A Competitive Analysis of NH Hotel Olomouc

Katarína Šošková

Bachelor's Thesis 2017



Univerzita Tomáše Bati ve Zlíně

Fakulta humanitních studií Ústav moderních jazyků a literatur akademický rok: 2016/2017

ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: Katarína Šošková

Osobní číslo: H14830

Studijní program: B7310 Filologie
Studijní obor: Anglický jazyk pro manažerskou praxi

Forma studia: prezenční

Téma práce: Analýza konkurencieschopnosti NH Hotelu Olomouc

Zásady pro vypracování:

Na základe literárnej rešerše objasnite termín konkurencieschopnosť podniku. Charakterizujte vybraný podnik.

Analyzujte konkurenčné prostredie vybraného podniku.

Vyhodnoďte súčasný stav vybraného podniku a stanovte stratégiu pre boj s konkurenciou.

Navrhnite zmeny vedúce k lepšiemu postaveniu podniku na trhu.

Rozsah bakalářské práce:

Rozsah příloh:

Forma zpracování bakalářské práce: tištěná/elektronická

Seznam odborné literatury:

Dvořáček, Jiří, and Peter Slunčík. 2012. Podnik a jeho okolí: Jak přežít v konkurenčním prostředí. Praha: C. H. Beck.

Kotler, Philip, and Gary Armstrong. 2014. Principles of Marketing. Harlow: Pearson.

Kotler, Philip, John T. Bowen, and James C. Makens. 2014. Marketing for Hospitality and Tourism. Harlow: Pearson.

Pride, William M., and O. C. Ferrell. 2016. Marketing. Boston: Cengage Learning.

Sedláček, Jaroslav. 2011. Finanční analýza podniku. Brno: Computer Press.

Vedoucí bakalářské práce:

Ing. Jiří Vaněk, Ph.D.

Ústav managementu a marketingu

Datum zadání bakalářské práce:

11. listopadu 2016

Termín odevzdání bakalářské práce:

5. května 2017

Ve Zlíně dne 16. prosince 2016

doc. Ing. Anežka Lengálová, Ph.D. děkanka

PhDr. Katarína Nemčoková, Ph.D. ředitelka ústavu

PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ PRÁCE

Beru na vědomí, že

- odevzdáním bakalářské práce souhlasím se zveřejněním své práce podle zákona č.
 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o
 vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek
 obhajoby ^{1/2};
- beru na vědomí, že bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k nahlédnutí;
- na moji bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3 ²⁾;
- podle § 60³⁾ odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona;
- podle § 60³⁾ odst. 2 a 3 mohu užít své dílo bakalářskou práci nebo poskytnout licenci k jejímu využití jen s předchozím písemným souhlasem Univerzity Tomáše Bati ve Zlíně, která je oprávněna v takovém případě ode mne požadovat přiměřený příspěvek na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše);
- pokud bylo k vypracování bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tj. k nekomerčnímu využití), nelze výsledky bakalářské práce využít ke komerčním účelům.

Prohlašuji, že

- elektronická a tištěná verze bakalářské práce jsou totožné;
- na bakalářské práci jsem pracoval samostatně a použitou literaturu jsem citoval.
 V případě publikace výsledků budu uveden jako spoluautor.

Ve Zlíně 3. 5. 2017

Tobloral

1) zákon č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, § 47b Zveřejňování závěrečných praci:

(1) Vysoká škola nevýdělečně zveřejňuje disertační, diplomové, bakalářské a rigorózní práce, u kterých proběhla obhajoba, včetně posudků oponentů a výsledku obhajoby prostřednictvím databáze kvalifikačních prací, kterou spravuje. Způsob zveřejnění stanoví vnitřní předpis vysoké školy.

- (2) Disertační, diplomové, bakalářské a rigorózní práce odevzdané uchazečem k obhajobě musí být též nejméně pět pracovních dnů před konáním obhajoby zveřejněny k nahlížení veřejnosti v místě určeném vnitřním předpisem vysoké školy nebo není-li tak určeno, v místě pracoviště vysoké školy, kde se má konat obhajoba práce. Každý si může ze zveřejněné práce pořizovat na své náklady výpisy, opisy nebo rozmnoženiny.
- (3) Platí, že odevzdáním práce autor souhlasí se zveřejněním své práce podle tohoto zákona, bez ohledu na výsledek obhajoby.
- 2) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 35 odst. 3:
- (3) Do práva autorského také nezasahuje škola nebo školské či vzdělávací zařízení, užije-li nikoli za účelem přímého nebo nepřimého hospodářského nebo obchodního prospěchu k výuce nebo k vlastní potřebě dílo vytvořené žákem nebo studentem ke splnění školních nebo studijních povinností vyplývajících z jeho právního vztahu ke škole nebo školskému či vzdělávacího zařízení (školní dílo).
- 3) zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, § 60 Školní dílo:
- (1) Škola nebo školské či vzdělávací zařízení mají za obvyklých podmínek právo na uzavření licenční smlouvy o užití školního díla (§ 35 odst.
- 3). Odpírá-li autor takového díla udělit svolení bez vážného důvodu, mohou se tyto osoby domáhat nahrazení chybějícího projevu jeho vůle u soudu. Ustanovení § 35 odst. 3 zůstává nedotčeno.
- (2) Neni-li sjednáno jinak, může autor školního díla své dílo užít či poskytnout jinému licenci, není-li to v rozporu s oprávněnými zájmy školy nebo školského či vzdělávacího zařízení.
- (3) Škola nebo školské či vzdělávací zařízení jsou oprávněny požadovat, aby jim autor školního díla z výdělku jim dosaženého v souvislosti s užitím díla či poskytnutím licence podle odstavce 2 přiměřeně přispěl na úhradu nákladů, které na vytvoření díla vynaložily, a to podle okolností až do jejich skutečné výše; přitom se přihlédne k výši výdělku dosaženého školou nebo školským či vzdělávacím zařízením z užití školního díla podle odstavce 1.

ABSTRAKT

Hlavným cieľom tejto bakalárskej práce je posúdiť a analyzovať konkurencieschopnosť NH Hotela na trhu v meste Olomouc a vypracovanie návrhu na jej zlepšenie. Práca je rozdelená na 2 časti. Tou prvou je teoretická časť, v ktorej sú vysvetlené poznatky týkajúce sa tejto problematiky, ako je napríklad konkurencia, marketingový mix, segmentácia trhu, Benchmarking apod. V praktickej časti je vytvorená samotná analýza konkurencieschopnosti NH Hotela s použitím PESTLE analýzy, Benchmarkingu, SWOT analýzy, IFE, EFE a SPACE matice. Na základe výsledkov z využitých analýz sú popísané odporúčania, ktoré by viedli k zvýšeniu konkurencieschopnosti tohto hotela.

Kľúčové slová: konkurencia, konkurencieschopnosť, analýza konkurencie, marketingový mix, Benchmarking, PESTLE analýza, SWOT analýza, IFE matica, EFE matica, SPACE matica

ABSTRACT

The main aim of this bachelor's thesis is to recognize and analyze the competitiveness of NH Hotel at the market in the city of Olomouc and to evolve the proposal for its improvement. This work is divided into 2 sections. The first one is theoretical. Its findings are concerned with the issues such as competition, marketing mix, market segmentation and Benchmarking. The analysis of competitiveness of NH Hotel itself is provided in practical part with the use of PESTLE analysis, Benchmarking, SWOT analysis, IFE, EFE and SPACE matrix. The suggestions that would lead to higher level of the competitiveness of the hotel are described on the basis of outcomes of performed analyses.

Keywords: competition, competitiveness, competitor analysis, marketing mix, Benchmarking, PESTLE analysis, SWOT analysis, IFE matrix, EFE matrix, SPACE matrix

ACKNOWLEDGEMENTS

I would like to express my thanks to my supervisor Ing. Jiří Vaněk, Ph.D for his support, time, valuable advice and guidance while supervising my bachelor's thesis. I also appreciate the help of the whole NH team, mainly the help of Lukáš Slota who is the restaurant manager and provided me useful and valuable advice on the topic.

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical

CONTENTS

INTRODUCTION	11
I.	12
THEORY	12
1 BUSINESS AND ITS ENVIRONME	ENT 13
1.1 Internal Environment	13
1.2 External Environment	14
2 COMPETITION AND COMPETIT	IVENESS 18
2.1 Analysis of the Competition	18
2.2 Analysis of the Competitive Env	VIRONMENT 18
2.3 Perfect and Imperfect Competit	ION 19
2.4 Competitive Advantage	20
2.5 GENERIC STRATEGIES	20
3 SERVICE MARKETING	22
3.1 Intangibility	22
3.2 Inseparability	23
3.3 Variability	23
3.4 Perishability	24
4 MARKETING MIX FOR SERVICE	ES 25
4.1 Customer-Driven Marketing St	RATEGY 27
4.1.1 Market Segmentation	27
4.1.2 Market Targeting	28
4.1.3 Market Positioning	29
4.1.4 Product Differentiation	29
5 BENCHMARKING	31
5.1 Types of Benchmarking	31
5.2 Phases of Benchmarking	32
6 MARKETING ANALYSIS	34
6.1 SWOT ANALYSIS	34
6.1.1 Internal Environmental Analys	is 34

6.1.2 External Environmental Analy	sis 34
7 CONCLUSION OF THEORETICA	L PART 36
II.	38
ANALYSIS	38
8 PROFILE OF NH HOTEL OLOMO	OUC 39
8.1 Hotel Services	42
8.2 Organizational Structure of E	MPLOYEES 43
9 SERVICE MARKETING MIX	44
9.1 Product	44
9.2 Price	44
9.3 PLACE (DISTRIBUTION)	45
9.4 Promotion	45
9.5 PEOPLE	45
9.6 PHYSICAL EVIDENCE	45
10 SELECTED COMPETITORS	47
10.1.1 Clarion Congress Hotel Olo	mouc 47
10.1.2 Hotel ibis Olomouc	47
10.1.3 Arigone Hotel & Penzion	48
10.1.4 Hesperia Hotel	49
10.1.5 Hotel Palace	49
10.1.6 Hotel Flora	50
10.2 Analysis of Benchmarking	50
11 PESTLE ANALYSIS	53
11.1 POLITICAL (P) AND LEGAL (L) EN	VIRONMENT 53
11.2 ECONOMIC (E) ENVIRONMENT	53
11.3 SOCIAL (S) ENVIRONMENT	54
11.4 TECHNOLOGICAL (T) ENVIRONME	NT 54
11.5 ECOLOGICAL (E) ENVIRONMENT	55
12 SWOT ANALYSIS 56	
13 IFE, EFE MATRIX, SPACE	58

13.1	Internal Forces Evaluation	58
13.2	EXTERNAL FORCES EVALUATION	59
13.3	MATRIX SPACE	60
14 SU	MMARY AND RECOMMENDATIONS FOR THE IMPROVEMENT	OF
COMPE	CTITIVENESS	61
14.1	RECOMMENDATIONS	61
15 QU	ESTIONNAIRE	63
CONCL	USION	65
BIBLIO	GRAPHY	67
LIST O	F ABBREVIATIONS	71
LIST O	F FIGURES	72
LIST O	F TABLES	73
APPEN	DICES	74

INTRODUCTION

One of the golden rules of good customer service says as follows – Do unto others as you would have them do unto you. Customer represents one of the key factors situating on the market. He is the one who determines demand for goods and services. Therefore, it is essential for an organization to follow customer's wants and needs. Competition is usually present and customer inclines to change supplier in short time. Qualitative employees with the same company philosophy increase competitiveness of the organization.

The topic of my bachelor's thesis is Competitive analysis of NH Hotel Olomouc. The aim of my work is to find out the forces which influence the hotel the most. Moreover, how strong the competitors are in the city of Olomouc and what is the size of offered competitions' services. It describes and analyzes the main competitors and provides analyses leading to solving the company's competitiveness.

Firstly, I had to gain theoretical information which I implied on NH Hotel. My work is divided into two sections. First one focuses on literary sources involving competition, competitiveness, competitive advantage, service marketing and theoretical knowledge about examining analyses. I introduce NH Hotel and its main competitors in the second part. Benchmarking, PESTLE analysis, IFE, EFE and SPACE matrices and SWOT analysis is provided to identify the company's position at the market. After evaluating all the analyses, I propose suggestions which might help its competitiveness.

