Brand establishment and marketing strategy of medium and high-end humanistic hotels——Take Chinese market as an example

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Abstract: This paper mainly analyzes the development trend of middle and high-end humanistic hotels in the current era of consumption upgrading, which can provide suggestions for the expansion and brand construction of more small and medium-sized enterprises. Secondly, the research methodology adopted in this paper includes the cast study Method, comparative analysis Method, interview method, and literature analysis method. The next part of this paper is the current market status and analysis of middle and high-end cultural hotels, mainly including macro environment analysis. They are taking Atour Hotel brand as an example and Other Non-chain or small-scale Chain Circulation Hotels analysis. After that comes Consumer Preferences of the Overall Hotel Industry and Major Competitors (Other Non-Circulation Hotel Chains and the b&B Industries) and Consumer characteristics of middle and high-end humanistic hotels. Based on the above content problems existing in brand establishment and marketing strategy of Hotel brand and the causes of these problems will be illustrated. The fourth part of this paper will be some suggestions for the above problems. Finally, there will be a conclusion for the whole paper.

1. Introduction

1.1 Research background

In recent years, because of the continuous development of the Chinese economy and the improvement of the standards of living of residents, the proportion of spiritual requirements has been gradually increasing. However, the development of traditional comfort hotels in the hotel industry has tended to be saturated and homogenous. Cookie-cutter hotels are unable to meet people's growing various demands. Therefore, middle and high-end humanistic hotels catering to the spiritual needs of consumers have come to be known little by little. As a representative brand in the humanistic hotel industry, Atour hotel group occupies 9.43% of the market share of middle and high-end hotels in China in 2019, which is nearly 2 percentage points ahead of the second company, while other brands are all less than 5% [1]. This also shows that humanistic hotels have certain advantages in the low concentration of the whole market.

A humanistic hotel refers to a hotel that combines with humanistic elements such as art, culture, life, and nature and relies on the characteristics of the location of the hotel to create a humanistic hotel, which brings spiritual cultivation to customers. For a long time, the traditional way of thinking has been from the perspective of hotel brand construction to meet consumer demand for facilities and services in the hotel industry. However, humanistic hotel breaks the fixed thinking pattern, focusing on the surrounding environment and the city's travel characteristics. Therefore, such projects can better empower local culture and tourism industry, evoke consumers' potential needs and make accurate transmission and guidance for them. The booming of the b&B industry is also benefiting from this to a large extent. The impact of the b&B industry with uneven quality on standardized and standardized hotels cannot be separated from humanistic elements. Therefore, integrating characteristics and personalized concepts into the hotel industry is conducive to the construction of the brand and the promotion of value.

1.2 Literature review

Lu and Deng found that the audience of most humanistic hotels has limitations because of the fixed theme and location. It isn't easy to ensure customers' loyalty, especially for tourists who make multiple trips to the same destination [2]. Chen, Li, and Liu believe that a hotel is no longer just a place for temporary accommodation but carries more and more social functions. The humanistic hotel has become a platform for publicity and displaying regional characteristics of an area or city. At this time, the hotel can meet the basic needs of tourists for rest and residence and serve as a destination attraction [3]. Wang argued that ATour hotel group quickly captured the majority of middle-class customers. It solved the problem of sleeping and gave customers a strong humanistic feeling from "reading" and "photography". Its unique approach, for themselves in the hotel industry to seize a place [4]. Liu found that due to the limitation of capital and area, there is not enough space in the room, which makes sense of humanistic elements diluted by the size of the bed, which will impression the consumer experience. Therefore, ensuring a sense of space is conducive to better displaying human elements [5]. Most studies only use examples to analyze the design ideas of humanistic hotels and the advantages of integrating humanistic elements. These studies focus on analyzing some hotels in the specific cities or directly study Atour Hotel Group, the most famous humanistic hotel chain in China. These studies thoroughly analyze each kind of humanistic hotel and have great publicity significance but do not have universal commercial value. At present, only a few research studies are based on comparing different categories of humanistic hotels, sorting out and summarizing the enlightenment obtained. There is a lack of reports on achieving better development of humanistic hotels and the macro understanding of the industry.

