

INTERNATIONAL MARKETING

2024



INTERNATIONAL MARKETING CASE

Presented by



Written by

Philippe Guay

Academic Vice-President - Happening Marketing 2024

Sara Cholmsky

Academic Vice-President - Happening Marketing 2024

Anne Bourhis

Professor, HEC Montréal

In collaboration with

Derek Derouin

Associate - KPMG

Nicolas Fortin

Consultant - KPMG

Annie Khau

Consultant - KPMG

Zeitha Biney

Consultant - KPMG

Preface

On the morning of March 23rd, Derek Derouin, the Chief Marketing Officer for Paradise Palms Resorts, savored his first sip of coffee, prepared for the day's agenda. He was scheduled to meet with consultants from your firm to discuss the strategic planning for a new resort for Paradise Palms. The meeting's agenda was clear - to decide on the location, target profile, and the unique experiences that would be offered to its clients. In the current economic landscape, the stakes are higher than ever, which is why achieving sustainable success is of utmost importance. The decisions made in this meeting will significantly impact the company's future in the travel and hospitality industry.

Company Introduction

Paradise Palms is a globally recognized brand that owns six resorts located in Mexico, Hawaii (US), Costa Rica, Puerto Rico (US), Dominican Republic, and the Bahamas. Catering primarily to North American middle-class families, snowbirds, and young adults, each of their resorts offers a unique blend of adventure, cultural immersion, group activities, and relaxation, ensuring a fun and unforgettable experience for every guest (see appendix).

As part of their expansion strategy, Paradise Palms is looking to open a seventh location with a new DNA. This new venture aims to cater to high income travelers, offering a luxurious and elevated experience that appeals to high-net-worth guests. The company is committed to creating a premium offering tailored to the tastes of this affluent customer segment. The location for this seventh resort has yet to be decided. However, Paradise Palms is keen on finding a destination that will appeal to these customers, ensuring that the new resort becomes a preferred choice for luxury travel while providing a steady revenue stream for the resort regardless of its economic climate.

Economic Situation

Amidst a shifting economic landscape, Paradise Palms faces the challenge of maintaining its competitive edge and its customer-centric reputation (see appendix) while navigating inflationary pressures. As the economy experiences incremental inflation, Paradise Palms' demographics are increasingly mindful of their expenditures. This heightened financial awareness has resulted in a moderate decline in bookings, prompting the resort to reconsider its global and experiential strategies and adapt its offerings to meet new consumer segments.

Paradise Palms' Situational Context

Strategic investments aimed at enhancing the overall customer experience have not only bolstered Customer Lifetime Value (CLV), but also positioned Paradise Palms as a trusted provider of value at every contact point. While profitability is a key consideration, the company's expansion strategy is rooted in the belief that fostering meaningful connections with customers is paramount to its success. Their CLV for Paradise Palms' current profiles is high, and their investments in this target market have enabled them to increase a small premium, facilitating their expansion into a new location. This strategic move reflects Paradise Palms' dedication to diversifying its current location and profile, enticing high-income individuals who seek elevated experiences and are willing to invest more in their leisure pursuits.

Mandate

Tasked to drive sustainable growth for Paradise Palms and bolster client retention, Derek Derouin, the Chief Marketing Officer, wants to diversify the resort's service offerings regarding its new location, with a focus on the service opportunities for the North American market. He wants your team to select a location and build a detailed profile of the demographic they will cater to. Paradise Palms aims to reinvent their customer experience to provide a positive experience from the plane to the resort and on-site entertainment, ensuring a meaningful interaction during each touchpoint - including after their stay. Paradise Palms will enhance revenue streams by strategically targeting and investing in clients with significant lifetime value and incorporating a robust analysis of economic challenges to stay ahead of market

dynamics. The integration of Environmental, Social, and Governance (ESG) principles into their operational blueprint will emphasize Paradise Palms' commitment to sustainable practices. By achieving these objectives, Paradise Palms anticipates a marked improvement in customer satisfaction and a robust uptick in repeat business (i.e., revisits and referrals) securing its position as a leader in the travel and hospitality industry.