I. THEORY

1 BUSINESS AND ITS ENVIRONMENT

Environment is everything what is around the business. The business results considerably depend on external factors which represent opportunities or threats. It is important to know the business environment because of understanding the relationships with environment, ability to adapt with environment and usage of possibilities for influencing the environment.

Business environment is divided into internal and external. Internal environment is associated with strengths operating inside the company. External environment includes macro and micro environment. (Jakubíková 2013, 98-99)

The business can have a certain influence on factors from micro environment. On the other hand, factors of macro environment cannot be influenced by businesses, even though these factors might have critical effect on the company. (Dvořáček and Slunčík 2012, 3)

Kotler and Armstrong suggests companies to differentiate fashion fads from trends and megatrends when analyzing the environment.

Fashion fads are unpredictable, short-term and without social, economic and political consequences.

Trends are long-term features and it is easily to predict its presumption.

Megatrends are characterized by big social, economic, political and technological changes which influence the individual and community. (Jakubíková 2013, 98)

1.1 Internal Environment

Internal environment are strengths working inside the company. Inputs and outputs present the business environment.

The analysis of internal environment should focus on strengths and weaknesses of the company in relationship with the competition. Therefore, it is necessary to know the business key variables. External factors reflect in internal functions (e.g. marketing, financial, personal functions etc.). Goldratt's theory of constraints can analyze the internal environment. The theory claims that every business is established for some purpose. However, the sources limiting the overall output exist in the company. These constraints might be related to physical resources, furthermore constraints resulting from business rules and policies. These constraints are intangible. According to Goldratt's theory, the

company should have at least one tangible, physical constraints. If there is no constraint in the company, it would achieve the infinitely high objectives in infinitely short period of time. The improvement of performance is connected with these steps:

- Identify the business constraints.
- Decide how to exploit the constraints.
- Assimilate everything else to the step(s) above.
- Eliminate the constraints.
- If the elimination is not successful, repeat the whole process. (Dvořáček and Slunčík 2012, 3-5)

1.2 External Environment

Every business does certain function within the sector. The sector represents the companies which do the same thing. Furthermore, the company has to be placed in specific localization, another external factor is localization factor. The businesses are part of the economic system of the country in which they operate. National environment includes government, its stability, law environment, economic situation and the product character used in technology.

The processes of globalization effect on every country of global economy. External environment is divided into macro and micro environment.

Micro environment includes factors, impacts and situations which company can influence with its activities. At first, it is necessary to analyze an industry itself. The industry is created by various companies that have similar market offerings. The basic industry's characteristics are measured, for instance the market's size and growth, life cycle's phases, requirements for capital... Porter suggests that competition in an industry is composed of five main competitive forces – new entrants, substitutes, buyers, suppliers and competitors. He calls these variables the 'Five Forces of Competitive Industry Analysis'. (Baines, Fill and Page 2013, 52)

New Entrants

Industries are often dynamic. Businesses enter and leave markets all the time. Government may limit new entrants or they may be even dropped out from an industry because they have not fulfilled the capital requirements which are inevitable to start a business. (Baines, Fill and Page 2013, 52-53)

Substitutes

Substitute competition is between suppliers of various products which are used for same purpose. It also tries to change consumer's habits for the benefit of its own products. Furthermore, it is about competition by means of innovation, when company is successful in developing a new product which satisfies customer's new needs.

Substitutes realize the same or similar function using various tools. For instance, electronic cigarette is a substitute for tobacco ones or express mail is substituted by e-mail. The company should create and realize appropriate marketing strategy because of the competition. It is necessary to take into account company's market share, market segmentation, phase of product life cycle etc. (Kincl 2004, 28, Porter 2008, 17-18)

Buyers

This sphere is one of the most important factors in market micro environment. Customers are generally not homogeneous. Companies have different attitudes to consumers buying goods, consumers getting difficult investment and furthermore, company's behavior is different if the customer would be state with government order. Generally, business' customers are:

- Final consumers individuals and households, non-profit organizations, state and public organizations etc.
- Trade and other organizations (Kincl 2004, 27)

Suppliers

Suppliers are subjects which influence company's accessibility to needed resources. Marketing management should monitor the situation and suppliers' opportunities, it should know their long-term development to react to negative facts in advance. Strong supplier takes more of the value for itself. It prizes higher, limits services or quality or moves costs to industry partners. (Kincl 2004, 27, Porter 2008, 13)

Competitors

It is vital to understand, what businesses operate in certain industry. If a company wants to be successful, it needs to know all its competitors and satisfy customer's needs better than competition. Existing competitors fight among themselves and rivalry has many standard forms, including introduction of a new product, price discounts, advertising campaigns and

improvement of the company's service. The force of rivalry is greatest when: (Kincl 2004, 27-28)

- Many competitors exist or are roughly at the same size and strength. In such competition, companies find difficulties to avoid stealing other businesses' ideas.
- Growth of the industry is high.
- Companies are not able to see each other's signs well because they are not familiar with one another. (Porter 2008, 18-20)

Macro environment presents impacts and situations which company cannot influence with its activities or it can seldom influence them. Macro environment includes many opportunities for the company but also many risks are involved. The company has to deal with them if it wants to be successful. The analysis of macro environment is called PESTLE analysis. This acronym represents (P) political, (E) economic, (S) socio-cultural, (T) technological, (L) legal and (E) ecological environment. It is one of the easiest structure by which it is possible to analyze the external environment. Environments: (Baines, Fill and Page 2013, 37)

- The Political environment Political environment creates rules for business and enterprise activities. These factors are political and government stability, tax policy, social policy, protection of environment. This type of environment is essential because businesses may discover eventual legal changes in their industry and try to protect, influence and change that legislation. (Baines, Fill and Page 2013, 37-49, Kincl 2004, 31)
- The Economic environment The factors influencing purchase power of customers and the structure of its expenses belong to the economic environment. This environment is influenced by price and wage inflation, gross domestic product (GDP), income, unemployment rate, sales, and corporation taxes and exchange rates. (Baines, Fill and Page 2013, 39-40)
- The Socio-cultural environment This type of environment influences consumer and buying behavior. It includes the product and advertisement attitude or the support of demand. Marketers should know consumers' essential opinions and values. Secondary opinions and values also exist which underlie the changes. One can create them when he is with other members of the society. The company can influence the secondary opinions and values. (Kincl 2004, 31)

- The Technological environment—Technological environment represents trends in research and development. Not all impacts belonging to this environment are positive by far. For instance, computers destroy the production of typewriters. Therefore, every entrepreneur should watch accelerating movements of technological changes, unlimited opportunities for innovation and changes in expenses for science and research. (Jakubíková 2013, 101, Kincl 2004, 30)
- <u>The Legal environment</u> This environment is created by laws enacted by government. It covers the laws for regulation of business environment, the laws for consumer's safety, product safety, practice in labelling and pricing. (Baines, Fill and Page 2013, 45, Kincl 2004, 31)
- The Ecological environment The ecological environment presents natural resources which businesses need for its production. Nowadays, this environment is influenced by ecological requirements such as saving some kinds of raw materials and energies. Many consumers demand more organic food which is connected with better animal treatment and lower interference with the natural processes of growing fruit and vegetable. For instance, using less pesticides. (Baines, Fill and Page 2013, 47)

2 COMPETITION AND COMPETITIVENESS

Strategic management is a dynamic process including activities focused on keeping a long-term concordance between the company's mission, its long-term goals and sources available as much as between company and its environment.

Strategic management is an ongoing process of identification of the organization direction and its activities. It is about everyday decision making of how to resist the rising changes in certain environment. (Nagyová 2015, 55)

2.1 Analysis of the Competition

A competitive analysis is one of the key factors in business of every subject on market. Competition is considered to be a key determinant of business success and it is necessary to know organization's competition. It is needed to pay attention to every competition's goals, to its sources and to specific elements of marketing mix. (Nagyová 2015, 65-66)

Competition is the kind of company which offers same or similar products than the existing competitive company in the same geographic area. This competitor may be classified into one of four types of competitors.

<u>Brand competitor</u> sells products with similar features and benefits to the same consumer for similar price. The example can be choice between diet soda such as Diet Pepsi and Diet Coke from the soda machine.

<u>Product competitor</u> offers products different in features, benefits and prices in the same product class. For instance, people on a diet may purchase juice, a sports beverage or bottled water instead of a soda.

<u>Generis competitor</u> sells completely different products which satisfy the same customer's problems or needs. Dieter may simply have a glass of water from the kitchen nap to satisfy his thirst.

<u>Total budget competitor</u> competes for the limited amount of finances of the same customers. (Pride and Ferrell 2016, 64-65, Urbánek 2010, 159)

2.2 Analysis of the Competitive Environment

The aim of the competitive analysis is to reveal strategic factors affecting the overall situation of the segment and they represent the source of opportunities and threats for particular businesses. The company should know all the forces that effect on entrepreneurship in certain environment. Firstly, it should focus on:

- The current situation inside the company and how the company is able to apply selected strategy;
- The current situation outside the company, consequently in the whole industry, identifying competitors (including potential competitors);
- What company should do to accomplish its objectives, what is the alternative strategy etc. (Urbánek 2010, 159)

2.3 Perfect and Imperfect Competition

From the economic point of view, competition is divided into two basic forms – perfect and imperfect competition. (Urbánek 2010, 171)

<u>Perfect competition</u> represents the ideal state. Equal conditions for all companies in the market are present. Businesses have the same access to all factors of production. Theoretically, everyone has the same opportunity to create and offer certain products. This competition is only a part of economic theories. In reality, it does not exist.

<u>Imperfect competition</u> is the real state on the market. The conditions of certain companies are not equal. Four types of imperfect competition exist: (Urbánek 2010, 171)

- Monopoly Only one company offers products or services in the same geographic
 area. The company has no similar competition, therefore it may completely take
 control of the product's supply. Furthermore, it can build barriers to potential
 competitors. (Pride and Ferrell 2016, 66-67)
- Oligopoly represents a small group of sellers that controls the market. (Urbánek 2010, 171) Products which face oligopolistic competition can be homogeneous or differentiated. It is usually difficult to enter the oligopolistic market because of barriers of some form. For instance, only few companies may afford to enter the oil-refining market because of the big financial outlay. Furthermore, some industries require extra qualification to restrain the entry of potential competitors. These qualifications may be marketing or technical skills. (Pride and Ferrell 2016, 66)
- Monopolistic competition exists on product's free market and every company may manufacture the product but it is somehow different. (Urbánek 2010, 171) Price may effectively distinguish the products in monopolistic competition. (Pride and Ferrell 2016, 66)

• Pure competition would represent a large number of sellers, if it existed. Sellers would not be able to markedly influence price or supply. It would be easy to enter the market and products would be homogenous. The close example may be an unregulated farmers' market. Local farmers try to sell their harvest there. (Pride and Ferrell 2016, 66-67)

2.4 Competitive Advantage

An organization achieves a competitive advantage when it holds a substantial and sustainable distance from its competitors in attracting customers. Competitive advantage can be obtained in many different ways. Some organizations achieve an advantage because their brand is well-known on the market. Others produce the best-quality products and services or products the features of which no other company has.

According to Porter (1985), several conditions exist which are essential for the sustainable competitive advantage, as follows.

