company's internal strengths and weaknesses, as well as external opportunities and threats. It can maximize a firm's strengths and opportunities and minimizes its weaknesses and threats (Weihrich H., 1982). SWOT was very general, and it was a primary tool of decision-making, and strategic planning in various kinds of works. The SWOT summarized the firm's situation which including the internal and external analysis, and provided a planning perspective for controllable and uncontrollable variables. It was simple to use and has been a tool of making choices for many managers (Weihrich H., 1982).

## **3. METHODOLOGY**

In this research, the tourism industry, hotel management, marketing strategy, and other related theory and method were used and focused on the study of Sanya five-star hotel management system.

In order to seek to gather an in-depth understanding of both international 5-star hotel and domestic 5-star hotel, the research methods that used were mainly qualitative analysis. Focused on the size and economic benefit of Sanya domestic and international five-star hotel as the research basis, and then analysis of the situation of the two kinds of hotels, in order to make comprehensive, integrated

research of the all-round development of the domestic five-star hotel.

After systematically reviewing of literature, understanding the new tendency of the research dynamic, both primary and secondary data were collected. Followed by analyse of the competitive advantages, operation strategies and development features in culture, management and marketing strategy of international 5-star hotel and domestic 5-star hotel, so as to gain better understanding of the external environment and the development of competitors. The SWOT Analysis, listed and analyzed the advantages and disadvantages of the Sanya international and domestic 5-star hotels, at the same time it also analyzed the internal conditions and external environment, found out the international and domestic five-star hotel source of competitive advantage. So as to achieve a competitive advantage in the hotel are given specific strategies.

#### **4. RESULT**

After a clear analysis of the situation of the target market, the positioning of the hotel market and the competitive advantage of the hotel, the development strategy and suggestion were put forward from four aspects, including channel strategy, promotion strategy, personnel strategy and material environment strategy according to the combination of market characteristics and hotel characteristics.

##### **Target customer**

The room price of the Horizon Resort Sanya Hotel sometimes was unreasonable compared to other hotel in the same scale. With the high pace of

information technology, the price information was becoming more and more transparent. So the room price of the Horizon Resort Sanya hotel must be more regular and reasonable, and then promote themselves more effectively.

The guest room of the Horizon Resort Sanya hotel will take different sales strategy according to different customer groups. Specific as follows:

Sales strategy for business customers: (1) focused on finding the high yield customers of the best competitors, and use the incentive schemes to compete for market share; (2) aiming at the international customer who has a reservation quantity, and sign the annual contract, strive for more booking; 3) planning the long-term room price and preferential policies, and develop the trade of long-term room.

Sales strategies for meetings and teams: (1) visiting company customers and professional conference companies, in order to access to conference services; (2) comprehend the arrangement of large local conference activities, then communicate with conference organization ahead of time to gain support and win business; (3) cooperated with major travel agents, and strive for more travel group customers; (4) promoted hotels through sales fairs and international travel fairs, looking for opportunities for cooperation.

Sales strategy for leisure individual: (1) to establish a strategic cooperative relationship with the main online reservation center, promote the hotel, get a better ranking and more business; (2) designed various of tactical package to promote individual business; (3) developed and implemented a revenue incentive plan including sales, reservations and front desk.

## Promotion Strategy

As for the brand effect, many famous high star hotels had a unique charm in the culture of the hotel. If the Horizon Resort Sanya Hotel wants to have their own competitive advantage in the hotel industry in the market, they must have their own brand.

The media plan of the Horizon Resort Sanya hotel will be aimed at the hotel of each customer group, and the advertisements will also be published in magazines, journals, the train and the local tourist traffic map. It was used to the publicity of the product and the brand of hotel.

Due to the large coverage of the local media by the broadcast media, the propaganda effect of the restaurant was very good. The hotel plans to roll out the advertising of the hotel catering products in the selection period of the Sanya traffic station with the hotel catering promotion activities.

For the airport customer flow, the Horizon Resort Sanya hotel planned to buy advertising in Sanya Airport in order to promote the hotel brand and product, and improve hotel popularity.

In addition, a variety of public relations activities were held at special times of the year. For example: January: new year community care activities; February: Spring Festival, Valentine's Day room, catering promotion; May: community care activities; August: opening anniversary celebration; October: National Day Golden Week room, catering promotion; November: Christmas lighting ceremony, star member selection activities; December: Christmas New Year community care activities, and so on.

## 5. CONCLUSION

There were several reasons why the strategic plan for the Horizon Resort Sanya Hotel even more domestic five star hotels should focused on the four aspects. It also further illustrated and supported the reliability of the results of this paper.

Firstly, for a large number of high star resort hotels, it was possible to focus on the hotel's target customers by using the characteristics of the hotel. It also was important to develop products targeted that meet the needs of different types of customers in a right way tropism. This will enable the hotel to gain more space for development in the market (Zhang Shanshan, 2016). At the same time, the Horizon Resort Sanya Hotel target customer groups was relatively simple. The target customer sales should be the methods to bring better development to the Horizon Resort Sanya Hotel.

Secondly, the so-called brand was the feature of the hotel where the charm of the hotel is. It will be the best choice for the construction of hotel brand to combine its own advantages with diversified features and take the differentiated brand road. The establishment of the brand was also shown through the characteristics of the hotel (Zhao Lei, 2015). If the Horizon Resort Sanya Hotel wants to obtain long-term stable development in the market, it must have its own characteristics, which is the brand.

The result of this paper may partly help enterprises who want to achieve long-term development in a hotel management. It is necessary to grasp the initiative from the inside out, and actively to participate in making the

favorable environment. To be different is to be a winner. The hotel should have its own culture, not only about outside, but also inside. It may also provide some suggestions to the government to achieve the international tourism island purpose.

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