

## **Niche Marketing Approach: The Case of WM Hotel Hong Kong**



Source: Unsplash (2022)

### **Background**

Located on the outskirts of Sai Kung, the WM Hotel Hong Kong is developed by IHG Hotels & Resorts Group under the new luxury brand line Vignette Collection (WM Hotel, n.d.). As part of the Vignette Collection, the hotel is committed to offer luxury experience adhering to high standards and create a positive impact on local communities and the environment at the same time (IHG Hotels & Resorts, n.d.).

Sitting amongst the expansive seascapes and rolling mountains of Sai Kung, WM Hotel aims to provide a tranquil and relaxing retreat from the usual bustle of Hong Kong to the guests (WM Hotel, n.d.). The hotel design fully capitalizes the geographical makeup of the area, with over 70% of the balcony-equipped guestrooms overlooking the rocky coastline of Sai Kung (WM Hotel, n.d.). Taking advantage of surrounding natural environment, the hotel offers a staycation package that allows guests to glamp on the hotel's private rooftop and gaze at starry night skies and the vast sea view while enjoying a hassle-free atmosphere (WM Hotel, n.d.). The glamping package helps the hotel to further target nature lovers, which is one of the hotel's major target segments.

Another key target segment for WM Hotel is pet owners. The hotel has cultivated a strong identity as a pet-friendly luxury property, offering the "WoofCation" package. This includes pet welcome amenities, complimentary pet spa services, cash vouchers, and access to an outdoor terrace with dedicated pet facilities. This comprehensive approach has allowed the hotel to capture a growing market of guests seeking high-end experiences they can enjoy with their pets.

## **Challenges**

Despite having well-defined market segments and creative offerings that align with it, the remote location of the hotel poses a huge challenge to the hotel's competitiveness. While WM Hotel Hong Kong might be able to attract a small niche market of nature lovers and travellers with pets, general leisure travellers are very unlikely to consider it due to its location being so far from the popular tourist attractions in the city center. Moreover, given that customers are already not quite familiar with IHG group's new brand line Vignette Collection due to its recent establishment and limited information available online, the hotel has put in very limited investment into advertising. Despite positioning itself among other luxury hotel brands in Hong Kong, VM Hotel Hong Kong did not sponsor to be within the 30 hotel results when searched about "luxury hotel". It is evidential that VM Hotel Hong Kong did not invest in search engine keywords either as they only appeared on the second page of results when searched about "pet-friendly hotel" on the internet.

## **Discussion Questions**

1. How effective are WM Hotel Hong Kong's current market segments (nature lovers and pet owners) in driving occupancy rates?
2. What strategies can the hotel implement to minimize the impact of remote location on the hotel's attractiveness towards potential customers?
3. How does WM Hotel Hong Kong's offering compare to other luxury and pet-friendly hotels in Hong Kong in terms of price, amenities, and overall experience?
4. What digital marketing or search engine strategies can WM Hotel use to improve its online presence and increase brand visibility?
5. How can WM Hotel better communicate the Vignette Collection's unique value proposition to differentiate itself in a competitive luxury market?

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### **Keywords**

- Niche marketing
- Pet-friendly hotel
- Staycation
- Glamping
- Digital marketing
- Brand visibility

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