- The customer realizes the positive difference between products and services offered by a company and its competitor.
- The difference is thanks to reasonably greater capability of the company.
- The difference sustains for a certain period of time. (Baines, Fill and Page 2013, 146-147)

2.5 Generic Strategies

It is vital to understand how strategies can lead to the progress of sustainable competitive advantage. Porter (1985) claimed that two important ways for achieving above-standard performance exist: to be the lower-cost producer or to manufacture a product that has an extraordinary value to the customer. Porter presents three generic strategies while beating the competition: cost leadership, differentiation and focus strategies. (Baines, Fill and Page 2013, 147)

The aim of *Cost leadership* is to achieve leadership in overall costs in particular industry. It does not mean a lower price, though companies often use it to catch customer's attention. The company should have the lowest costs in particular industry on certain market for implementing this strategy. Cost leadership requires application of efficient and modern machinery. Therefore, it may lead to high initial costs embedded into technological

machinery. Finally, the company should avoid customers who have potential problems with coverage its liabilities and also, minimalize costs in research, development, advertising etc. When this strategy is successful, the company has above-standard profit in its industry irrespective of others competitive forces. Low costs protect company from influential customers and suppliers. It is necessary to achieve high market share or other advantages such as easy access to materials in need. Once company achieves low costs, it brings large profit range and it can reinvest it to new machinery. (Mikoláš 2005, 73)

Second generic strategy, *differentiation*, is about company's unique product. A firm tries to distinguish its product by the position of the brand. Customers are sometimes able to pay a higher price for extraordinary products. According to Porter it is not enough to do something differently than competitors. It is necessary to do it better. (Urbánek 2010, 165) For instance, Starbucks coffee company is different because its customers are able to pay a higher price for coffee to become a part of Starbucks experience and atmosphere. However, low costs may also achieve differentiation. The example can be low-cost airline Ryanair. Long-term differentiation may be obtained by each element of marketing mix. (Baines, Fill and Page 2013, 147, Mikoláš 2005, 73-74)

Focus strategies concentrate on particular group of customers. Whereas two previous strategies focus on the whole industry, focus strategy tries to pay attention to one selected object. (Urbánek 2010, 165-166) They try to find a gap in broad market segments. The company claims that it may manufacture the selected company better than competitors. Therefore, focus strategy is able to serve to its strategic target customers more effectively than competitors. Low cost and differentiation are two options for a company to achieve a focus strategy.

Porter claims that, if a company wants to obtain a competitive advantage, it must achieve one of these three strategies mentioned. (Baines, Fill and Page 2013, 147-148)

3 SERVICE MARKETING

One of the main and the most fundamental task of a hospitality business is to create a strong service culture. The service culture targets on serving and satisfying customer's needs. Development of the service culture should start at the top level management and continue downwards. A company should hire people who are willing to provide services to customers. A perfect example of company culture may be hotel The Ritz-Carlton. The management of Ritz-Carlton taught its employees to own the guest's request. A customer who requests towels at the hotel's front desk does not transfer just to housekeeping. The front desk employees make sure the guest got his towels by calling the housekeeping ten minutes after the request has been made. If he got them, the employer will then call the guest to make sure everything is all right and asks him if he needs anything else. The hotel's employees are expected to deliver not just a service in general but a good service.

Service marketers should realize four characteristics of services. These are intangibility, inseparability, variability and perishability. (Kotler and Bowen 2014, 38-39)

3.1 Intangibility

Before the intangible products are purchased by customer, they are not able to be seen, heard or tasted. A guest does not know if the service is a good quality until he experiences it. A customer at restaurant does not know how the meal tastes until he eats it. Therefore, service marketers should take specific steps to offer an evidence to their potential customers. This evidence should help customers with rating hotel's services. This process is called providing tangible evidence. It usually includes promotional materials or opinions about employees. Hotel's promotional materials refer to photographs of the hotel and its surroundings, room capacities, floor plans of the meeting space etc.

Of course, it is possible to for a good quality restaurant to make a product tangible. This process is made by banquet salespeople. The salesperson may bring and show a photo album including detailed photographs of food, banquet setups, plate presentations of various entrees. Furthermore, a wedding couple may taste its wedding menu in advance so that both sides can avoid the surprises. Salesperson may eventually be a first person a customer meets at hotel. Salesperson who is well dressed, is able to answer guest's questions promptly and correctly may provide a great image of the hotel.

Physical evidence that is not managed carefully may do harm a company. It includes missing letters in signs, offering special holiday offers while the holidays are passed, employees at messy workstations etc. This all sends a negative message to the customer. Guests are likely to pay attention to details. Therefore, it is vital to do occasional inspections at hospitality companies. A thing like burned-out bulb may show that restaurant does not pay attention to details. (Kotler and Bowen 2014, 39-40)

3.2 Inseparability

Tangible goods are manufactured, then stored, later sold and later consumed. On the other hand, hospitality products are first sold and only then manufactured and consumed at the same time. Inseparability expresses that both the employee and the customer are the part of the product. The restaurant's food may be delicious but if a waiter provides not very good quality services and does not pay attention, the customer will not be satisfied with the experience.

Another outcome of implication may be that both guests and employees should understand the service delivery system. A customer should know and understand the food items so he knows kind of dish can he expect. Therefore, hospitality companies have to teach their customers, as well as their employees. For instance, casinos should know they must train and teach their customers how to play various games like blackjack or poker. Casinos enable customers to participate free lessons in the casino. This shapes a potential customer for the casino.

Finally, customers are often asked to cooperate in hospitality organization. This means that companies train and teach their customers. For instance, fast-food restaurants offer several types beverages. To shorten customer's waiting time for his order, they can fill drink orders themselves. (Kotler and Bowen, 2014, 40-41)

3.3 Variability

Services are extremely changeable. Several causes of service variability exist. Services are created and consumed at the same time which limits its quality control. A customer may experience and gorgeous service one day and ordinary service from the same employee another day. The person who provided ordinary service may not have felt well or he could have some personal problem. When customer is satisfied with his last visit, he

usually returns. When the product he receives does not fulfill his expectations, he usually does not return. Variability is usually the major cause why customers do not return to the hospitality organization.

When there is a lack of variability, consistency is present. It is one of the main factors for successful hospitality business. It means that guest obtains the expected product without any surprises. In the hotel industry, it means that meeting planner can count on waiters to have coffee machines, dishes, milk, sugar ready when a coffee break at 3 p.m. starts and towels always be available in the guest room. In restaurant industry, it means that gnocchi with garlic pesto will taste the same way than three weeks ago. (Kotler and Bowen, 2014, 41-42)

3.4 Perishability

Services cannot be stored. When a hotel with capacity of 100 rooms sells only 70 rooms for one night, it cannot restore the rest 30 rooms for the next night. Revenues are lost for 30 rooms of that night forever. Some hotels have started to fine customers who failed to arrive at reservation. They realize that if someone does not show up at reservation, the revenue for that particular room is gone forever. Perishability also includes empty airline seats in airplanes, empty table seats at restaurants or daily ski passes. (Hudson 2008, 14)

Sometimes, hotels offer rooms for small prices rather than not having any profit of them. Often, the discounted price brings a different type of customers who are not the same as normal hotel's customer. (Kotler and Bowen, 2014, 43)

4 MARKETING MIX FOR SERVICES

2nd half of the 20th century is an important milestone in the development of marketing. Professor Neil Borden from Harward Business School introduced The Concept of the Marketing Mix". Philip Kotler and Gary Armstrong say in one of the most used marketing books *Marketing* (2004), that "marketing mix is the set of tactical marketing tools - product, price, place and promotion policy which enables the organization to modify the supply according to customer's wishes." (Robert Němec, 2005) The goal of marketing mix is coming up with ways to create product or service that customers want to buy. Over time, more authors began to develop the basic Marketing Mix and therefore a lot of different options have raised.

- Marketing Mix 4P is the oldest one, it contains 4 marketing tools: Product, Price, Place (Distribution) and promotion,
- Marketing Mix 6P expands the basic size with People and Packaging,
- Marketing Mix 7P expands the basic elements with People, Processes and Physical evidence.
- Marketing Mix 8P expands 7 previous elements with Productivity & Quality,
- Marketing Mix 4C looks at it in the point of customer's view with Customer solutions, Costs, Convenience and Communication,
- Web Marketing Mix 4S from the internet environment, divides elements to Scope, Site, Synergy and System. (Management Mania, 2017)

Product is anything that can be offered in the market for the purpose of attention, purchase or usage. It is the combination of goods and services that are offered to the target customer. (Armstrong, Kotler, 2017, 81) Events, services, places, ideas are also included in the product. Service represents the form of intangible product containing activities, satisfactions or benefits. It is typical for its lack of ownership. Examples involve hairdresser, hotel, consulting, home-repair services. They are usually called service products. Furthermore, product includes all the services delivered with product. Every product undergoes the life cycle which has 4 defined stages - Introduction stage, Growth stage, Maturity stage and Decline stage. (Kotler, Armstrong, Principles of Marketing, 256)

Price is financial statement of the product value. Customers must pay a certain amount of money to obtain the product or service. (Armstrong and Kotler, 2017, 81) Price, as the

only one element of marketing mix, represents income of the organization. Everything else represents organization's costs. (Before fixing the price, company has to define its pricing strategy, select target market, and suggest marketing mix strategy. (Kotler and Armstrong 2016, 324-325) Pricing strategy should be defined according to previous decisions. If a company has a clear vision about its goals, fixing price is simple. With pricing, it is necessary to consider customer's perceived value of product.

Pricing strategies:

- Penetration (when product enters the market, the price is lower in order to increase sales),
- Skimming (the organization prices higher and then slowly lowers the price)
- Competition pricing (price is based on competition). (Learn Marketing, 2017)

Place does not mean just physical placement of supply. Product should be available in needed quantity, at the right place and at the right time, when customer is willing to buy it. In the case of intangible things, it is also about informative and advertising flow. The main goal of this marketing mix tool is to create appropriate distributive ways. There are many levels of distribution including intensive distribution, selective distribution, exclusive distribution and franchising. (The Marketing Mix, 2017)

Good and long-term customer relationships are not only about creating a good product and attractive price. Business must also somehow communicate with its customers and guests. This is connected with **Promotion**. It presents the activities that show the product's features, benefits and tries to persuade customers to purchase it. It is about marketers' communication that informs, persuades and reminds potential buyers of a product in order to influence an opinion or elicit a response. Promotion also helps to create connection with customers. The main goals of promotion are informing, persuasion, reminding and connecting. (Kotler and Armstrong 2016, 446)

People is one of the service marketing mix element which defines a service. It is necessary for a company to hire right people to deliver qualitative services for their guests. Hospitality and restaurant organization are defined by service staff, receptionists, housekeeping, chefs etc. Service personnel are important to customers because they represent a core part of the product. Often, they are the most visible element, deliver service and they are the one who represent the brand of the company. (Lovelock 2007,

311) Many companies try to train their employees in interpersonal skills and customer service because they want to make customers satisfied. When a company finds suitable people for its business, it is expected that employees will try to do their best at services. This represents a competitive advantage an organization may achieve over its competitors. (Marketing 91, 2017, The Marketing Mix, 2017)

Processes represent ways how a service is delivered to the customers and guests. (Marketing 91, 2017) They express a method in which service systems work. Poorly created processes have tendency to bother customers because this kind of processes leads to slow, frustrating and low-quality services. The way customer is involved in the process is one of the noticeable characteristics of many services. (Lovelock 2007, 232)

A **Physical evidence** should exist to prove that service has been delivered to the customer. Furthermore, it includes how marketplace feels and apperceives an organization and its products or services. (The Marketing Mix, 2017) For instance, an individual is usually likely to choose a restaurant with ambient lighting, nice music and comfortable seating than just plain restaurant with random chairs and tables. (Marketing 91, 2017)

4.1 Customer-Driven Marketing Strategy

In order to be successful in competitive marketplace, organizations need to focus on customers. However, they are not able to satisfy all customers in the same way. Too many different types of customers and their wants and needs exist. Therefore, companies should divide the total market, pick the segments suitable for them and plan strategies for profitably selected segments. This process includes market segmentation, targeting, differentiation and positioning. (Armstrong and Kotler 2017, 78-79)

4.1.1 Market Segmentation

Market segmentation is about dividing a market into various groups of customers who possesses different characteristics, needs and wants or behaviors. They can be grouped according to different ways based on geographic, demographic, psychographic and behavioral factors. (Armstrong and Kotler 2017, 79)

Geographic segmentation divides the market into various geographic units, such as states, nations, countries, cities or villages. An organization may choose in which

geographic area it will serve. It needs to watch geographic varieties in customer preferences. Hospitality organizations may effectively use their databases to gain geographic information about their customers. Creative geographic segmentation is one of the key successes of local and regional tourism. Guests and tourists should have a strong argument to travel hundreds kilometers to the chosen hotel or restaurant. (Kotler and Bowen 2014, 221-223)

In demographic segmentation, division is based on different demographic variables such as age, gender, income, race, education and nationality. This type of segmentation is one of the most popular dividing because customer's wants and needs are often connected with demographic variables. (Kotler and Bowen, 2014, 223-226)

Psychographic segmentation is about division of customers into various segments based on criteria such as social class, lifestyle, or personality characteristics. Citizens living in the same demographic area may have different psychographic features. Therefore, many marketers often segment their groups by customer lifestyle. Social class is a strong criteria for organizations. It influences preferences for cars, clothes, hobbies, home furniture etc. (Kotler and Bowen, 2014, 226-227)

Behavioral segmentation divides buyers into groups based on the individual's knowledge, attitude. Behavioral segments are believed to be one of the best beginnings for creating market segments. Marketers may divide customers according to occasion. It means when buyers buy or use a product or service. For instance, some hotels focus on honeymoon or Valentine's Day. In these special days, hotel employees equip rooms with heart-shaped beds or swan-shaped towels on the bed. (Kotler and Bowen, 2014, 227-228)

Once customers are grouped, the next step is the process of market targeting.

