

## Holiday Inn

<http://www.for68.com/new/2006%5C7%5Cwu934223497161760025504-0.htm>

In the 1960s a family vacation in the United States usually meant loading the kids into the station wagon and driving off down the highway toward a tourist destination. And when weary vacationers needed to rest for the night, they often looked for the familiar green signs with “Holiday Inn” written in script and a colorful star for emphasis. All across the United States this sign welcomed travelers to Holliday Inn hotels with promises of duality, komfort and value.

By 1968 Holiday Inn was so well known in the United States that it began opening franchises in Europe. In 1973 the company opened its first Asian hotel in Japan and in 1984 it became the first U.S.-based hotel to open for business in China. For 25 years Holiday Inn enjoyed great success in the European and Asian markets opening 600 hotels and earning a reputation as upscale, professional and well run.

In the United States, Holiday Inn pursues a strategy that segment the market into different types of travelers and created a unique type of lodging for each group. Under names like Holiday Inn Express, Holiday Inn Select, Sunspree Resorts and Crowne Plaza, the company offers different accommodations and amenities at different prices to suit the diverse needs of business and leisure travelers.

Travelers regardless of where they are from or where they are going share many of the same desires, fears and expectations when they are traveling. They may not speak the same language or live the same lives while at home but when they're on the road, all travelers are miles away from home and out of their personal comfort zones in different and often unfamiliar surroundings and subject to the same hassles and hardships. Therefore Holiday Inn focuses on delivering a consistent product around the world. This way whether the hotel is in South Korea, India, Buenos Aires or Izrael, travelers know that they will always receive a comfortable room at a fair price.

In addition, the strategy of segmenting the market by types of travelers that proved so successful in the United States also works abroad but in a different way. Segmentation in the hotel industry is a relatively new concept in Europe and in Asia it is virtually nonexistent. This is largely because in many of the developing nations of Asia travel has only recently become an option for the majority of people. As a result, not every type of Holiday Inn hotel will be successful in every country. The company must know each market very well before it decides which type of hotel to open. Does the area draw mainly tourists or business travelers? How long do visitors usually stay? Do people from surrounding areas travel often? What types of accommodations do competitors offer in the area? By knowing the answers to questions like these, Holiday Inn is able to decide which type of hotel will best serve the needs of travelers to the area.

Nonetheless, Holiday Inn's promotion strategy is decidedly global, regardless of which markets it enters. Although the ad copy is translated when necessary, even the visual format is the same from country to country. Of course, cultural differences must be accommodated from time to time. For example, travelers in Britain preferred an ad that focused on a friendly

doorman, whereas U.S. and German travelers preferred a more sentimental ad showing a businesswoman receiving a fax of a drawing from her child.

One remark:

Holiday Inn found that the four features most important to business travelers are

1. free High Speed Internet,
2. comfortable in- room work spaces,
3. full-service meeting facilities
4. and a robust loyalty program.

Task:

1. Which important points – areas, questions – were decided in the situation when Holiday Inn entered and expanded at Czech, Slovak, Hungarian and Austrian Market?
2. Why are hotels belonging to Holiday Inn in these four countries situated as they are and exit under the brand they do?
3. Why there are no other Holiday Inn Brands (as it is described in U.S. segmentation in the text above) in these 4 countries?
4. Which segmentation criteria were or are considered in these 4 countries? Are they adopted for individual country? If yes, how and why?

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