MEMORANDUM FOR THE FIRST TUTORIAL LETTER
FIRST SEMESTER 2017

STRATEGIC MANAGEMENT FOR HOSPITALITY AND TOURISM

SMH410S

02 May 2017

Ms I. Green
Dear Student,

I would like to take this opportunity to congratulate you on the completion and submission of your second assignment on Strategic Management for Hospitality and Tourism. I strongly believe that you have had a rewarding experience so far about this course.

This feedback tutorial letter provides me with the opportunity to dialogue with you and advise you on your performance on this first assignment. I hope this will reinforce your learning on what has been covered in this marked assignment while offering you constructive suggestions as you go towards the completion of this course. I therefore advise you to read and attempt to understand the content of this feedback tutorial letter. I have provided comments and hints on the expected quality of responses for each question.

General observations

There are a number of important points that you need to take into consideration such as:

- **Proper language usage**: there were a number of grammatical mistakes that I noted in your submissions. In some cases some of you were using long and winding sentences which made it difficult for me to read and comprehend the gist of the matter. I encourage you to proof read your work and also use short sentences.
• It was clear that some of the assignments were completed in a hurry and thus not enough time was spent on additional research to ensure that you were actually on track.

• It is expected that any student on this level should be able to apply their theoretical knowledge gained from books to practical situations and not quote theory verbatim and expect to earn marks – but this still happens.

• Some students copied directly from other publications and made it their own work, this is not tolerated and it is not acceptable.

• **Hand writing:** Some of you presented your work hand written. I noticed that in some cases your hand writing was not legible and you did not take your time to write neatly and in a presentable fashion. Some of the submissions looked like rough notes indeed.

• **Use of sources:** Where you cite any references, remember to acknowledge them very well in your list of bibliography. The Namibia University of Science and Technology makes use of the APA Style of referencing and this is highly recommended. Most of you neglected this component. A number of instances were observed where in-text references lacked; instances of references mentioned in-text but not acknowledged in the bibliography were observed; Most of you did not make use of the APA style of referencing.

I cannot stress the importance of referencing enough, as in the academy referencing is a requirement that is non-negotiable. Referencing gives credit to authors who have been consulted, but it also keeps you safe from possible charges of plagiarism. A further reason for proper referencing is that it allows
the reader of your work to find sources with minimum difficulty for verification or to follow leads. I will strongly recommend that you familiarize yourself with the APA referencing style, as many of you lost marks due to the non-compliance to this requirement.

Also direct copying from the internet was noted, clearly this is not allowed as it is the same as plagiarism and is a serious academic crime; it is not different from theft.

Assignment one: Feedback

Question 1

The below is the case study that was asked as part of question one. Be reminded that each individual’s answer is considered when marking and thus some may receive high marks while others not, it all depends on how applicable your answer is to the question.

More information has been released on the case related to the Great Eastern Hotel we saw in the first assignment. The turbulence in the economic environment has resulted in policy changes such that banks, financial services firms, and automobile firms—which all form an integral part of the hotel’s target markets—have cut travel-related expenses for executives. No longer can executives of these firms travel first class on their business visits; they must now use only economy class travel.

Moreover, they are now required to cut hotel stay–related expenses, so they have to stay in three- and four-star hotels and not pay more than USD 200 per night. These restrictions have had a major impact on hotels like Great Eastern, which Debbie and her executives must resolve.

The U.S. government is bailing out banks and financial institutions, and since Great Eastern has a major influx of business travellers from U.S. firms, it is important that Debbie and her team consider the impact of government policies on these firms as they seek a solution.
Answer the below questions in as much detail and read extensively to get an understanding of what the case study requires of you. Each question is 3 marks

1. Assess the impact of the environment on the Great Eastern Hotel. Make assumptions where necessary. This question asked of you to look at the external and internal environment in which the hotel have to operate and how the turbulences within the economic sector has influenced the operations of the hotel.

2. How do customer-related factors affect the hotel as well as its competitors? Make assumptions where necessary. Issue like complimentary services that the Great Eastern Hotel offers will suffer due to the economic imbalances and this can influence guest satisfaction as a certain level of service is required for 4 and 5 star hotel respectively. The competition will benefit of these opportunities can “steal” customers from Great Eastern as they can no longer offer all the complimentary services.

