

Long Stay Offerings and Guest Loyalty: A Case of Panda Hotel



Source: Wikimedia Commons (2016)

Background

With its iconic panda logo on the building's exterior, Panda Hotel has been a landmark of the Tsuen Wan District for many years (Hong Kong Business, 2017). Being just 25 minutes away from the Hong Kong International Airport and offering free shuttle service to key shopping areas including Mongkok and Tsum Sha Tsui, the hotel is a convenient choice for international travellers (Panda Hotel, n.d.). Combining friendly service with comprehensive leisure and business facilities, and offering over 900 well-appointed guest rooms and suites, the hotel aspires to be a "favourite home away from home for discerning international travellers" (Hopewell Holdings, n.d.).

Long Staying Package

In response to the significant decline in international tourism caused by the COVID-19 pandemic, Panda Hotel introduced long-stay packages in 2020 to adapt to shifting market demands (Panda Hotel Facebook, 2020). With border closures and travel restrictions reducing the number of short-term visitors, the hotel pivoted its strategy to target local residents and individuals in need of temporary accommodation—such as those undergoing home renovations, waiting for housing arrangements, or seeking a more flexible living option during uncertain times.

To promote the offering and attract this new market segment, Panda Hotel hosted a "Long Stay Open Day," showcasing exclusive on-site benefits tailored for extended guests (Panda Hotel Facebook, 2022). Current rates start at HK\$7,140 for 14 nights and HK\$13,800 for 30 nights (Panda Hotel, n.d.).

Long-stay guests receive complimentary weekly housekeeping, free local phone calls, and access to the service pantry, self-service laundry, health club, and outdoor swimming pool. The package also includes a 20% dining discount at the hotel's restaurants and a special breakfast buffet rate of HK\$85 per person (Panda Hotel, n.d.).

The More You Stay, The More You Earn

To build customer loyalty, Panda Hotel launched its own rewards program, iPanda, under the slogan “The more you stay, the more you earn.” Guests can register for a complimentary ‘iClass’ membership and start earning points by booking through the iPanda website or spending at the hotel’s restaurants to redeem a wide range of benefits, where 1 point = HK\$1 eligible spending (Panda Hotel, n.d.). For example, with 2,000 points, members can redeem HK\$100 cash coupon for AEON department stores or HK\$200 cash coupon for the hotel’s restaurants (Panda Hotel, n.d.). While there is no expiry of membership and accumulated points, guests will be promoted to a ‘pClass’ membership when they have stayed for 20 nights or earned up to 20,000 points (Panda Hotel, n.d.). For ‘pClass’ members, they can enjoy early check-in at 10am, late check-out at 4pm, free room upgrade to the next class, and receive welcome in-room amenity every time they check-in with the hotel (Panda Hotel, n.d.).

Challenges

Although providing affordable long staying packages might be a good differentiation strategy for local hotel brands, Panda Hotel faces intense competition as there are several hotels in the area also offering long staying plan at a similar or even lower rates. According to Runhotel.hk (2024), a 30-night stay at Dorsett Tsuen Wan starts from HK\$13,500, while Silka Tsuen Wan offers 30-night stay in a relatively smaller room at HK\$10,395. On the other hand, despite the hotel’s loyalty program offering a lifetime membership and loyalty points with no expiry, the rewards and member privileges offered by the hotel are no different than many other brands. As a result, Panda Hotel may need to enhance its offerings—both in terms of pricing and experience—to remain competitive and attract long-term guests.

Discussion Questions

1. Who should be the primary target audience for Panda Hotel's long-stay packages, and how can the hotel effectively reach and engage this segment?
2. In what ways can Panda Hotel enhance the customer experience for long-stay guests to ensure they feel at home and encourage repeat visits?
3. Given the competitive pricing in the area, should Panda Hotel consider revising its pricing strategy for long-stay packages, and if so, how?
4. Given that the long-stay package was introduced in response to the COVID-19 pandemic in 2020, how relevant is this offering in today’s post-pandemic hospitality market? Should Panda Hotel continue, modify, or phase out the long-stay package based on current customer needs and market trends?
5. What additional benefits or features could Panda Hotel introduce to its iPanda loyalty program to keep loyalty program members engaged and motivated to earn and redeem points regularly?

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Keywords

- Hotel
- Long Stay
- Loyalty
- Packaging
- Market Position
- Differentiation

Acknowledgement

This case study is based on and adapted from the work of undergraduate students CHUNG Kai Shing Caleb; WONG King Ho Felix; CHUI Ngan Fong; BACH Pierre-Olivier; NG Wing Tung; YUEN Hoi Ching from the School of Hotel and Tourism Management at The Hong Kong Polytechnic University.