

Research on Ctrip's hotel business management issues and development suggestions under the background of COVID-19

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Abstract. Since 2020, China's tourism industry has been hit hard by the COVID-19 epidemic. Online accommodation is an important part of the online travel market, after the outbreak, the housing market consumption low, to save the performance of the downturn, Ctrip in the face of the new champions, on the basis of the high star hotels and packaged products products, series of pre-sales activities through online live, to consolidate the hotel business in the industry leading position. The previous literature has not systematically analyzed the organizational management of Ctrip's hotel business in China. This paper mainly studies the measures taken by Ctrip hotel industry under the COVID-19 epidemic, and then uses PEST analysis to explain the market environment. Then point out the problem through the 4P marketing theory. Finally put forward the development strategy and approach.

Keywords: Hotel industry; Ctrip; Marketing.

1. Introduction

As an important part of the tertiary industry, tourism is the product of people's living standards at a certain stage. Its development not only meets people's different consumption needs, but also greatly affects the vitality of other related industries. In recent years, with the development of social economy, tourism has become one of the most powerful industries in the global economy. However, since 2020, China's tourism industry has been hit hard by the COVID-19 epidemic. Online accommodation is an important part of the online travel market, after the outbreak, the housing market consumption low, to save the performance of the downturn, Ctrip in the face of the new champions, on the basis of the high star hotels and packaged products products, series of pre-sales activities through online live, to consolidate the hotel business in the industry leading position [1].

The previous literature has not systematically analyzed the organizational management of Ctrip's hotel business in China. The research object of this paper is the countermeasures and shortcomings of Ctrip's hotel business in the context of the difficult recovery of global tourism affected by COVID-19 and fierce market competition. This paper mainly elaborates the current market environment in China through PEST analysis, and then analyzes the problems and development space of Ctrip hotel industry through 4P marketing theory, and systematically summarizes what Ctrip is worthy of reference for other enterprises. Finally, the development strategies and approaches are put forward, hoping that the analysis and discussion of the hotel industry in China is also a reflection on the development of the hotel industry in China.

2. Current status of China's hotel industry (in context of the COVID-19 pandemic) and Ctrip's hotel business outlook in China

2.1 Current status of China's hotel industry (in context of the COVID-19 pandemic)

The 2022 China Hotel Industry Development Report released by China Hotel Association on June 1 said that due to the impact of COVID-19, the total number of accommodation facilities in the Chinese mainland in 2022 was 361,000, a decrease of 86,000 compared with 2020, among which the hotel accommodation industry decreased by 27,000 compared with 2020. The rest of the lodging sector, which saw a huge impact from the pandemic, saw 59,000 fewer hotels than in 2020.

Since the outbreak of COVID-19, the hotel industry is undergoing drastic changes, with the tourism market contracting significantly and the sustainable development of the hotel industry facing great challenges [2]. After three years of efforts, China has achieved remarkable results in the fight against COVID-19, but the hotel industry in China is struggling to survive after being hit by COVID-19: firstly, the passenger flow market recovered slightly, and the average rental rate recovered nearly 40%. Secondly, more than 90% of the average house prices fell, lowering the average by nearly 20%. Thirdly, the cumulative income of the catering department recovered to 30% of the same period last year.

However, there are more hotels facing difficulties in resuming work and production under the pandemic: at the first, epidemic prevention and control, which is too difficult to resume work and production in the accommodation industry. What's more, high operating and management cost pressure is also a big problem. In China, the pandemic has put many small and medium-sized hotels out of business, let alone paying for management. In the next place, the number of stable workers returning to work increases, and the pressure of labor cost increases. Last but not least, the cost and pressure of epidemic prevention have increased remarkably.

2.2 Environmental analysis: Opportunities and challenges facing Ctrip's hotel business

2.2.1 Political environment

The hotel industry is undergoing dramatic changes since the onset of the COVID-19 pandemic. The travel market has contracted significantly, presenting huge challenges for the sustainable development of the hotel industry, as well as new business opportunities [3]. Along with the National Development and Reform Commission, culture and tourism, etc. 14 departments jointly issued "on a number of policies to promote the development of service sector difficult industry recovery", for tourism industry preferential tax policy and refund 80% margin, etc., and local government support measures, have created favorable conditions for the recovery of tourism, also show the government bail-out was determined.

2.2.2 Economic environment

China's GDP growth accelerated in 2021, rising 8.1% year-on-year. The strong resilience of the Chinese economy during the pandemic has provided strong support for the recovery of the hotel industry [4]. Compared with tourism transactions that have yet to recover to pre-pandemic levels, domestic tourists are more enthusiastic about traveling. Compared with the accelerated recovery of the domestic tourism market, the current overseas epidemic situation is still severe, and it is difficult for outbound tourism to recover in the short term.

