

Hotel Food & Beverage Membership: A Case of Mandarin Oriental Hong Kong



Source: Unsplash (2014)

Background

Hong Kong's culinary landscape is adorned with a constellation of Michelin-starred restaurants—79 in 2024—offering a dazzling array of dining experiences worth traveling for (The Globe and Mail, 2024). Among these, the Mandarin Oriental stands out with nine unique bars and restaurants, including beloved classics and two Michelin-starred venues, providing guests with an array of unforgettable dining experiences (Mandarin Oriental Hong Kong, n.d.).

Recognizing the city's vibrant food scene and the discerning tastes of local residents, Mandarin Oriental Hong Kong launched a mobile application named “Central” in 2021. This private lifestyle membership program features special wine and dine offers tailored specifically for Hong Kong residents (Mandarin Oriental Hong Kong, n.d.). What distinguishes “Central” from Mandarin Oriental's existing loyalty program “Fans of M.O.” and other hotel brands' loyalty applications is its focus on enabling locals to explore and enjoy the gastronomic delights offered by the group.

The app provides users with access to in-app dining reservations, online shopping, and the latest promotions. Complimentary users can earn 1 reward point for every HKD100 spent on dining. Additionally, users have the option to upgrade to a “Central+” membership for HKD2,488, which includes benefits such as a 10% year-round dining discount and exclusive introductory offers valued at HKD4,000. These offers encompass dining credits at various outlets, a bottle of Champagne, and discounts on guest rooms and spa treatments (Mandarin Oriental Hong Kong, n.d.). Overall, the app is designed to enhance the user experience and foster loyalty through valuable rewards and convenient features.

Challenges

While there are many affluent and price-insensitive Hongkongers, Mandarin Oriental faces the challenge of maintaining the loyalty of this niche market. Although the app is designed to enhance customer experience with features like in-app dining reservations, online shopping, and exclusive promotions, it falls short in fostering long-term loyalty among these high-end customers. The affluent segment often seeks unique and personalized experiences that go beyond standard rewards, and the current app offerings may not sufficiently address these expectations. Consequently, the hotel must find innovative ways to engage this niche group and build lasting loyalty.

Discussion Questions

1. How can Mandarin Oriental better segment the Hong Kong market to identify and target customers who are more likely to appreciate and utilize the "Central" app?
2. Apart from convincing guests to download the app, what other challenges might be faced by Mandarin Oriental Hong Kong when promoting the "Central" app?
3. What marketing strategies could be employed to effectively promote the "Central" app and its offerings to local residents, particularly those who may not typically dine at hotel restaurants?
4. What future developments or features could be added to the "Central" app to keep it relevant and attractive to users?

References

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Keywords

- Loyalty program
- Customer engagement
- Mobile app
- Personalization
- Marketing
- Hotel

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