4.1.2 Market Targeting

When a company characterizes its market segments, it may enter one or more of these segments. An organization should select segments in which it may take advantage of and create a great customer value and sustain it over time. A business with limited resources may only choose one, a couple of segments or a niche for serving. (Armstrong and Kotler 2017, 80) A company should focus on three factors while evaluating various market segments: segment size and growth, segment structural attractiveness, and company objectives and resources.

Firstly, an organization should collect and analyze information about actual segment sales growth rates and expected profitability. However, the segments which are the largest and fastest growing are not always the right size and growth. Small businesses usually have few skills for serving to such a large size segment. Therefore, they need to choose smaller segment. (Kotler and Bowen 2014, 231)

A company considers segment which has many strong competitors for less attractive. Furthermore, when suppliers in segment are strong and monitor prices, the segment may not be attractive. Finally, if the customers have powerful bargaining authority, sellers will be forced to reduce its prices. (Kotler and Bowen 2014, 231-232)

Some companies may refuse several segments because they do not fit into company's goals. After an organization selects the right segment for itself, it must decide whether it possesses suitable skills for serving to the particular segment or not. A company should not enter the segment if it needed strengths are absent. (Kotler and Bowen 2014, 232)

4.1.3 Market Positioning

After choosing target market segment, it must decide what position a company wants to have in particular segment. A product's position includes customers' important opinions about the product compared to its competitors. Marketers plan these positions. They want to give their products the greatest value. They create marketing mixes to create scheduled positions.

Two perspectives exist while evaluating a hotel brand's position – management's point of view and customer's point of view. (Kotler and Bowen 2014, 234-235)

4.1.4 Product Differentiation

A hospitality organization's products or services should be different from those of its competitors. Distinction may occur in services, personnel, location or image.

Hospitality companies make themselves different by *service differentiation*. Some hotels provide room services as a point of differentiation. A company may also provide an unwanted differentiation when it constantly presents terrible level of customer services. Such situation requires a change in hotel management. (Kotler and Bowen 2014, 237-238)

Organizations may achieve a strong competitive advantage by hiring the right and even better people than their competitors. *Personnel* differentiation includes mainly customer-contact people. They are required to be friendly and respectful. They need to

serve customers with accuracy and politeness. Hotel and restaurant management should train their employees to make them understand their customers, communicate and answer quickly to customer requests. (Kotler and Bowen 2014, 238)

Location may become a strong competitive advantage. Hospitality and travel organizations' management should keep in their minds that location is an advantage which may easily turn into limitation. Events such as building a new highway bypass or occurring criminal activity in surrounding area may quickly turn into a disadvantage. (Kotler and Bowen 2014, 238)

Hospitality organizations should develop a positive *image differentiation*. It requires a lot of creativity and hard work. Companies need to establish a different image than its competition. However, sometimes it is difficult. For instance, hotels in exotic locations may find difficult to distinguish themselves from competition. Most of them hire beautiful beaches, clear water, beach beds and other environmental factors that hardly differentiate from others. (Kotler and Bowen 2014, 239)

5 BENCHMARKING

According to American Society for Quality (ASQ), benchmarking is a technique, in which a company measures its performance in comparison to the companies representing the leaders. It recognizes how those organizations reached their performance level and uses the data to improve its own performance.

American Productivity & Quality Center's dictionary claims that benchmarking is the process of identification, knowledge, acceptance and adaptation of excellent experience and processes of any organization in the world helping improving its own performance. (Nenadál 2011, 14-15)

5.1 Types of Benchmarking

Performance benchmarking is about direct comparison in measurement of various performance parameter. It is used among various producers of the same products, comparable services providers and others with the aim of direct comparison of goods and services. Thanks to this type of benchmarking, companies have a possibility of identifying its relative performance. Performance's benchmarking result is comparison with key performance indicators or indicators of comparable products. (Nenadál 2011, 21-22)

Functional benchmarking compares several or only one function of selected companies. It is spread mainly across the service areas and non-profit sectors. The concrete example might be the situation, when a certain health care institution decides to improve patients' comfort in hospital rooms by inspiring from hotels and pensions. In this type of benchmarking, it is easier to find at least one external partner, who does not necessarily have to be the competitor from the certain type of market segment. Functional benchmarking usually demands for significant financial sources. (Nenadál 2011, 22-23)

Process benchmarking (often called generic) is a set of activities, in which an observation center is comparison and measurement of certain process of organization. Companies make effort to improve efficiency of their internal processes. An example of compared processes might be invoicing, projecting and planning of processes, flight tickets' booking, reception services in hotels, Electronic Registration of Sales. (Nenadál 2011, 23-24)

5.2 Phases of Benchmarking

Practically applicable model of benchmarking should answer questions which appear among the managers mainly at the first phases of projects benchmarking implementation. Benchmarking should answer questions such as what kind of information do we need to for our improvement, how do the customers perceive us, who are our customers, when is adequate to start with benchmarking. Furthermore, how much time, how many sources and costs does the benchmarking project need and which areas have the highest potential of improvement. (Nenadál 2011, 45-46)

Initial phase should be in the authority of top level management. Typical characteristic processes are:

Definition of organization's needs according to internal changes

Statement of benchmarking policy and information about it

Initial training towards benchmarking

Examination of company preparedness for benchmarking

The choice of appropriate benchmarking model

Formation of document operation towards benchmarking (Nenadál 2011, 47-49)

Planning phase represents the first set of processes and activities, which should become the standard part of every benchmarking project. If any mistakes or incompleteness happens in this phase, it will influence other phases. (Nenadál 2011, 49)

Analysis phase includes all the data collected in the Planning phase. Causal analysis for better conclusion of the benchmarked processes has to be done based on information collected. The next step is to set objectives for improving the organization processes. (Nenadál, 2011 49)

Integration phase connects the previous two phases and the final, Action phase. If the organization senior management and department heads accept the results of the previous phases, integration phase can move on. (Nenadál 2011, 49)

All action plans of self-improving and all the information included in the plans happens in **action phase**. It is important to pass all relevant information about benchmarking results to all potential members of improving team. (Nenadál 2011, 49-50)

Control and summary phase covers ongoing process monitoring and provides ongoing learning and it represents a driving factor for continuous improvement for the selected organization. (Kelessidis, Vassilis, Dr, 2000)

6 MARKETING ANALYSIS

Marketing analysis of environment starts with a complex analysis of the company's situation.

6.1 SWOT Analysis

Economic theory offers various models for evaluating of an organization. These models may be based on verbal evaluation or financial expression. SWOT analysis belongs to the verbal evaluation. (Sedláček 2011, 1) Company's marketers should conduct a SWOT analysis which evaluates the company's overall strengths (S), weaknesses (W), opportunities (O), and threats (T). It is recommended for company to analyze its marketing environment, to find possible opportunities and to identify company's threats. The aim is to eliminate the weaknesses, to minimize the threats while adapting the company's strengths to possible opportunities.

6.1.1 Internal Environmental Analysis

Strengths and weaknesses are connected to the internal resource of the company. (Baines, Fill and Page 2013, 139) Each company should analyze them regularly. Strength represents internal abilities or positive situational factors that may help the company to achieve its goals. Weakness represents limitations or negative situational factors that can disturb the performance of the company. Management should rate if the factor is major strength, minor strength, neutral factor, minor weakness or major weakness. A strong marketing company would analyze and rate about ten major strengths. The business does not have to fix all its weaknesses or rejoice over all its strengths. Many hospitality specialists claim that companies such as hotels or resorts need a connectivity within their computer reservation systems (CRS) to compete effectively. If a hotel wants to increase its reservations through travel agents, the existence of CRS would definitely be strength. (Kotler and Bowen 2014, 111-112)

6.1.2 External Environmental Analysis

Opportunities and threats are parts of the external environment of the company. They may possibly influence the performance of a company or product. A company may turn its opportunities to its advantages. Furthermore, companies can perceive threats as challenges

for them. A business should focus on monitoring key micro-environmental forces (new entrants, substitutes, buyers, suppliers and competitors) and macro-environmental forces (political, economic, socio-cultural, technological, legal and ecological environment). These forces influence the company's ability to earn profit in market.

Environmental scanning's main goal is to distinguish new possible opportunities. Attractiveness and success probability is the key factor for opportunities. On the other hand, threats are usually categorized by their seriousness and expectation of occurrence. When a company collect information about its major threats and opportunities, four conclusions are possible:

- 1. An ideal company has many major opportunities and few major threats.
- 2. A speculative company has many major opportunities as well as threats.
- 3. A major company has both few major opportunities and threats.
- 4. A troubled company has few opportunities and many threats.

Nowadays, the possibility of threats is very serious. Therefore, many hospitality companies study their possible threats and build risk management systems. In hospitality industry, these possible threats may be for instance the risk of mad cow disease or microbial contamination. Microbial outbursts are probable in any food establishment. Therefore, the companies should consider them as threats with prescribed methods which should be following after an outburst. (Kotler and Bowen 2014, 112-114)

	Strengths	Weaknesses
Internal	Internal capabilities that may	Internal limitations that may
	help companies to reach its	interfere with a company's
	goals	ability to achieve its objectives
	Opportunities	Threats
	External factors that the	Present and emerging external
External	company may turn into its	factors that may challenge the
	advantage	company's performance

Positive Negative

Table 1: SWOT Analysis (Armstrong and Kotler 2017, 85)

7 CONCLUSION OF THEORETICAL PART

Theoretical part of my bachelor thesis is divided into several segments. First part focuses on business and its environment. I divided business environment to internal and external and wrote more details about every particular segment. In external environment, I analyzed PESTLE model which I will use in my practical part. I continued with analysis of the competition. I defined perfect and imperfect competition. Furthermore, I focused on four types of imperfect competition. Next part of my bachelor thesis is about service marketing which is necessary for successful hospitality business. I analyzed four characteristics of service marketing. I carried on with marketing mix for services which is represented by 7Ps. Next part includes customer-driven marketing strategy which consists of market segmentation, targeting, positioning and product differentiation.

Last two parts focus on theoretical methods which I will analyze in practical part of my bachelor thesis. Firstly, I defined the concept of benchmarking, I mentioned types and phases of benchmarking. Finally, I analyzed SWOT analysis and its internal and external environments.

II. ANALYSIS

8 PROFILE OF NH HOTEL OLOMOUC

NH Hotel Olomouc is a 4-star hotel situated next to Andrův football stadium and about 10 minutes from historical center of Olomouc. It is open since 2010. It is a congress hotel including 12 conference rooms, 11 of them are at the same floor. All these rooms are featured day light and modern audio-visual technique. These rooms are usually used for organization teambuilding or congress appointments with international participation.

Hotel has two restaurants. The first one focuses mainly on breakfast which is provided in the form of buffet, and brunches. The second restaurant of the hotel is called Sal de Mar. The menu features a combination of local and international meals for lunch and dinner.



Figure 1: NH Hotel Olomouc (Olomoucký deník, 2016)

NH Hotel cooperates with neighboring Omega center which is interconnected with hotel through underground corridor. Hotel guests may use sport services, such as tennis, badminton, squash, fitness center, group workout, relax services such as wellness, outside whirlpool, three types of saunas (sauna ceremonial) or massages. Furthermore, they may visit physiotherapist or hairdresser.