1.3 Research framework

Consequently, this paper will focus on how to establish a humanistic hotel brand and related marketing promotion strategies to make relevant industry research more complete. As shown in this paper, the research methods and the investigation content applied to each method will be put forward first. Next, this paper will summarize the present development status and trend of the humanistic hotel industry by analyzing the cases of different humanistic hotels. Third, there will be an introduction of consumers' preferences whose travel purposes are diversified when choosing different categories of hotels. What are humanistic hotels ' competitive advantages and disadvantages compared with other chain hotels and the b&B industry? And the opportunities and challenges faced by humanistic hotels will be pointed out. Then, some suggestions of competitive weaknesses and existing and potential problems will be provided. After that, the will be an evaluation of their feasibility and expected benefits.

2. Method

2.1 Case study

The case study is used in this paper to illustrate and analyze the current situation of the humanistic hotel industry in China. The characteristics of leading brands in the industry can be found through the comparison and analogy of different cases. Furthermore, it helps summarize the development trend of the humanistic hotel industry as a whole. The advantage of a case study is that it is more convenient to analyze typical examples and investigate primary data. The conclusions in the literature are more reliable after repeated deliberation. However, it is worth noting that selecting a case has high requirements, which requires it to be representative and have certain influence and popularity in the industry.

2.2 Comparative analysis method

This paper chooses the horizontal comparison of the comparative analysis method. It is mainly used to compare the competitiveness of humanistic hotels with other chain hotels and the b&B industry. In the comparison, some competitive advantages and disadvantages will be revealed. Comparative

analysis can clearly show the characteristics of each class so that that differences can be found. In this method, it is worth noting that humanistic hotel is an emerging project in the current Chinese market, and its indicators have not been widely counted. Fortunately, as the leading brand in the industry, Atour hotel group already has available survey data, so this paper will use the data of Atour to compare with the other two items.

2.3 Interview

The interview method can record and retain the initial opinions of consumers more completely. When there is a requirement for the primary information from the consumers, an interview would be the most direct and accurate method of investigation. Meanwhile, new ideas can also be discovered and absorbed, which overcomes subjectivity's limitations and brings a deeper understanding to interviewers. Thus, this paper will use the interview method to learn about the consumer's basic image of humanistic hotels. And then, the summary of the interview records would help analyze the reasons and crowd characteristics for different preferences. More attention should be paid to interviewing as a time-consuming and laborious activity, so it cannot be carried out on a large scale. Ensuring that all demographic groups are included in the survey would be a viable solution

2.4 Literature analysis method

This method is suitable for standardizing the survey contents and analyzing and describing them in professional terms.

3. Result

3.1 current market status and analysis

(1) From a macro point of view, middle and high-end hotel development has great space for development

According to the collation of data from the China Hotel Association, the proportion of luxury, high-end and economical hotels in China's hotel industry is about 8%, 27% and 65%, and the domestic hotel market is dominated by low-end budget hotels [6]. The hotel market in Europe, the United States, and other developed countries usually appears on both sides of a small middle big "featured" structure. The current European and American luxury hotel, in the high-end, the economy model is about 20%, 50%, 30%, the structure of the hotel industry in our country will become future structure close to Europe and the United States and other developed countries in the hotel industry, presents the characteristics of high-end hotels as the main body [6]. From the current domestic hotel market structure, the development of mid-end hotels still has great space for development. The future of China's high-end hotels will usher in a medium and long-term rapid development stage.

(2) Current development status of middle and high-end humanistic hotels in China (Taking the humanistic hotel brand Atour as an example)

First of all, the total number of hotels and hotel rooms of Atour has been increasing in the past two years, and the total number of members is huge. According to the prospectus, the total number of Atour hotels increased from 420 as of the end of 2019 to 608 as of March 2021. At the same time, the total number of hotel rooms increased from 49,087 to 71,121 [6]. The above data shows that Atour's brand is still developing and expanding. In addition, Atour currently has more than 25 million registered individual members. The compound annual growth rate from 2015 to 2020 was 79.6% [6]. Even though most hotel groups in China suffered a decline in revenue and profits in 2020 against the epidemic backdrop, Atour still maintained good performance by comparison. Atour has proved its strong competitiveness as a hotel brand combining chain and culture in the Chinese market.

(3) Case analysis and summary of other non-chain or small-scale chain humanistic hotels

At present, there are many kinds of humanistic hotels in The Chinese market, but most of them are highly dependent on the surrounding environment and the city and lack brand and chain awareness. For example, the Cryptomeria fortune Hotel in Chongqing's Hei Valley, originally a local primary school, contains many residents' memories [7]. Therefore, based on retaining the school's atmosphere,

the designer relies on the surrounding cryptomeria trees to design a love-land hotel building with a strong cultural atmosphere. This type of hotel has obvious environmental and cultural advantages, but its remote location and lack of awareness of scale and standardization are its competitive disadvantages.