2.2.3 Social environment

Firstly, in the later stage of the epidemic, leisure tourists have become the main consumption force of online accommodation platforms. Affected by the COVID-19 epidemic, local tourism, in-depth tourism and special tourism are emerging, and high-quality, high-end and small-group tourism projects have become the favorite of users with high spending power. According to the survey results of expected destinations, after the epidemic, the number of people choosing peripheral and long-term destinations increased by 4.4% and 8.2%, respectively. Secondly, against the backdrop of the epidemic, high net worth users constitute the main consumption body in the domestic tourism market. The characteristics of high net worth users are young, high consumption and the pursuit of quality. In terms of gender, the distribution is more equal, with males accounting for 56.9%, slightly better. In terms of age, the average user is 35.6 years old; 26-50 years old is the most important age group, accounting for nearly 80%; In terms of educational background, nearly half of online travel users have a bachelor's degree, and this part of young people have high consumption potential and demand to improve the quality of life.

2.2.4 Technical environment

Against the backdrop of COVID-19, the economy of Shuning has become a major force driving China's economic growth. With the development of digital economy, the tourism industry continues to be digitalized, and hotels are also transforming to digitalization, which not only improves efficiency, but also facilitates the control of the spread of the epidemic and leads the innovation of the industry.

In addition, by collecting the operation data of the hotel, we can obtain the consumer behavior habits of the users, conduct intelligent mining analysis, establish analysis models, provide a variety of business solutions, optimize and adjust the operation of the hotel, and provide data support for the decision-making of the hotel.

2.3 Ctrip's Hotel Business Outlook in China

2.3.1 Product

First of all, the product structure is unique, which is not suitable for the post-epidemic market.

Other services at high-end hotels are not. High-end hotels cannot independently sell buffet, afternoon tea and other services on Ctrip, so it is difficult to explore the characteristics of the hotel, and the platform cannot earn commission income from other hotel products. On the other hand, Lianlian peripheral Tour and other small platforms pay in advance to hotels in specialty restaurants and online celebrity hotels, and purchase hot products in the market with a lower price and a lower commission rate.

What's more, the size of the featured Internet celebrities hotel is small, and it is difficult to emerge on the platform. The ranking of the search interface of Ctrip hotels is based on the customer preference, the rate of return of commission, the closeness of cooperation with Ctrip and other factors. The priority display is mainly large volume hotels with high commission, which are popular with customers. However, with the popularity of surrounding tourism, some characteristic hotels, homestays and online celebrities punch card shops are difficult to show on the search interface, and some of them are not even covered by the platform, nor can they purchase competitive prices. Such as hot spring hotels, esports hotels and other popular Internet celebrities, etc., do not set up a special plate.

2.3.2 Price

Firstly, the low line of hotel pricing. After the epidemic, the government expropriated hotels for epidemic prevention. The vacancy rate of some hotels was too high, and hotels cut prices to increase the occupancy rate. In terms of low-line hotels, Ctrip's market share and the number of rooms and nights are lower than those of Meituan, which leads to a inferior position in the low-line market [5]. Also, Ctrip has obvious business travel attributes and different consumption attributes.

After the epidemic, hotels cut prices, resulting in low profits. In the context of the epidemic, the initial people's willingness to travel is low, coupled with the uncertainty of the epidemic, major companies have also suspended business trips, and the vacancy rate of downtown hotels is high. The hotel carried out a round of shuffling, Ctrip how to dig out new marketing points after the epidemic, hotel pricing, become a crucial issue.

2.3.3 Place

At the first, the channel construction is insufficient and the channel needs to be expanded urgently. The marketing channels of Ctrip hotel products are mainly mobile App, PC end, wechat mini program, public number and Weibo, which belong to the traditional marketing mode. Due to the increase of scene consumption demand and the rise of short video content platform, short video, live broadcast, KOL/KOC planting grass and cross-border marketing and other content marketing has become a common mode of the hotel industry with goods, bringing more traffic and transactions. Under the background of digital globalization, hotels have developed their own apps and Douyin marketing

accounts. Customers' booking channels are not limited to Ctrip and other comprehensive booking platforms.