Figure 2: Omega sport center (Firmy.cz, 2017)



Figure 3: Breakfast restaurant (Congress Prague, 2017)

Hotel offers 137 modern equipped rooms on 5 floors. Every room includes Wi-fi connection for free, Nespresso coffee-maker with own coffee capsules for free. Rooms are divided into 4 types according to the room size and offered services.

Standard rooms are equipped with modern furniture and wooden floor. Every room has its own bathroom

Superior rooms are situated in hotel's corner and therefore provide nice view of the city. Every room has its own bathroom with shower cabin and bath.

Junior suite includes two fully-equipped rooms and each of them has its own television and bathroom. Suite is namely targeted at families.

Executive rooms are situated on the hotel top floor. Small refreshments, coffee and non-alcohol drinks are available for hotel guests accommodated in this type. Rooms are equipped with cosmetics, bathrobes and slippers. The free entry to Omega fitness center and relax zone for free, otherwise it is chargeable.



Figure 4: Superior room (Booking.com, 2017)

NH hotel includes 12 conference rooms, 11 of them are at the same floor. All these rooms are featured day light and modern audio-visual technique and with space for a total of up to 1,600 delegates. These rooms are usually used for organization teambuilding,

conference meetings or congress appointments with international participation. Furthermore, balls take place during ball seasons there and weddings are organized there, too.



Figure 5: Ball in February 2017 (own processing)

Conference hall *Evropa 1* with its own terrace is the biggest room in NH Hotel. *Madrid* is possible to be divided into 4 smaller halls. *Olomouc* is situated on the east part of congress center. VIP lounge may be found on the ground floor between hotel restaurant and lobby bar. It is fitting especially for personal meetings among small group of participants.

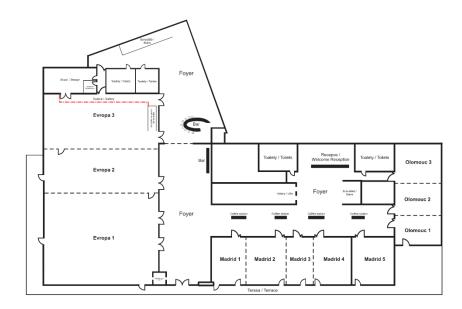


Figure 6: NH Congress Centre (Nh-Olomouc, 2017)

During summer months, the hotel opens its summer garden Aqua restaurant. Restaurant is furnished with 11 tables inside the restaurant and 4 tables put on terrace. Its surrounding is equipped with small kids' rope center and mini golf. One may also watch tennis contests from the restaurant which usually occur during summer months.



Figure 7: Aqua restaurant (Facebook, 2017)



Figure 8: Air view (Omega, 2017)

8.1 Hotel Services

NH Hotel does not offer only accommodation but also services for organizing events, conferences, business meetings, organization teambuilding etc. Hotel services are including:

- Modern accommodation in 137 rooms divided into 4 types according to the room size and offered services
- Congress center with 12 conference rooms, 11 are at the same floor
- Hotel restaurant Sal de Mar focusing on European and international cuisine
- Indoor lobby bar with small lounge
- Outdoor garden restaurant Aqua open during summer months

- Wellness center
- Fitness and sport center

8.2 Organizational Structure of Employees

General manager is in the head of the hotel. He controls the proper leadership of the hotel. Restaurant manager trains and supervises staff. He agrees and manages budgets. He cooperates with executive head chef on planning menus. Furthermore, he handles customer enquiries and complaints. Employees in services include waiters, bartenders, receptionists, cooks and housekeepers.

Hotel has 54 employees. Executive head chef + 7 cooks take control of the proper processes in the kitchen. Restaurant manager leads and supervises 10 waiters. Front office manager coordinates the activities of the front desk and directly supervises 8 receptionists and housekeeping manager. Technical manager delegates work to 2 technicians. Housekeeping manager supervises 9 housekeepers in their duties and ensures that they perform prescribed hotel standards. Three economists take control of hotel accounting. In the case of big events, another 30 part-time workers help service to provide proper work.

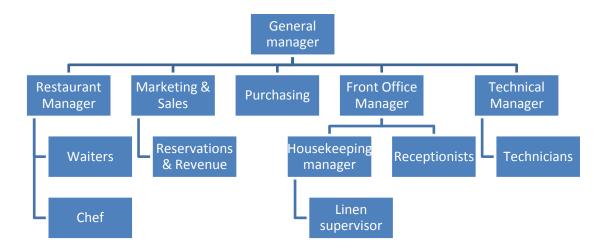


Table 2: Hotel Organization Chart (own processing)

9 SERVICE MARKETING MIX

9.1 Product

Product involves wide hotel services. NH offers accommodation in 139 rooms divided into 4 types. The difference is shown through the level of room standard and size. Guests may also find large congress center with the capacity up to 1,600 delegates in 12 conference halls. Hotel provides restaurant services in 2 restaurants, 1 lobby and 1 congress bar. Moreover, it offers sport and wellness care in full-featured Omega sport center. Hotel guests may use generally provided services such as clothes washing, safe, and special services, for instance currency exchange.

Thus, the product life cycle is long. Currently, it is in maturity stage. NH Hotel has entered the market in 2010. The aim of the hotel is therefore sustaining the profit and sales. Hotel's competitive advantage is new constructed building which ensures unnecessity of finance for expensive reconstruction.

9.2 Price

Hotel's target customer is business man from upper class which enables to price higher than its competitors. The advantage in product represents disadvantage in price new building. Hotel has to repay its loan and therefore it has to sustain its customers and high standard of offered services.

Type of room	Adults	Weekend	Working Day
Superior	1	2,805 CZK/night	3,351 CZK/night
	2	3,208 CZK/night	3,754 CZK/night
Premium	1	3,345 CZK/night	3,891 CZK/night
	2	3,748 CZK/night	4,294 CZK/night
Deluxe	1	3,615 CZK/night	4,161 CZK/night
	2	4,018 CZK/night	4,563 CZK/night
Junior Suite	1	4,155 CZK/night	4,700 CZK/night
	2	4,555 CZK/night	5,076 CZK/night

Table 3: Room price list (own processing)

Price list includes breakfast and VAT. Cancelation is for free. The table shows that price during working days is higher that price at the weekend. It is by reason of hotel's

target customer, who goes on business trip in working days therefore the demand for accommodation is increased in comparison to weekend accommodation.

9.3 Place (Distribution)

NH Hotel was established in the era of increasing demand for higher standard services in Olomouc. It focuses on quality and capacity of congress center which will attract large groups of people, and provide informal promotion of services for individuals in mentioned groups. These individuals might visit the hotel in the future.

9.4 Promotion

The worldwide well-known Spanish brand helped with introducing the NH Hotel in Olomouc. Promotion took place in local press, internet, media and in form of leaflets. Nowadays, promotion is provided mainly through web portals, such as Booking, Tripadvisor, Trivago or advertising campaign on the internet. A good promotion is achieving rewards, too. NH Hotel was rewarded as the Building of the year 2010 and it achieved Tripadvisor's Certificate of Excellence for the year 2016.

9.5 People

Employees represent the key factor in hotel rating. Managers in NH Hotel have long practice in hospitality industry. They place demands on their employees and try to develop their skills by training and couching.

In 2016, the general manager of NH Hotel Olomouc, Tomáš Rousek, was nominated for the Hotelier of the Year for chain hotels by the Czech Association of Hotels and Restaurants. The awards are presented annually and the holder of the annual award for 2016 is Radim Beneš, general manager of Clarion Congress Hotel in Ostrava, Czech Republic. (cenyahr.cz)

9.6 Physical Evidence

As I mentioned, NH Hotel was built in 2010. It also achieved the reward of The Building of the year of Czech Republic in the same year. The whole surrounding and hotel environment is modern and at high standard in terms of quality, design and comfort.

Personnel wear uniform. The whole perception represents a good image for offered services.

10 SELECTED COMPETITORS

Chosen competitors come from Olomouc city as well as NH Hotel. There are six hotels which correspond with an analyzed company. I chose the most influential competitors according to their size, congress services, importance and location.

10.1.1 Clarion Congress Hotel Olomouc

• **Product:** The total hotel capacity is 125 rooms and suites. It offers 1 congress hall and 4 lounges with a total capacity for up to 1,400 people. The largest hall has a capacity for up to 1,100 delegates. Thanks to moveable walls, it is possible to create up to 10 separate areas with different numbers of participants in events. The hotel also offers catering services for social, conference or other events.

The hotel has its own *Benada Restaurant* and *Veduta Restaurant*. Benada's capacity is 100 places. The restaurant offers specialties from Czech and International cuisine. Veduta serves breakfast and lunch menu to hotel guests and public, too. The restaurant capacity is up to 240 seats.

The hotel also provides special offers, including e.g. Relax Package, Family Package, Business Package or Stay Longer & Save up to 15%. Relax Package for two people includes accommodation for 2 in double room per night, breakfast buffet, beer or milk procedure in Wellness Center and 60 minutes in Aqua zone.

- **Price:** The price for one person, including breakfast costs from 1,701 CZK/night up to 4,108 CZK/night.
- **Place:** The hotel is situated directly opposite the main railway station in Olomouc and about 2,7 kilometers from historical center.
- **Promotion:** Hotel's official website is available in Czech, English and German language. It has its own Facebook page. From time to time, it shares some photos from organized events in hotel or informs customers about special upcoming offers, such as Valentine's menu. The Booking rating is 9, 0/10. (Clarion Congress Hotel)

10.1.2 Hotel ibis Olomouc

• **Product:** The hotel capacity is 90 rooms with free WiFi connection. It offers 5 meeting rooms with the maximum capacity up to 100 people. 3 meeting rooms can be united in one and offers a space for 150 people. All meeting rooms includes day light, air-condition and it is possible to fully technically equip them.

The hotel has its own restaurant called *Restaurant Oliva*. It offers Mediterranean specialties.

- Price: The price for one person, including breakfast costs from 1,088 CZK/night up to 1,622 CZK/night.
- Place: Hotel ibis is situated 5 minutes by walk from the center of Olomouc.
- **Promotion:** Hotel official website is easily and clearly written and it is available in Czech, English, German, Russian and Polish language. It has also its own website on Facebook but shared information is not adequate to the hotel itself. It cannot be found on Booking which represents the big disadvantage nowadays. (Ibis Hotel)

10.1.3 Arigone Hotel & Penzion

• **Product:** The total hotel capacity is 53 rooms - 16 singles, 28 doubles, 1 suite and 8 junior suites. The hotel disposes private hotel parking. The hotel restaurant's capacity is up to 120 seats. During working days restaurant offers daily menus. Hotel rooms are divided into 5 types - History, Mezonet (Maisonette), Panorama, Long Stay and Junior Suite Design. All the rooms have their own bathrooms, hairdryer, TV and free WiFi connection. Some of the rooms have their own minibar, fridge, sofa, terrace or fully-equipped kitchen.

• Price:

	Working days	Weekends
History single	1,990 CZK/night	1,592 CZK/night
History double	2,290 CZK/night	1,832 CZK/night
Mezonet	3,590 CZK/night	2,872 CZK/night
Panorama	3,590 CZK/night	2,872 CZK/night
Long Stay	2,290 CZK/night	1,832 CZK/night
Junior Suite Design	3,290 – 3,590 CZK/night	2,632-3,290 CZK/night

Parking space costs 100 CZK/day and car (due to limited capacity of the parking space is not reserved in advance nor guarantee). Parking is also possible on public places next to the hotel. Price from Monday - Friday from 9:00 am - 18:00 pm is 20 CZK/hour (180 CZK/working day), otherwise the parking is for free. It is possible to add a single bed to guest's room and it costs 490 CZK/night.

- Place: Arigone Hotel &Penzion is situated in the historical center of Olomouc.
- **Promotion:** This hotel has its own website which is nicely written. Customers may read the page in Czech, English, German and Polish language. It offers 6 types of rooms and it takes time to distinguish the differences between them. Arigone's Booking rating is 9,1/10. (Arigone Hotel)

10.1.4 Hesperia Hotel

- Product: Total hotel capacity is 58 rooms, potential capacity of 125 beds. All
 rooms are equipped with WiFi connection. 150 parking places are available for free
 for hotel guests, as well as 7 garages. Pets are allowed in the hotel. Hotel is also
 barrier free accessible.
- Price: The price for rooms is divided into Working days and Weekends (Saturday and Sunday). The price for accommodation includes breakfast and VAT.