Expected Outcomes

A strategic plan that addresses the experience of customers at every single touchpoint, factoring in customer satisfaction, and ESG considerations while keeping the focus on creating outstanding experience to our guest.

Increased market share in the North American travel and hospitality sector through expansion, differentiated services and innovative customer engagement strategies.

A demonstrable increase in client retention rates and customer lifetime value, leading to sustainable revenue streams.

In formulating the strategy, the candidate must also ensure that the proposed solutions are feasible considering the practical aspects of implementation within the current capacities and constraints of Paradise Palms.

Limitations and Considerations

A specific budget limit has not been attributed to this expansion; however, it is essential to maintain a realistic approach when making your recommendations. A justified budget estimation is required to ensure financial feasibility of your proposed ideas and every cost associated with the project should be clearly explained and justified in terms of its return on investment and contribution to the overall goal of creating a tailored and luxurious experience for guests. You are also required to provide a clear project roadmap, outlining the steps and timelines to ensure the project stays on track and meets its objectives as Paradise Palms would like to open its resort in 2 years.

As mentioned earlier, this new resort will have its own separate DNA, therefore you are encouraged to propose branding elements unique to this venture that reflect the luxurious experience the company aims to provide. Although this is not a priority, the CMO of Paradise Palms has also mentioned that you could analyze the opportunity for cross-selling and up-selling between customer segments, potentially involving strategies to encourage current customers to try the new luxury resort.

Appendix

Current illustration of standard resort currently owned by paradise Palms.

Brand guide (1/4)

Brand colors

#9ad5e7

#127782

#0592cd

#2cc3c3

#0474ac

Website and resort illustration



Brand messaging

- **Tagline:** "Escape to Paradise- Where Everything Is Included"
- **Voice:** Warm, welcoming, and enthusiastic, reflecting the joy and relaxation of a vacation.



Brand logo



© 2024 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by independent member firms of the KPMG global organization.

| 2

Brand guide (2/4)

Amenities of the resort

Here is a general list of what you might expect:

- Lodging in various room types, from standard to premium suites.
- Three meals a day, plus snacks.
- Non-alcoholic and alcoholic drinks.
- A selection of activities and entertainment, which includes shows, live music, and themed nights.
- Non-motorized water sports, such as snorkeling, kayaking, and sailing.
- Use of the resort's fitness center and fitness classes.
- Wi-Fi throughout the property.
- Personalized services, which could include pool and beach ambassadors to cater to your spa needs.
- Access to other amenities and facilities of sister properties if the resort is part of a larger group.

Additional amenities that may be available, sometimes at an extra cost, include:

- Premium alcohol and a la carte dining options.
- Adventure sports like bungee jumping, ATViing, or kayaking.
- Golfing.
- Spa treatments.
- In-room dining.
- Roundtrip airport transfers.
- Private hot tubs.
- Butler service and private pools.



© 2024 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by independent member firms of the KPMG global organization.

| 3



Brand guide (3/4)

Resort plan



Reviews from clients who stayed at Paradise Palms.

Brand guide (4/4)

Reviews of current / past customers

Craig Vaccaro
15/04/2021

★★★★★

Absolutely breathtaking! The service at this resort is unmatched, and the beach is a slice of paradise. Our room was the epitome of luxury, and we felt pampered throughout our stay. Can't wait to return!

Maria Korsgaard
15/04/2021

★★★

Disappointed with the cleanliness of our room; it definitely didn't meet my family's expectations for such a reputed resort especially with my 6-month old this factor is key. The dining options were also lackluster, with two picky toddlers, there was not enough variety for a week's stay.

Davis Dokidis
15/04/2021

★★★★★

A wonderful resort with an impressive array of activities and incredibly friendly staff. The rooms are well-appointed, though a bit dated. Overall, a great experience but could use more experience.

Rayna Korsgaard
15/04/2021

★★★

The resort has potential with its stunning location and lovely pool area. However, we faced constant issues with Wi-Fi, and the food, while good, was repetitive. Management was responsive to our concerns, but we expected a WOW / smoother experience