Secondly, Ctrip is lack of offline and online interaction. The marketing of Ctrip hotel business is mainly online marketing, and the offline marketing promotion needs to be improved. The supplier hotel is one of the important channels for Ctrip to carry out offline promotion and guide the flow online. Against the backdrop of the epidemic, Ctrip should strengthen cooperation with local tourism bureaus and governments to conduct offline promotion, which can not only expand the brand effect and gain traffic, but also help local governments develop tourism.

2.3.4 Promotion

First and foremost, Ctrip is lack of accuracy and innovation in promotion. Since its establishment, Ctrip's main customer group has been business travelers aged 30-50 with certain spending power. The traditional marketing promotion only includes holiday promotion, tail house sale, flash sale, advance booking, etc., which is no longer suitable for people after the epidemic. Consumption habits and the rise of a new generation.

Secondarily, the insufficient development of Ctrip's content marketing. Content-based platforms such as Little RedBook and Tik-tok are leading a new trends, which is called "planting grass". Users have formed the habit of reading text and pictures, short video, live broadcast and so on. The existence of content terminal is crucial. So all hotels should reasonably use OTA platforms to carry out content marketing and fill the Civic traffic pool.

3. Ctrip hotel business profile, management model, commercial pain points

3.1 Introduction to Ctrip Hotel Business

Ctrip's hotel business is part of Ctrip accommodation business department, which is the largest hotel reservation platform in China and one of the top three hotel reservation platforms in the world. In the overseas (countries/regions) has 21 branch offices, domestic has 97 branch offices. At present, Ctrip provides 400,000 hotels in China and 700,000 hotels in more than 300 countries and regions overseas, and the annual night volume exceeds 300 million. Ctrip hotel business includes hotels, inns, homestay apartment products. The hotel business is one of Ctrip's most important sources of revenue, with accommodation booking accounting for nearly 40% of the company's net operating income.

3.2 Management model

Since the epidemic, Ctrip has been actively helping businesses relieve burdens, improve quality and increase revenue. At the same time, two long-term strategies of "tourism marketing hub" and "deep domestic, global" have emerged. In terms of helping the revitalization of tourism destinations, Ctrip has achieved a number of achievements through resort farms and diversified government-enterprise cooperation modes. Ctrip is a leading enterprise in the tourism industry, and the hotel business is one of its main businesses [6]. Ctrip's marketing strategy transformation under the impact of the epidemic is, on the one hand, to adapt to the development of the epidemic and actively seek changes on the online Jiaoshu platform: On the other hand, as the epidemic continues, there is still a long way to go for the development of online accommodation platforms [7]. As a leader in the industry, Ctrip has the power and space to continuously optimize its marketing strategy.

4. Ctrip's difficulties in managing its hotel business in the context of the COVID-19 pandemic

4.1 The enterprise culture

The most spiritual part is the "Ctrip Way", which Ctrip has been operating for 14 years. The business objectives should be consistent with the cultural objectives. The most important thing for a

enterprise is to build a unified sense of values and mission, and create a team executive force that integrates knowledge and action. The vision of Ctrip is to join hands to achieve a wonderful life journey, and to join the world Fortune 500 in the future. This is a goal and direction that all Ctrip people know.

Secondly, the business philosophy of Ctrip is that all employees are customer-centered, with a close and seamless cooperation mechanism between teams, with meticulous professionalism and honest cooperation philosophy, so as to jointly create the maximum value. Whether a company can cultivate a corporate culture conducive to the long-term stability of the company, in a sense, depends more on whether it can complete the annual performance. Every employee of Ctrip knows that the core of Hitch's corporate culture is "5-1", namely five concepts, four spirits, three responsibilities, two pursuits and a spirit of hard work [8].

Thirdly, the talent is the core competitiveness of an enterprise. In any enterprise team, there must be a variety of talents with different roles, and the most important job is to integrate them. Ctrip requires a company culture that combines the passion and innocence of a startup with the focus and rigor of a mature company.

Lastly, Ctrip has formed a complete talent training and reserve plan. Every time a new company is formed, a new department is formed, and a new product is launched, more jobs are created and released, and opportunities for advancement follow. Ctrip also focuses on finding talents in the original positions, giving them more authority, and improving their management skills and responsibilities.

4.2 Pricing strategy

Ctrip's travel and hotel business adopts the pricing strategy of combining cost oriented pricing method and differential pricing, and at the same time, it provides different prices for personalized travel services, which means it will provide different products and services, and different scheduled times based on differential pricing. Ctrip is the epitome of OTA booking (online travel distribution), which relies on the agency model to earn commissions as its main source of income.

