

4. Evaluate the type of growth strategy that the hotel should take, giving specific examples of growth options to enhance the service package.

Companies expand due to the increase of the demand, the pressure of potential markets and the need to protect the service concept with barriers of entry.

One way to grow as a company is the Focused Service, which consists in offering a unique and new service, in a single location. The company will grow through an increasing demand, which includes a personnel increase and the need to know the possibility of expansion in the area.¹¹

But competition also wants a piece of the cake, so we have to create a preferred position for the customers of the local market area.

In the case of Lewis Partnership this method is not really totally applicable, because the Lewis Partnership has a competitive advantage in the region but not a unique and new service. Nevertheless we can use the competitive advantage in this Focused Service method.

Companies can also use Franchising to expand. Franchising is defined by the International Franchise Association as:

“a system by which a firm(i.e., the franchiser) grants to others(i.e., the franchisees) the right and license(i.e., franchise) to sell a product or service and, possibly, use the business system developed by the firm.”¹²

If you want to get a franchisee of a business you have to pay a franchise fee and purchase the facility and equipment. You also get responsibilities for all normal operating activities: hiring employees, making daily decisions and determining local advertising.¹³

This way of growing is not yet applicable to the Lewis Partnership, they have to grow and get more stable and attractive as company.

¹¹ ⁶ Fitzsimmons+Fitzsimmons, 2001. Service Management, Operation Strategy and Technology Strategy. McGraw Hill, p.603

¹² idem, p.605

¹³ idem

