

Research Note

An exploration of effective ways to maximise public relations in the budget hotel of Shanghai: a case study of Home Inn

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This research is focusing on public relations in Chinese budget hotel area, although the value of public relations is significant for budget hotel, seldom managers do concern themselves with this strategy during their operation because of their limited budgets. The aim of the research is to investigate the management of public relations in order to improve the competitive advantage in budget hotels. As public relations is such a low-cost and affordable promotional tool for organizations of all sizes firms, budget hotel companies has the benefit to develop their competitive advantage with the purpose of maximize the profits through a well-organized public relations.

The purpose of this project is to find out a proper approach in terms of public relations to investigate and improve the competitive advantage in budget hotels industry. Objectives are: first, define budget hotels in China, second to conduct a literature review of public relations and finally to research the implementation of public relations strategy in one Chinese budget hotel. Value is to make recommendations to improve the implementation of public relations strategies in Chinese budget hotels. The literature search, it is clear to see that public relation is significant for hotel industry while it will be quite different for budget hotel to control. Most authors are focusing on analysis the high-end business hotel rather than two or three star hotels. However, it is essential for budget hotels to build their own public relations approaches, in order to develop the competitive advantage. An effective way to investigate the public relations methods in budget hotel background will be examined in this dissertation.

The approach of this project is a case study of Home Inn Budget Hotel Company in Shanghai, which has got 10 national-level honour prizes such as "The annual Gold prize of hotel industry in China in 2007", "China's most influential hotel brands in 2005" and "China Top 20 Hotel Group in 2002".

To examine properly, interviews will be chosen as the main method to investigate this case study in depth. There will be three interviews with different experts and professors related to public relations of budget hotel industry and all the responses are going to be recorded for further analysis.

Questions are focusing on:

- "Why public relations are important towards budget hotels?"

- "How do budget hotels evaluate public relations as its limited budget?"

- "How to implement effective public relations due to budget hotels?"

Through the research results, it is interesting to find that although public relations is a low cost and important competitive strategy, most of the budget hotel managers would not treat it as a significant market tool. In order to gain a good competitive advantage, budget hotel companies should not only apply their own public relations with media, government, publishing and the public, but also making good use of their own advantages as a budget hotel such as good use of internet tool. It is essential and critical for budget hotels to advance the market strategy by public relations application.

This study concerns budget hotels in Shanghai which is beginning by literature of budget hotels and public relations. Through the literature review, budget hotel is the label which has been given to the new growth of accommodation units that have been developed for short-stay travellers on low budgets. As little work in China that been done on the effectiveness of public relations in budget hotels In China, there is going to investigate one budget hotel in China which reaches its success by a well-planned public relations. Main findings of this research showing that public relations is significant due to budget hotels and those companies do need to improve their competitive advantage through efficient public relations process.

Key words:

Public relations, budget hotel industry, Home Inns, low cost strategy, marketing promotion, economic program