Atour is a prominent chain brand in China's humanistic hotel industry. However, other hotels with distinctive humanistic elements in the industry still mainly rely on their cities and surrounding environment, and their viability and competitiveness deserve further analysis.

3.2 Consumer preferences of the overall hotel industry and major competitors (other non-humanistic hotel chains and the b&B industries)

With the changing characteristics of the hotel market demand and the higher requirements of hotel hardware facilities, the perception of service has also become more nuanced. Novelty, knowledge, art, and other experiences in the consumption process become the goal of accommodation. At present, the "standardized and procedural" products and services of the economy hotels market are difficult to meet the needs of current consumers [6]. Therefore, fully mining the historical and cultural elements in the design of the hotel product. Creating a characteristic theme hotel is an effective way to take the differentiated development of the product and the key to forming the core competitiveness of the hotel enterprises. With the rise of the middle class, the selection of products, culture, and services will gradually become the next development trend of the hotel industry.

The information collected in this interview sample shows that young tourists, especially college students, demand the b&B industry. These kinds of people are more willing to choose self-driving travel or self-help travel. It would allow them to design their travel strategies to meet their individual preferences and enjoy a more leisurely and personalized travel experience [8]. More importantly, the b&B has a relatively low price based on relatively complete facilities, so it is popular among young groups with its brilliant cost performance. However, health and safety are disadvantages.

In addition, other budget chain hotels are also strong competitors of humanistic hotels. They have become the first choice for many young people with long-term and fixed travel needs [9]. According to the classification of tourists, these people travel not for leisure and entertainment, but business and office. The hotel is the most important place for them to sleep. At the same time, the convenience of the hotel is also their condition. Therefore, in the case of limited travel expenses, the economy and fast hotel strongly attract.

3.3 Consumer characteristics of middle and high-end humanistic hotels

First of all, the positioning of middle and high-end hotels determines that the target consumers have a relatively adequate budget. Such consumers often have certain requirements for the hotel's service and infrastructure. For instance, they may care about if a hotel can deliver takeout to its rooms or if it has a scale and a mini-fridge. This differentiates from budget hotels.

On this basis, middle and high-end humanistic hotels consumers expect more differentiated services and unique design styles, which is also reflected in humanistic hotels. Culture would bestow the hotel other diversified functions besides the habitat. The hotel itself is also a work of art with appreciation value. The target consumers are also eager for relaxation, stress relief, and even cultivation of sentiment. Therefore, the value of a diversified hotel is also an important reason to attract consumers.

3.4 Problems existing in brand establishment and marketing strategy of humanistic hotel brand

First of all, the most prominent problem is that the design of most humanistic hotels excessively depends on the surrounding environment and the city. Beautiful scenery will largely lead to hotel locations deviated from urban areas and scenic spots, which will cause inconvenient travel for consumers. Although this strategy will arouse the resonance of consumers to the cultural landscape, their perception of the destination is limited to the views, which detracted from the sense of the presence of hotels. Once separated from the surrounding environment, the hotel is difficult to keep a foothold.

On the other hand, the hotel publicity method is single with a small coverage.

At present, most of the middle and high-end humanistic hotels only use social software to release videos, purchase the advertisements of OTA platforms such as Ctrip, or find relevant celebrities to recommend them [10]. These basic publicity and marketing methods will bring a certain amount of exposure and page views to the hotel in the short term. However, it is still a difficult process to cross from attracting the interest of consumers to their decision to purchase. Correctly guiding more consumers to consume is the ultimate goal of marketing.

3.5 Causes of the problems

Merchants have no brand and chain awareness, and their site selection is limited to individual cities or locations. Many businesses believe that the beautiful environment is the main selling point of the hotel. But in fact, this lack of brand establishment will bring consumers the illusion of no quality assurance [9]. Consumers would worry about whether all aspects of the hotel are up to standards, such as the service, the facilities, and the hygiene. If so, this kind of humanistic hotel will be indistinguishable from a homestay with negative competitiveness.

On the other hand, although many businesses have a unique entrepreneurial vision lack professional marketing knowledge. With the upgrading of information channels received by consumers, different marketing methods will bring different effects. To leave a deep impression on consumers, this unique element of humanity should rely on its characteristics and marketing knowledge.

