



Short Case 48

MELIÁ HOTELS INTERNATIONAL: STRATEGIC DEVELOPMENTS REGARDING COVID-19

Carmen De la Calle Durán
Universidad Rey Juan Carlos

The Covid-19 pandemic has tested hotel chains' capacity for resilience and reinvention. The restrictions on personal movement and new consumer tendencies, informed by social distancing and health concerns, are calling for original responses to the current scenario. Meliá Hotels International has therefore sought to exploit its know-how, infrastructure and digital capabilities to explore new business opportunities. This has involved launching a new experience in remote working from its establishments, while at the same time enjoying the hotel's supplementary offer, with the aim being to find new ways of raising the occupancy level and income, following the collapse of business travel.

Meliá is thus responding to a growing demand among businesses and employees looking for somewhere well-appointed, comfortable and safe for working without distractions and with the utmost privacy according to the new concept of "Day Stay", whereby a customer may make private use of a room during the day, from 8 am to 8 pm.

This initiative has been implemented in a number of city hotels, with local people being the target demographic, and the system is already up and running in several of the company's hotels in Spain, Germany, the UK, Italy and the US, with prices ranging from 49 to 109 euros, depending on the location and brand.

The package includes the use of the room, designed to be a safe environment thanks to the programme Stay Safe with Meliá, and equipped with all the features needed for working, such as unlimited high-speed WiFi, a protection kit consisting of a face covering and sanitiser gel, a courtesy bottle of water, coffee and tea, printing service, and 10% discount in the hotel's restaurants. In addition, customers have free access to the swimming-pool, gym and rooftop facilities, and for an extra charge, they may use other services such as the child nursery, room service, minibar, parking, transfers, and vehicle hire.

Elsewhere, the company has also explored other business opportunities for the holiday hotel segment, and is preparing to launch a new experience: Long Stay Workation, specifically designed for three kinds of guests: those on holiday wishing to prolong their stay to work; those on a business trip wishing to stay on for a few days' holiday, and finally, those working part-time wishing to spend some of their time at the hotel resting and relaxing.

The programme is to be introduced shortly at a selection of resorts in the Caribbean (on an all-inclusive basis) and Spain, providing an additional 10% discount on the price of the room for stays of more than 14 days, and 20% for more than 21 days.

According to André Gerondeau, Chief Operating Officer at Meliá Hotels International, "remote working provides an opportunity for creating a new product within the framework of the long-stay hotel offer, which constitutes an incentive for staff/guests, as it means having a beachside office and enjoying the tourist infrastructure, thereby striking the perfect balance between work and private life, with the corresponding emotional benefits".





Question: Use the Ansoff Matrix to analyse the steps Meliá Hotels International has taken in terms of development pathways.

Sources of information used

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