Case study
An introduction to the company

Luxury represents a concept that is constantly evolving and has different meanings for different people. As services intensive, the luxury hotels constitute a part of the "experience economy", being defined by "their large size, tasteful aesthetics, cleanliness, high-quality food, and prime location, as well as the privacy and security they afforded, and service marked by faultless personal attention. The luxury hotels can be divided in the following three main categories: upper upscale brand, luxury major integrated chain, and luxury exclusive small/med size.

The Ritz-Carlton Hotel Company operates The Ritz-Carlton luxury hotel chain. According to the 2018 Global Hotels Luxury Brand Status Index, The Ritz-Carlton, with a score of 7.95, earns the highest overall rating. The index scores range from 0-10, and are an average of consumers' degree of agreement with each of the following statements:

- "This hotel delivers consistently superior quality."
- "This hotel is truly unique and exclusive."
- "This hotel is visited by people who are admired and respected."
- "This hotel makes guests feel special across the full customer experience."

Albert Keller founded The Ritz-Carlton Investing Company in the United States. In the beginning of the twentieth century several Ritz-Carlton hotels were opened in Boston, Philadelphia, Pittsburgh, Atlantic City and Boca Raton (Ritz-Carlton, 2018a). By offering one of the finest luxury experiences to its customers, The Ritz-Carlton, Boston succeeded in revolutionize the hospitality industry in America (e.g., private bath in each hotel room, fresh flowers in all public areas).

The Ritz-Carlton Hotel Company was established in 1983. Led by President Colgate Holmes, the American company expanded continuously and, at the end of 1992, operated 23 luxury hotels. After a successful activity the company was bought by Marriott International in 1998. Today, the company employs 40,000 people and owns 91 hotels worldwide in 30 countries and territories: Aruba, Austria, Bahrain, Canada, Cayman Islands, Chile, China, Egypt, Germany, India, Indonesia, Israel, Japan, Kazakhstan, Malaysia, Mexico, Oman, Portugal, Puerto Rico, Qatar, Russia, Singapore, Saudi Arabia, South Korea, Spain, Thailand, Turkey, the United Arab Emirates, U.S. Virgin Islands, and the United States (Ritz-Carlton, 2018b).

Acting in a highly competitive global luxury hotels market, The Ritz-Carlton Hotel Company has permanently tried to create and provide value for its guests through a superior service quality. During the time, the company obtained numerous awards such as the Malcolm Baldrige National Quality Award, Best Hotel Brand for Customer Service, Travel Weekly Reader's Choice Awards– Best Luxury Hotel Chain 2017 or AAA Four and Five Diamond Award (Ritz-Carlton, 2018c). For the American company high quality is "not defined by little details such as heated bathroom mirrors, but by consistent and consequent high-class service" (Bruhn and Georgi, 2006, p. 27). As a result, the company was rewarded with customers' loyalty that led to a high firm value. The marketing mix at Ritz-Carlton Hotel Company occupies an important place in achieving business success. All its components are interconnected in order to provide a truly memorable experience to the customers. The luxury hotel company has started to involve young people such as "Millennial" a (who now represent one third of the global luxury goods market) who believe in the designer's luxurious vision of tourism, which is communicated and escalated through social networks.

Communication aims.
For the new semester, Ritz-Carlton Hotel Company's communication manager posits the aim to enlarge the audience and stakeholders by also including the Generation Z.
 More specifically, the following communication objectives have been posited:

- To attract the attention amongst GENZ customers who increasingly show interest towards the hotel's services
- To improve corporate reputation amongst the Millennials and Generation Z by providing them with ideas and models to discuss and by being considered as a new thought leader company
- To stimulate information requests for the new season.

First steps by Communication function
Communication Director provides the following SWOT Analysis for the company. According to him, the main strengths of the organization are brand awareness, high quality services and low employee turnover. They also found the opportunities in increasing satisfied customers and making access to wealthy, influential clientele.

S.W.O.T ANALYSIS

Strengths	Weaknesses
• Brand awareness • High quality service • Successful training program • Revenue driver: event business • Experienced executives and mid-level management • Outside marketing(concierge desk at airports) • Low employee turnover	• Poor location compared to Four Seasons • 8% dissatisfied customers • Continued motivation among employees • Not conforming to digital documentation of guest complaints, results in inefficiencies • Loss of revenue due to 7-day training
Opportunities	**Threats**
• Improved 7-day training process to reach maximum occupancy in shorter time • Increase satisfied customers; increase revenue • Ability to accommodate diplomatic envoys based on security based design of facility • Location will increase access to wealthy, influential clientele	• Competition: Four Seasons • Dissatisfied customers may result in loss of good will • Conflicting viewpoints between owners and operators • Shift in negotiation power from management to owner

A PEST analysis has been provided too as the following graph illustrates.

Political	Economic
• Political stability	• Stable economy • High demand (many business clients, diplomats and wealthy people in DC) • Good economic indicators in the hotel industry (ADR, Revpar)
Social	**Technological**
• Washington DC attracts high profile clientele • Convenience is in high demand	• Technological innovations: Internet

Communication strategy and tactics

In order to achieve the aim, the organization decided to integrate online to offline initiatives. They focused more on Earned media, by implementing an media relations campaign and on Paid media by involving influencers. Specifically, they decided to use bot macro and micro bloggers influencers, as the following figure illustrates.

In order to find and select the right influencers, they used the following criteria:

- The number of articles published by the influencers in the last month
- The number of times the articles have been shared.

They decided to contact the influencers by using social media and propose them a *pay per engagement* deal. Influencers should publish on their social media account a post including the link to hotel website.

In order to provide strong visibility to the campaign they inform traditional and new media, the company has decided to organize an event and to prepare a communication process to support the event in order to launch the new initiatives.

The launch of the campaign has not received huge attention by social media press, while 25 articles have been published amongst the traditional media, such as newspapers and magazines mentioning the event. The event was attended by 1000 of participants (Millennials 10%; Generation Z 5%; Journalists 45%; general clients 40%). After six months, the online share of voice related the product was about 11,5%. The site had 43000 views from 12 (over 150) countries in the first year. Conversion rates were very lower than those from other sources. By all metrics, quantitative and qualitative, the campaign was a totally failure.

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Question 1. You are the communication manager of the hotel. Your top management is not satisfied with results obtained by campaign. Your first task is to identify potential mistakes made by the organization since the beginning. Please identify what are the main mistakes made by the organizations that have led to the negative results.

Question 2. Some preliminary analysis has been conducted. How do you evaluate the SWOT analysis provided by the communication manager? What are the main strength points and the main weaknesses that could affect communication?

Question 3. In terms of future strategic communication actions: what do you suggest to the communication direction of the company?