4. The solution to the problems

First of all, middle and high-end humanistic hotels should rely on the surrounding environment and the city where they are located and focus on the integration of their brand concepts. The example of some Atour hotels is worth studying. For example, Shanghai Zikawei Atour Meiying Hotel integrates the IP of Shanghai Art film Studio into the brand of Atour itself [11]. It has not only local characteristics but also brand contribution. Based on the strong popularity of the Atour brand, many hotels of Atour with local characteristics have occupied the first market share of the middle and middle, and high-end chain hotels in China. The success of Atour has inspired other humanistic hotels. The combination of self-brand construction and local characteristics needs to be taken into account. At the same time, the hotel site selection principle should also abandon the thinking set by mountains and rivers, for scenery and choose remote areas will lose many potential consumers. Not only that but other chain brands can also be inspired to incorporate more urban features rather than stereotypical designs and themes. Standardizing service is worth advocating, but the combination of diversified IP will bring an impressive experience to customers.

Second, middle and high-end humanistic hotels also need to be differentiated and unique in terms of service. Services are a cheaper way to attract consumers than other hardware conditions. Good service is mainly reflected in the control of details. Intimate service can be arranged at every stage from check-in to check-out. For example, welcome cards and fruits at check-in will leave consumers the first impression of being at home. For another example, to provide beauty soup for women, such simple products can make guests feel the sincerity and mind of the hotel. Providing corresponding gifts in various festivals will let the holiday guests who stay at a high price feel that the money spent is worth it. Simple food and gifts would benefit the hotel with a consumer experience that exceeds its value, a good profit with a low cost. The service's perfection is reflected in the gift aspect and reflected in the diversified service types. For example, the Oak Mansion in Dalian doesn't have a take-out service to guest rooms. Customers on dozens of floors need to take elevators to the lobby to pick up food. Hunger itself affects people's mood, so it can seriously reduce consumer satisfaction. It would be quite the opposite if a branded robot could help. The expectations and demands of the consumer for middle and high-end hotel services will be higher. Therefore, the differentiation and uniqueness of services will capture consumers from every detail.

Third, middle and high-end humanistic hotels should reduce prices appropriately to attract more customers. An unreasonably high price early on in a brand's resume will drive a certain number of consumers away from buying. The most direct and effective way is to reduce the price appropriately.

It is worth noting that price reductions need to have limits. The excessive low prices will make consumers doubt the quality and level of the hotel. In addition, membership is a good strategy to ensure customer loyalty. For example, there are preferential rates for first-time registrants. The membership hierarchy then helps motivate consumers to spend. Many brands are using sub-methods to build long-term relationships with consumers. Additionally, refer to the discounts offered by various airlines on member days. The hotel industry can also set up room dates with time-limited regulation, which will encourage tourists with travel needs to place orders and attract local people with recognized brands to buy.

Finally, proper publicity is the necessary way to improve brand awareness. In addition to some basic publicity methods such as video accounts and advertising, the hotel also needs to adopt diversified publicity methods. Because many experienced consumers will see through advertising immediately. They feel a sense of revulsion when they realize that the recommendations they received are advertisements, so they will reject the recommendation regardless of whether it is good or bad. This situation has backfired and is inspired by the marketing of several five-star hotels in Sanya. This kind of promotion can get a certain income quickly and improve the popularity of their brand with the help of the heat of the live broadcast room. In short, the combination of publicity and promotion is conducive to the continuous improvement of the brand in this cycle.

5. Conclusion

As it has been shown in this paper, there is great space for the development of middle and high-end hotels, and the demand for product, culture, and service has upgraded. The middle and high-end humanistic hotels led by Atour have strong market competitiveness. However, young people with inadequate budgets are more likely to choose b&B or budget hotels with better value for money. For the higher spending group, the service and infrastructure of the hotel are what they are interested in. In addition to that, humanistic design can also contribute to the spiritual needs of consumers. However, most of them are highly dependent on the surrounding environment and the city and lack brand and chain awareness. In addition, the hotel publicity method is monotonous, and the effect is not obvious, so this paper has put forward corresponding suggestions. The first is the integration of brand elements and local characteristics, the second is the differentiation of hotel services, the third is to attract more consumers through promotion, and the last is to enhance the popularity with publicity. At present, there are only a handful of high-end humanistic hotel brand representatives in China. This paper will bring more enlightenment and opportunities for small and medium-sized enterprises to solve the growing consumer demand in the hotel. However, the primary data in this paper is from interviews with individual tourists, which lacks a large amount of data support.

Additionally, because the success stories in the industry are scattered, the data information is limited. The paper used the method of estimating the population by case. In future studies, questionnaires can be applied to collect a large number of primary data. In the future, more researches on this industry will also enrich the content of relevant papers.

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