	Working days	Weekends (Saturday and Sunday)
Single room	1,390 CZK/night	1,250 CZK/night
Double room	1,690 CZK/night	1,500 CZK/night
Triple room	2,000 CZK/night	2,000 CZK/night
Four-bed room	2,500 CZK/night	2,500 CZK/night
Suite	3,800 CZK/night	3,200 CZK/night

- Place: Hesperia Hotel is situated next to the main road in the direction of Brno. It is
 close to the Haná shopping center and Aquapark Olomouc and 3 kilometers far
 from the historical centre.
- **Promotion:** The hotel has its own official website which appears to be a little bit old-fashioned but customers may find there all needed information. Its Facebook page rarely posts photos from events. Booking rating is 8,1/10. (Hesperia Hotel)

10.1.5 Hotel Palace

Product: Total hotel capacity is 55 rooms. Rooms are equipped with free WiFi connection, private bathroom, fridge, kettle, TV and hairdryer. Guests may also safe their luggage at the reception, use hotel's laundry services or possibility to pay by credit cards or in Euro.

• Price:

Working days Weekends

Standard room 1,790 CZK/night 1,390 CZK/night
Apartment 2,690 CZK/night 2,090 CZK/night

All prices are including breakfast and VAT.

- **Place:** Hotel Palace is located in the historic center of Olomouc. The hotel underwent a complete renovation in 2011.
- **Promotion:** Official website of the hotel is easily done and customers may find any information about the hotel services and prices. It is available in Czech, English, German, Polish, Spanish and Italian language. The hotel has Facebook page but the last post is from December, 2016. The Booking rating is 8,6/10. (Hotel Palace)

10.1.6 Hotel Flora

- Product: The hotel includes 165 rooms. In 2016, it underwent a significant
 reconstruction involving new furniture of the majority of hotel rooms. It offers
 congress services with the capacity up to 550 delegates in 8 meeting rooms. It also
 provides wellness services including whirlpool, sauna, several types of massages or
 aqua aerobic.
- Price: The price for one night including breakfast costs from 1,250 CZK to 2,700
 CZK
- **Place:** Hotel Flora is the dominant building in the Olomouc park and near the Flora Olomouc exhibition.
- **Promotion:** Hotel Flora's webpage is nicely written, created in 2016 and full of professional photos. It is available in Czech, English and German language. (Hotel Flora)

10.2 Analysis of Benchmarking

I identified the position of NH Hotel Olomouc on the market and its offered services. I choose potential competitors, found out their position on the market and the amount of offered services. I selected factors according to which I was comparing and allocated the value of importance to them.

Criterion	COMPETITORS								
	NH Hotel	Clarion	Ibis	Arigone	Hesperia	Hotel	Hotel		
			Hotel	Hotel		Palace	Flora		
Number of	9	8	6	2	4	3	10		
rooms									
Room	10	9	6	5	3	10	7		
equipment									
Price for	2	3	10	6	8	8	9		
room/night									
Parking	7	7	5	1	10	6	9		
Seats in	8	10	5	3	7	1	6		
restaurant									
Congress	10	9	3	2	5	0	6		
capacity									
Congress	10	9	7	2	4	0	9		
equipment									
Location	8	4	8	10	2	10	7		
Relax	10	9	0	6	7	0	9		
services									
Booking	10	8	0	9	4	7	3		
rating									
In total	84	76	50	46	54	45	75		
Rank	1.	2.	5.	6.	4.	7.	3.		

Table 4: Benchmarking (own processing)

Comparing criteria are the number of room, room equipment, price for room per one night, parking, number of seats in hotel restaurant, congress capacity, congress equipment, location, relax services and booking rating. Hotels could reach the score from 1 to 10.

1 means the lowest rating.

10 means the highest rating.

0 means that service is not offered in the particular hotel.

I chose factors which are important for guests when they plan to visit and stay overnight in the hotel.

The number of rooms in Hotel Flora is 165 rooms. NH Hotel is in the second place with the number of rooms of about 84% of those in Hotel Flora. The difference is not so significant therefore it does not represent big competitive problem.

Room equipment is another factor I selected. NH Hotel and Hotel Palace are at the same rank, but the most modern equipment is in NH rooms, whereas Hotel Palace's rooms include their own kitchen corner and fridge.

The cheapest price for room per night is in Hotel ibis. On the other hand, NH Hotel is the most expensive which represents its biggest weakness.

Hotel Hesperia has the largest capacity of parking slots, whereas NH Hotel parking gains only 70% of that in Hotel Hesperia. With regard to the fact that main train station is 3,5 kilometers far and public transport stop is 0,5 kilometers far from the hotel, the capacity of the hotel parking is disadvantage.

Hotel Clarion owns the largest capacity restaurant. NH Hotel is in the second rank.

Clearly, NH Hotel is the biggest congress hotel in Olomouc, with the capacity up to 1,600 delegates. It is also connected with the congress equipment. The second place is occupied by Clarion Hotel with the capacity for 1,400 people. It does not represent a significant difference therefore they are the strongest competitors in the case of congress capacity.

I evaluated the importance of the location in terms of the distance from the historical center of Olomouc. Arigone Hotel and Hotel Palace are situated in the center of Olomouc. NH Hotel is 500 meters far from the city center.

The best relax services are offered by NH Hotel. It is because of the fact that the hotel does not possess limited space for relax services but it is interconnected with full-featured relax and sport center of Olomouc.

The last factor I choose is rating in the terms of guests' evaluation of the hotel. Website Booking.com evaluated NH Hotel as the best hotel in Olomouc with Superb 9,3/10 rating. Second place belongs to Arigone Hotel with 9,1/10 rating. Clarion is rated with 9,0/10 satisfaction.

According to benchmarking rating, the biggest competitor of NH Hotel Olomouc is Clarion Congress Hotel in Olomouc. The second biggest competitor which is nearly at the same rank is Hotel Flora.

11 PESTLE ANALYSIS

This chapter will analyze the forces of surrounding environment which influence the organization itself. For evaluation of these factors, PESTLE analysis is used.

11.1 Political (P) and Legal (L) Environment

Factors influencing running a hotel are legal legislation regulating entrepreneurship and tax policy. Another significant factor is country's economic situation, membership in international organizations, and programs for supporting entrepreneurship and strategies for tourism development.

Several acts exist in Czech legislation which influence running a hotel. It is essential to follow them because executive statutory body could fine organization with high sanctions. These are the acts regulating entrepreneurship in the area of labor law, business law and taxes and accounting.

Labor relations are regulated by the Act No. 262/2006 Sb., labor code which deals with issues connected with employment relationship (commencement, termination of employment, contract of employment, working hours, Occupational safety and health, wage. (Ministerstvo práce a sociálních věcí)

11.2 Economic (E) Environment

Macroeconomics influences the development of the organization. Tourism is very sensitive about changes in agriculture and economic field. In the case of economic recession, people limit product's consumption. One of the economic factors which is monitored by state, is unemployment, average gross wage

According to Ministry of labor and social affairs in Czech Republic, in the end of March 2017, the unemployment in Olomouc region was 5,5% which represented 24, 846 people. It decreased in one year in 5,281 people.

Information in Czech Statistical Office shows the average gross salary in 2016 in Olomouc region was 24, 666 CZK.

According to Czech Statistical Office, the inflation rate in March 2017 is 1,2%. In February 2017, inflation rate was 1,0% and in January 2017 0,8%. (Český statistický úřad)

Capacity of collective	2014	2015	2016
accommodation establishments			
Establishments	461	465	473
Bed places (31.12.)	22 621	22 834	23 482
Guests	487 641	547 538	600 106
Overnight stays	1 598 020	1 779102	1 929 369

Table 5: Selected data on tourism in the Olomouc region (Český statistický úřad, 2017)

11.3 Social (S) Environment

NH Hotel is located about 10 minutes far from historical center of Olomouc. Hotel management takes care of employee's quality performed services. Management is aware of the fact that higher education about hospitality, provided services, the ways of communication with hotel guests and willingness leads to customer's satisfaction. Content guest has tendency to return. That is why management emphasizes on education of its employees by attending courses and trainings for cooks and waiters.

Lifestyle is also connected with social environment of the hotel. The higher the standard of living is, the higher demand for relax, sport, free time services and education is. NH Hotel offers full-filled relax and sport center. Moreover, it is the biggest congress center in Olomouc and therefore, it may take advantage of this fact.

11.4 Technological (T) Environment

It is essential to follow to follow new technologies which appear at the market. Hotel deals with several technology systems, such as audio-visual technique, WiFi and LAN connection, lighting systems etc. NH Hotel is new constructed building therefore it is not necessary to change anything in terms of technology (air condition, heating, kitchen appliances and so on) until large reconstruction and modernization.

Hotel is the part of Spanish chain hotels. It has prescribed computer system for reservations, accounting, sales etc. and this system can be found anywhere in NH Hotel group in the world.

Nowadays, hotels have to deal with Electronic Registration of Sales. It lies in the fact that every payment is registered and customer receives from seller a bill with special code.

While registering the sale, the seller sends data message via internet connection to Financial management's server. Information is saved there and a special code is generated. This code is sent back to the seller to end instrument which prints it together with other data on the bill. (Eltržby, 2017)

Technology also helps the hotel with easier communication with its customers. Hotel has its own Facebook page, where they may connect with its customers and respond to their questions.

11.5 Ecological (E) Environment

Hotel should respect the criteria leading to protection of environment. These criteria may include garbage separating, using kitchen appliances with high rank of energetic class of appliances (A++, A+++)

12 SWOT ANALYSIS

SWOT analysis focuses on internal and external company environment. Strengths and weaknesses are connected to the internal resource of the company. While analyzing external environment, opportunities and threats are part of the environment.

Strengths	Weaknesses
The biggest congress in Olomouc	Noise from Andrův football
The most favorite hotel in Olomouc	stadium during football match
(Booking, Tripadvisor)	The most expensive price for room
Full-featured relax and sport center	per one night in Olomouc
New constructed building	• Hotel restaurant the 10 th most
Well-known chain hotel	favorite in Olomouc (Tripadvisor)
Wide range of offered services	Congress service (mostly part-time
	workers)
	Pricelist not available on website
Opportunities	Threats
Increasing attractiveness of	Accommodation in Clarion Hotel
Olomouc	about 35% cheaper
 Increasing interest in sport and 	Entrée Restaurant
relax	Hotel Flora room capacity
Andrův football stadium 50 meters	Parking capacity
from the hotel	
Bankruptcy of competitors	

Table 6: SWOT Analysis (own processing)

Strengths

I consider the biggest variability of congress center as the main and the most important strengths. It attracts many customers not only because of teambuilding and organization lectures but also because of free-time and cultural events. The possibility of dividing congress center up to 12 conference rooms allows organizing more than just one event at the same time.

Weaknesses

According to Tripadvisor, hotel restaurant Sal de Mar is ranked as the 10th most favorite one in Olomouc. Considering the fact that NH Hotel has the highest ranks

on Booking and Tripadvisor, it is significant difference. Moreover, not having pricelist on the official website of the hotel is another strong weakness.

Opportunities

The biggest opportunity for NH Hotel is continuing increasing attractiveness of the city of Olomouc which leads to increasing in tourism in general. Andrův football stadium is only 50 meters far from the hotel. In 2015, it underwent the reconstruction and it was a host stadium during 2015 UEFA European Under-21 Championship. Another attraction is the historical center of Olomouc, mainly Holy Trinity Column which is inscribed on the UNESCO World Heritage List. Guests may also visit Olomouc zoo, basilica Svatý Kopeček, or Golf Club Dolany which is 12 kilometers far from the hotel.

Threats

The main threat for NH Hotel Olomouc represents Clarion Congress Hotel. Its congress center is the second largest in Olomouc region. Moreover, the accommodation in Clarion is about 35% cheaper than in NH Hotel.

Entrée restaurant is the part of Resort Hodolany, together with hotel, wellness and casino. The restaurant chef used to work in London restaurant awarded with Michelin star. Now he performs his experience in Entrée restaurant. It is modern restaurant inspired by unique nature concept. The capacity is up to 80 seats and it will soon be extended by an outdoor terrace. According to Tripadvisor it is the 3rd most favorite restaurant in Olomouc. Sal de Mar and Entrée are modern and luxurious restaurants, therefore I consider Entrée as the biggest competitor to Sal de Mar.