4.3 Advertising

Ctrip's website promotion method is based on SEO (search engine promotion method), supplemented by online advertising E-mail. By logging in to the free classified directory, logging in to the paid classified directory, search engine optimization, keyword advertising, keyword bidding ranking, web content targeting advertising and other methods to make their products get a higher ranking in order to obtain users and traffic. This can reduce the nuisance of advertising to users, increase the accuracy of potential customer positioning, enhance the relationship with customers, and improve brand loyalty.

4.4 Staff management

Ctrip Group launched a new policy of "3+2" hybrid office mode. From March 2022, it will allow its employees to telecommute every Wednesday and Friday. The adjustment comes from the mixed-work system advocated by Jianzhang Liang, Ctrip's founder, and was first tested by female employees. The purpose of setting up this new work system is not only to prevent and control the epidemic, but also to relieve the pressure of employees to take care of their families and children. It is better to promote the social fertility rate. In addition, Ctrip has encouraged its employees to take part in the community fight against the epidemic during their current home work period, as pioneers and leaders. The organizational skills and communication skills that these employees have accumulated in their own jobs make a difference in the community.

During the epidemic period, Ctrip urgently launched the "travel health Record" management system for employees.

By coronavirus outbreak, in the spring of 2022, when the staff travel home, to visit and travel triple crisscross, as a service enterprise customers domestic leading travel management companies,

ctrip travel adhering to the principle of focus on travel safety and health of employees, day and night emergency staff travel health records management system research and development work, And went live in just a few days. Through the "travel health record" management system, employees can upload and submit their own "health records" and "medical records" in real time, so that enterprise managers and travel directors always pay attention to, understand and monitor the health status of employees, find abnormalities in time, and respond quickly.

5. Suggestion

5.1 Combine merger and acquisition with strategic cooperation

The business model of online tourism industry is highly replicable and the competition of homogeneity is serious, which makes it very difficult for Ctrip to achieve differentiated competition. However, at present, Ctrip is still the leader in this industry, and its scale is also temporarily unsurpassed by other enterprises in the same industry [9]. Ctrip has the ability to acquire other enterprises in the same industry, which can eliminate competition rivals through merger and acquisition. For those enterprises that cannot carry out merger and acquisition, strategic cooperation can be implemented to achieve win-win results.

5.2 Ctrip hoteliers need to flexibly respond to market changes and focus on exploring new markets

With the uncertainty created by the pandemic, it is impossible to predict when and how it will suddenly strike. To counter this, Ctrip's hotels should all offer more flexible cancellation strategies. In addition, the number of flights and destinations have been greatly reduced, and long-distance public transport has undergone major changes. Ctrip hoteliers need to consider strategies to offer free parking and other benefits to self-driving guests in light of this new change in demand. Seize the special times of customer demand, so as to improve the hotel service reputation and market competitiveness.

5.3 Innovation-driven, enrich the hotel operation mode

On Ctrip, room revenue supported by travel business and tourism is the main source of Ctrip's hotel business income, but it is also vulnerable to external shocks and lead to losses. Therefore, Ctrip's hotel Business Division should enrich the operation mode of the hotel, create multiple revenue growth points, innovate the profit model, help the hotel enhance its anti-risk ability, and further enrich the revenue forms [10]. In addition, the "hotel + community" model is a model gradually emerging in China during the epidemic, which emphasizes that communities and hotels become a symbiotic whole. Hotels should not only serve tourists from other places, but also pay attention to local residents and integrate into the surrounding communities. Ctrip can innovate this model of learning.

5.4 Establish user data analysis system to improve customer satisfaction

The establishment of user data analysis system is conducive to Ctrip to provide more comprehensive services and improve customer satisfaction. If Ctrip wants to achieve further development, it must retain the existing user resources, constantly explore new customer resources, improve its own service system, and provide comprehensive and intimate services; Establish a perfect user consultation system, provide existing customers and potential customers with comprehensive scenic spots information, in order to improve customer satisfaction, form a good word-of-mouth effect, cultivate more potential customers.

6. Conclusion

After the COVID-19 outbreak in 2020, Ctrip's hotel business has been recovering as the company has changed its marketing strategy from the hotel business segment. This is not only a major change

in Ctrip's own hotel business, but also brings new life to the Chinese hotel industry, leading the transformation of the whole industry. At the same time, however, the pandemic remains volatile, the hotel industry remains vulnerable, and the recovery of the domestic hotel industry remains grim. Online tourism platforms need to continue to explore new marketing methods when the epidemic becomes normal. Hotel business development should always be planned around the user, only based on the user itself, improve the service level and meet customer needs to promote the long-term strategic layout, to make Ctrip hotel industry in an invincible position in the fierce market competition.

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