3. How does the environment affect the hotel’s formulation of strategies? Strategy formulation is based on an analysis of the external and internal environment. Organizations need to consider the environment in which they operate when deciding on the strategies that they will use and implement within the organization.

The above serves as a mere guide on the expected answers and I looked at what you have answered when marking.

**Question 2**

Research on the topic of competitive advantage in the workplace and answer the below questions in as such detail as possible. Questions are 5 marks each

1. What is competitive advantage? Competitive advantage is the leverage that a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality interest’s consumers. Target markets recognize these unique products or services. This
2. Differentiate between competitive advantage and sustainable competitive advantage. Competitive advantage is the leverage that a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality interest’s consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another. A sustainable competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources or access to highly trained and skilled personnel human resources.

3. What are generic strategies? How are firms able to use these strategies at the business level to create competitive advantage? Porter’s generic strategies describe how a company pursues competitive advantage across its chosen market scope. There are three/four generic strategies, either lower cost, differentiated, or focus. A company chooses to pursue one of two types of competitive advantage, either via lower costs than its competition or by differentiating itself along dimensions valued by customers to command a higher price. A company also chooses one of two types of scope, either focus (offering its products to selected segments of the market) or industry-wide, offering its product across many market segments. The generic strategy reflects the choices made regarding both the type of competitive advantage and the scope.

4. How are overall cost leadership and differentiation strategies different from cost focus and differentiation focus strategies? Cost leadership strategy is a strategy also involves the firm winning market share by appealing to cost-conscious or price-sensitive customers. This is achieved by having the lowest prices in the target market segment, or at least the lowest price to value ratio (price compared to what customers receive). To succeed at offering the lowest price
while still achieving profitability and a high return on investment, the firm must be able to operate at a lower cost than its rivals.

A differentiation strategy is appropriate where the target customer segment is not price-sensitive, the market is competitive or saturated, customers have very specific needs which are possibly under-served, and the firm has unique resources and capabilities which enable it to satisfy these needs in ways that are difficult to copy. These could include patents or other Intellectual Property (IP), unique technical expertise (e.g. Apple's design skills or Pixar's animation prowess), talented personnel (e.g. a sports team's star players or a brokerage firm's star traders), or innovative processes.

Question 3

Research extensively on what a SWOT analysis is and answer the following questions:

1. Define the term SWOT

   SWOT analysis (alternatively SWOT matrix) is an acronym for strengths, weaknesses, opportunities, and threats and is a structured planning method that evaluates those four elements of an organization, project or business venture. A SWOT analysis can be carried out for a company, product, place, industry, or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. Some authors credit SWOT to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies.

2. How would an organization conduct a SWOT analysis?

   The SWOT analysis begins by conducting a review of internal strengths and weaknesses in your organisation. You will then note the external opportunities and threats that may affect the organisation based on your market and the
overall environment. Don’t be concerned about elaborating on these topics at this stage; bullet points may be the best way to begin. Capture the factors you believe are relevant in each of the four areas. You will want to review what you have noted here as you work through your marketing plan. The primary purpose of the SWOT analysis is to identify and assign each significant factor, positive and negative, to one of the four categories, allowing you to take an objective look at your business. The SWOT analysis will be a useful tool in developing and confirming your goals and your marketing strategy. Some experts suggest that you first consider outlining the external opportunities and threats before the strengths and weaknesses.

3. Give 4 rules for organizations to adhere when doing a SWOT analysis [8]

Be realistic about the strengths and weaknesses of your organization when conducting a SWOT analysis

SWOT analysis should be able to distinguish between where your organization is today and where it could be in the future;

SWOT should be specific. Avoid grey areas;

Always apply the SWOT analysis in relation to your competitors;

Keep your SWOT short and simple. Avoid complexity and over analysis.

The above a mere guidelines on the expected answers.

Thank you for those who have done tremendous effort in the completion of the second assignment.

I hope this feedback will assist you to identify your weak areas and work on them diligently while building on your strengths. I encourage you to take note of this advice as you prepare for the examination. If you have any queries do not hesitate to contact me.

I wish you the best of luck for the examination!!!!!!!!!!!!!