13 IFE, EFE MATRIX, SPACE

IFE and EFE matrixes describe internal and external forces of the organization.

13.1 Internal Forces Evaluation

Firstly, it is necessary to divide selected factors into strengths and weaknesses in order to create IFE matrix. Factors are assigned a value on the scale from 0.00 (low importance) to 1.00 (high importance). The value sum in total should be equal 1. Afterwards, selected factors are multiplied by a number 1,2,3 or 4 according to their level of importance. The rating shows how strong or weak are particular organization's factors. The average internal position should equal around 2.5 in total. The individual numbers represent:

- 1 = major weakness,
- 2 = minor weakness,
- 3 = minor strength,
- 4 = major strength. (Fotr 2012, 41-45)

Strength and Weakness	Factor	Weight	Level of importance	Score
S1	The biggest offer of congress services in Olomouc	0.19	4	0.76
S2	Full-featured relax and sport center	0.15	4	0.60
S3	New building	0.05	3	0.15
S4	Wide range of offered services	0.11	3	0.33
W1	Noise from nearby football stadium	0.17	2	0.34
W2	The highest price for one night	0.20	1	0.20
W3	Mostly part-time workers in congress events	0.08	2	0.16
W4	No pricelist	0.05	1	0.05
In total		1.00		2.59

Table 7: IFE Matrix (own processing)

13.2 External Forces Evaluation

In order to create EFE Matrix, it is vital to indicate some of the recognized opportunities and threats. The table is divided into these two external factors. As in IFE Matrix, forces are given the weight in the scale from 0.00 (low importance) to 1.00 (high importance). The points are given according to the level of importance of every individual factor in the company. After, the points are multiplied by a number 1, 2, 3 or 4. These individual numbers represent:

- 1 = major threat,
- 2 = minor threat,
- 3 = minor opportunity,
- 4 = major opportunity.

The average external position should equal around 2.5 in total. The result of the total score illustrates what kind of impression is the organization's intention on the external environment. (Fotr 2012, 41-43)

Opportunity	Factor	Weight	Level of	Score
and Threat			importance	
O1	Higher attractiveness of	0.15	4	0.60
	Olomouc			
O2	Higher interest in relax and	0.10	4	0.40
	sport services			
O3	Nearby Andrův football	0.11	3	0.33
	stadium			
O4	Bankruptcy of competitors	0.15	3	0.45
T1	Competitor's accommodation	0.22	1	0.22
	about 35% cheaper			
T2	Entrée Restaurant	0.10	1	0.10
Т3	Room capacity in Hotel Flora	0.08	2	0.16
T4	Parking capacity	0.09	2	0.18
In total		1.00		2.44

Table 8: EFE Matrix (own processing)

13.3 Matrix Space

Creating space matrix needs the results from previous IFE and EFE matrixes. They are performed in the chart with X and Y axes. The chart is divided into four quadrants - conservative, aggressive, defensive and competitive. According to IFE matrix, the total score is 2.59, whereas EFE matrix shows the total score is 2.44. These axes interconnect in aggressive quadrant.

External Factors

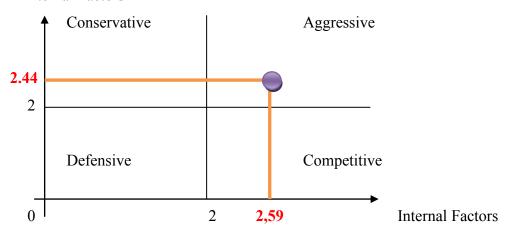


Table 9: Space Matrix (own processing)

Fotr claims that the aggressive strategy means that selected company has a strong position at the market and already achieved some god competitive quality properties. The operating industry, in which the organization is situated, is supposed to be stable. The recommended steps for the company are following: development of its services, integration, further differentiation etc. (Fotr 2012, 70-76)

14 RECOMMENDATIONS FOR THE IMPROVEMENT OF COMPETITIVENESS

Practical part of this work helped to reveal the main competitors for the hotel, which environment from PESTLE analysis influence the company the most. Moreover, in which factors are hotel's competitors better. SWOT analysis was created on the basis of IFE and EFE matrices and showed the strengths, weaknesses, opportunities and threat of the company. These two matrices present the source for SPACE matrix which outcome shows that NH Hotel follows the aggressive strategy.

All these outcomes lead to appropriate recommendations which are listed below.

14.1 Recommendations

➤ Hotel Porter

Hotel porter helps guests with many different things, such as carrying their luggage directly to guest room or calling taxi. He usually represents the first person who welcomes guests when they arrive at a hotel. Therefore, he needs to create a positive first impression. Porter's duties depend on the hotel size and offered services. Porter might:

- Show guest his room and explains how equipment works, for instance TV control.
- Park guest's car, call taxi.
- Give directions.
- Answer questions about local attractions, recommend places to visit.
- Find out train or plane times for the guest.
- Make reservations for theatre or cinema tickets, or book table at restaurant.

Furthermore, porter has a meaningful role in the case of fire or other emergency. He assures that guests are evacuated safely and help is called. Porters usually work 40 hours per week. Sometimes, they have to work in bad weather conditions and lift heavy luggage. Employers usually give uniforms to porters. Guests may give tips to them.

NH Hotel is 4-star modern hotel with the biggest congress center in Olomouc. According to this fact, one of the recommendations for the hotel is to hire 3 porters. Monthly costs for one porter would be around 18,500 CZK + buying hotel uniform.

Parking Expansion

The hotel parking capacity is 82 places. With regard to the hotel room capacity, parking places are limited. Hotel tries to solve this problem by nearby parking which is about 20 meters far. This parking belongs to Omega Center and it used also by Andrův football stadium. Its capacity is 184 places. This parking may be also used by whoever who paid parking fee. For this reason, parking is almost always fully occupied. My recommendation for parking expansion does not involve any building reconstruction. I recommend buying or hiring another 30 places from parking owner. This form is not so financial demanding that building new parking slots.

> Improving Kitchen

One of the most significant problem is inadequate rating of hotel restaurant in comparison with hotel rating on Tripadvisor. Therefore, I recommend hiring one chef who could potentially bring new ideas mainly for restaurant à la carte menu. Grand re-opening with new dishes on the menu would be the part of promotion for public.

Nowadays, people are more and more interested in cooking schools. Another part of promotion, I recommend offering cooking courses for public. Hotel kitchen would focus on several types of classes, for instance Meat and steaks, Fish and seafood or Spicy Cuisine. Chef would lead the course and practically show to participants how to work with ingredients. Recommended price is 2,490 CZK/person. The number of participants would be limited, 6-8 persons.

Charity Ball

With regard to the fact that NH Hotel offers its rooms for highest price in Olomouc per one person, it needs to achieve clientele from higher class. Charity ball would be the ideal tool for unofficial advertising campaign. I recommend turning to well-known charity organizations and offer hotel space for free.

Monitoring of the Competition

It is essential to constantly observe company's competitors, its new moves, events, technologies. Discounted accommodation prices or special events in restaurants may attract more customers. The monitoring of new technologies is closely connected with congress and conferences.

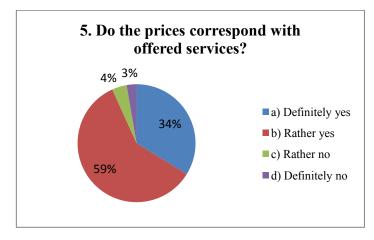
15 QUESTIONNAIRE

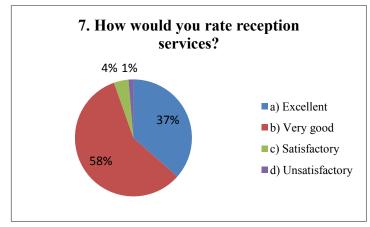
Hotel guests had a possibility to fulfill the questionnaire which was available in every hotel room. The total amount of respondents is 74. The answers may be seen in the table below.

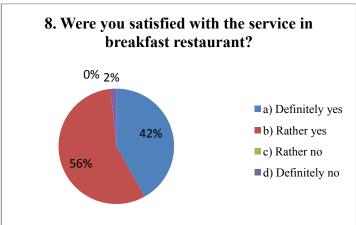
		Number			Number			Number			Number			Number
		of			of			of			of			of
		answers			answers			answers			answers			answers
1	a)	11	2	a)	0	3	a)	19	4	a)	9	5	a)	25
	b)	58		b)	17		b)	16		b)	4		b)	44
	c)	0		c)	41		c)	27		c)	58		c)	3
	d)	5		d)	13		d)	12		d)	3		d)	2
				e)	3									
6	a)	49	7	a)	27	8	a)	31	9	a)	43	10	a)	31
	b)	21		b)	43		b)	42		b)	29		b)	14
	c)	4		c)	3		c)	0		c)	2		c)	2
	d)	0		d)	1		d)	1		d)	0		d)	0
													e)	27

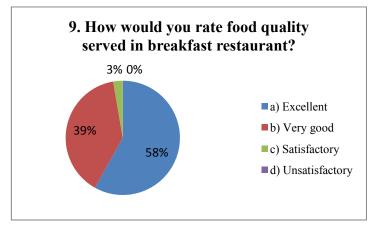
Table 10: Questionnaire overview (own processing)

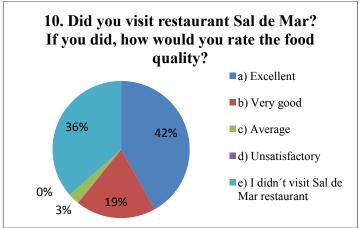
I chose graphic presentation only for those questions which show the customer's satisfaction/dissatisfaction with offered services in NH Hotel.











CONCLUSION

This bachelor's thesis is concerned with the analysis of competition of NH Hotel in Olomouc. The company has been established in the market in 2010. Since then, it has built a generally good reputation among its guests. I collected valuable and qualitative information which helped me to provide individual analyses focused on the current position in the market.

The beginning of the analytical part started with the introduction and the profile of NH Hotel in Olomouc, its offered services, organizational structure of employees and service marketing mix. The six main competitors are introduced which were chosen according to their size, congress services, importance and location.

Next part is concerned with several types of analyses itself. The first one is Benchmarking. I chose the six most influential hotels from Olomouc which represent the biggest threat for NH Hotel. Competitive strength of each individual hotel is revealed with the help of 10 factors. The biggest competitor based on Benchmarking outcomes' is supposed to be Clarion Congress Hotel Olomouc. The most influential environment from PESTLE analysis is social one from the position of customer. The higher the standard of living is, the higher demand for relax, sport, free time services and education is. NH Hotel offers full-filled relax and sport services and the largest congress center in Olomouc.

Provided SWOT analysis focuses on internal and external company environment. I consider the largest congress center as the biggest strength. Tripadvisor ranking shows that hotel restaurant is the 10th most favorite in Olomouc which represents the significant difference in comparison with the hotel itself. Not available pricelist on the official website is another weakness. I see the biggest opportunity in continuing increasing attractiveness of the Olomouc itself and in nearby football stadium. The main threat is Entrée restaurant with hotel, wellness and casino.

Most of the factors from Benchmarking include data for creating IFE matrix and the main source for EFE matrix is PESTLE analysis. These two matrices result in SPACE matrix and its outcome shows that NH Hotel follows the aggressive strategy. This strategy claims that the hotel's position is strong at the market and one of the recommendations for this kind of strategy is developing its services.

The main goal of the practical part was to suggest recommendations for a company that should improve its competitiveness and standard of offered services. I found several of them: hiring hotel porter, parking expansion, improving kitchen, organizing charity ball and last but not least, monitoring its competitors.

BIBLIOGRAPHY

- Arigone Hotel. 2016. "Ceník." Accessed March 10. http://www.arigone.cz/cz/hotel-_-penzion/cenik.
- Arigone Hotel. 2016. "Naše pokoje." Accessed March 10. http://www.arigone.cz/cz/hotel-_-penzion/nase-pokoje-.
- Arigone Hotel. 2016. "Naše služby." Accessed March 10. http://www.arigone.cz/cz/hotel-_-penzion/nase-sluzby.
- Arigone Hotel. 2016. "O hotelu." Accessed March 10. http://www.arigone.cz/cz/index/o-hotelu.
- Armstrong, Gary, Philip Kotler, and Marc Oliver Opresnik. 2017. *Marketing: An Introduction*. Thirteenth edition. Boston: Pearson.
- Baines, Fill and Page, Paul, Chris Fill, and Kelly Page. 2013. *Essentials of Marketing*. Oxford: Oxford University Press.
- Booking.com. 2017. "NH Collection Olomouc Congress." Accessed March 10. https://www.booking.com/hotel/cz/olomouc-congress.cs.html.
- Clarion Congress Hotel. 2016. "Apartmá." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/apartma/.
- Clarion Congress Hotel. 2016. "Business Executive Suite." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/business-executive-suite/.
- Clarion Congress Hotel. 2016. "Gastronomie." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/restaurace-olomouc/.
- Clarion Congress Hotel. 2016. "Konference." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/konferencni-prostory-olomouc/
- Clarion Congress Hotel. 2016. "O hotelu." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/o-hotelu/.
- Clarion Congress Hotel. 2016. "Standardní pokoje." Accessed March 10. http://www.clarioncongresshotelolomouc.com/cs/standardni-pokoje/.
- Congress Prague. 2017. "NH Olomouc Congress." Accessed March 10. https://www.congressprague.cz/kongresy/sge2015/ubytovani/nh-congress-olomouc.html.
- Český statistický úřad. 2017. "Metodika ukazatelů." Accessed March 10. https://www.czso.cz/csu/xm/metodika-ukazatelu-nejdulezitejsi-udaje#prumerna mzda.

- Český statistický úřad. 2017. "Vybrané údaje o cestovním ruchu." Accessed March 10. https://www.czso.cz/documents/10180/32906856/16mcz16.pdf/055b9ad7-7674-4dff-9ee3-78f48654d4a7?version=1.2.
- Dvořáček and Slunčík, Jiří and Peter Slunčík. 2012. *Podnik a jeho okolí: Jak přežít v konkurenčním prostředí?* Praha: C.H. Beck.
- Eltržby. 2017. "O co jde." Accessed March 10. http://www.eltrzby.cz/cz/o-co-jde.
- Facebook.com. 2017. "Aqua restaurant." Accessed March 10. https://www.facebook.com/aquarestaurantabar/photos/a.1707790569448346.10737418 29.1706634039563999/1707790582781678/?type=3&theater.
- Firmy.cz. 2017. "OMEGA centrum sportu a zdraví." Accessed March 10. https://www.firmy.cz/detail/2165242-omega-centrum-sportu-a-zdravi-olomouc-nova-ulice.html.
- Fotr, Jiří, Emil Vacík, Ivan Souček, Miroslav Špaček and Stanislav Hájek. 2012. *Tvorba strategie a strategické plánování: Teorie a praxe*. Praha: Grada.
- Hesperia Hotel. 2016. "Domů." Accessed March 10. http://www.hotel-hesperia.cz/cz/.
- Hesperia Hotel. 2016. "Služby." Accessed March 10. http://www.hotel-hesperia.cz/cz/sluzby-salonky-seminare-wifi/.
- Hesperia Hotel. 2016. "Ubytování." Accessed March 10. http://www.hotel-hesperia.cz/cz/pokoje-ubytovani/.
- Hotel Flora. 2016. "Gastronomie." Accessed March 10. http://www.hotelflora.cz/gastronomie/.
- Hotel Flora. 2016. "Hotel." Accessed March 10. http://www.hotelflora.cz/hotel/o-hotelu-flora/.
- Hotel Flora. 2016. "Hotelové služby." Accessed March 10. http://www.hotelflora.cz/hotel/hotelove-sluzby/.
- Hotel Flora. 2016. "Kongresy." Accessed March 10. http://www.hotelflora.cz/kongresy/.
- Hotel Flora. 2016. "Ubytování." Accessed March 10. http://www.hotelflora.cz/ubytovani/.
- Hotel Palace. 2017. "Ceník." Accessed March 10. http://www.hotelpalac.cz/cenik.
- Hotel Palace. 2017. "Hotel." Accessed March 10. http://www.hotelpalac.cz/hotel.
- Hotel Palace. 2017. "Služby." Accessed March 10. http://www.hotelpalac.cz/sluzby.
- Hudson, Simon. 2008. *Tourism and Hospitality Marketing: A Global Perspective*. London: SAGE.

- Ibis Hotel. 2017. "Konferenční prostory." Accessed March 10. http://www.ibis-olomouc-centre.cz/konferencni-prostory.
- Ibis Hotel. 2017. "O hotelu." Accessed March 10. http://www.ibis-olomouc-centre.cz/o-hotelu.
- Ibis Hotel. 2017. "Restaurace." Accessed March 10. http://www.ibis-olomouc-centre.cz/restaurace.
- Ibis Hotel. 2017. "Ubytování." Accessed March 10. http://www.ibis-olomouc-centre.cz/ubytovani.
- Jakubíková, Dagmar. 2013. Strategický marketing: Strategie a trendy. Praha: Grada.
- Kelessidis, Vassilis, Dr. 2000. "Benchmarking." Thessaloniki Technology Park. http://www.adi.pt/docs/innoregio_benchmarking-en.pdf.
- Kincl, Jan. 2004. Marketing podletrhů. Management Studium. Praha: Alfa Publishing.
- Kotler, Philip, and Gary Armstrong. 2016. Principles of Marketing. Boston: Pearson.
- Kotler, Philip, John T. Bowen, and James C. Makens. 2014. *Marketing for Hospitality and Tourism*. 6th ed. Harlow: Pearson.
- Learn Marketing. 2017. "The Marketing Mix." Accessed April 7. http://www.learnmarketing.net/price.htm.
- Lovelock, Christopher H., and Jochen Wirtz. 2007. Services Marketing: People, Technology, Strategy. 6th ed. Pearson International Edition. Upper Saddle River: Pearson/Prentice Hall.
- Management Mania. 2017. "Marketingový mix." Accessed April 7. https://managementmania.com/cs/marketingovy-mix-marketing-mix.
- Marketing 91. 2017. "Service Marketing Mix 7 P's of Marketing." Accessed April 7. http://www.marketing91.com/service-marketing-mix/.
- Mikoláš, Zdeněk. 2005. *Jak zvýšit konkurenceschopnost podniku: Konkurenční potenciál a dynamika podnikání*. Praha: Grada.
- Ministerstvo práce a sociálních věcí. 2016. "Zákon č. 262/2006." Accessed March 10. http://www.mpsv.cz/ppropo.php?ID=z262_2006_1.
- Nagyová, Ľudmila. 2014. *Marketing*. Nitra: Slovenská poľnohospodárska univerzita.
- Neměc, Robert. 2005. "Marketingový mix jeho rozbor, možnosti využití a problémy." Accessed April 7. http://robertnemec.com/marketingovy-mix-rozbor/.
- Nenadál, Jaroslav, David Vykydal, and Petra Halfarová. 2011. *Benchmarking: Mýty a skutečnosti: Model efektivního učení se a zlepšování*. Praha: Management Press.

- Nh-Olomouc. 2017. "Obecně o kongresovom centru." Accessed March 10. http://www.nh-olomouc.eu/kongresove-centrum/obecne-o-centru/obecne-informace.html.
- Olomoucký deník. 2016. "Ředitel olomouckého NH hotelu je v nominaci na Hoteliéra roku." Accessed March 10. http://olomoucky.denik.cz/podnikani/reditel-olomouckeho-nh-hotelu-je-v-nominaci-na-hoteliera-roku-20161026.html.
- Omega. 2017. "Fotogalerie." Accessed March 10. http://www.omegasport.cz/omega/fotogalerie/.
- Porter, Michael E. 2008. *On Competition. Updated and Expanded Ed.* Boston: Harvard Business School Publishing.
- Pride, William M., and O. C. Ferrell. 2016. *Marketing*. 2016 edition. Boston: Cengage Learning.
- Sedláček, Jaroslav. 2011. Finanční analýza podniku. Brno: Computer Press.
- The Marketing Mix. 2017. "The Marketing Mix 4P's and 7P's Explained." Accessed April 7. http://marketingmix.co.uk/.
- Urbánek, Tomáš. 2010. Marketing. Praha: Alfa Nakladatelství.

LIST OF ABBREVIATIONS

ASQ American Society for Quality
CRS Computer reservation system

EFE External factors evaluation

IFE Internal factors evaluation

O Opportunities

S Strengths

SPACE matrix Strategic position and action evaluation

T Threats

W Weaknesses

4C Customer solutions, costs, convenience, communication

4P Product, price, place, promotion

4S Scope, site, synergy, system

6P Product, price, place, promotion, people, packaging

7P Product, price, place, promotion, people, processes, physical evidence

8P Product, price, place, promotion, people, processes, physical evidence,

productivity & quality

T	TZL	\mathbf{OE}	FIC	URES
•	/ L7	\ /	1 1 T	

Figure 1: NH Hotel Olomouc (Olomoucký deník, 2017)	39
Figure 2: Omega sport center (Firmy.cz, 2017)	39
Figure 3: Breakfast restaurant (Congress Prague, 2017)	40
Figure 4: Superior room (Booking.com., 2017)	40
Figure 5: Ball in February 2017 (own processing)	41
Figure 6: NH Congress Center (Nh-Olomouc, 2017)	41
Figure 7: Aqua restaurant (Facebook, 2017)	42
Figure 8: Air view (Omega. 2017)	42

Table 1: SWOT Analysis (Armstrong and Kotler, 2017, 85)	35
Table 2: Hotel Organization Chart (own processing)	43
Table 3: Room price list (own processing)	44
Table 4: Benchmarking (own processing)	51
Table 5: Selected data on tourism in the Olomouc region (Czech Statistical Office)	54
Table 6: SWOT Analysis (own processing)	56
Table 7: IFE Matrix (own processing)	58
Table 8: EFE Matrix (own processing)	59
Table 9: Space Matrix (own processing)	60
Table 10: Questionnaire overview (own processing)	63

APPENDICES

APPENDIX P I: Questionnaire

APPENDIX PI: QUESTIONNAIRE

Tento dotazník slúži pre vypracovanie praktickej časti bakalárskej práce na tému *Analýza konkurencieschopnosti NH Hotelu Olomouc*. Pri každej odpovedi zakrúžkujte len jednu z uvedených možností. V prípade akýchkoľvek otázok mi môžete napísať e-mail na cate.soskova@gmail.com.

1. Ako ste sa dozvedeli o hoteli NH v Olomouci?

- a) odporúčanie známych
- b) internet
- c) tlač
- d) iné

2. Aký je Váš vek?

- a) 18 25
- b) 26 34
- c) 35 45
- d) 46 55
- e) 56 a viac

3. Za akým účelom ste prišli do NH hotelu Olomouc?

- a) pracovné povinnosti
- b) vzdelávanie
- c) obchodné stretnutie
- d) voľný čas, odpočinok

4. Akým spôsobom ste si zarezervovali pobyt?

- a) telefonicky
- b) cez e-mail
- c) cez booking.com
- d) formulárovou rezerváciou

5. Odpovedajú ceny za ubytovanie ponúkaným službám?

a) určite áno

b) skôr áno
c) skôr nie
d) určite nie
6. V akom type izby ste počas Vášho pobytu prebývali?
a) Superior
b) Premium
c) Junior Suite
d) Deluxe
7. Ako by ste ohodnotili služby recepcie?
a) výborný
b) veľmi dobrý
c) dostačujúci
d) neuspokojujúci
8. Boli ste spokojní s obsluhou v raňajkovej reštaurácií počas Vášho pobytu v NH
hoteli?
a) určite áno
b) skôr áno
c) skôr nie
d) určite nie
9. Ako by ste ohodnotili kvalitu jedla podávaného v raňajkovej reštaurácií?
a) výborný
b) veľmi dobrý
c) priemerný
d) neuspokojujúci
10. Navštívili ste počas Vášho pobytu aj reštauráciu Sal de Mar? Ak áno, ako by ste
ohodnotili kvalitu jedla reštaurácie?
a) výborný
b) veľmi dobrý

- c) priemerný
- d) neuspokojujúci
- e) reštauráciu Sal de Mar som nenavštívil/a