

# Case Study – Tune Hotels

Tune Hotels Group (a subsidiary of AirAsia) established a leap of value in the hotel market place through the delivery of ‘Five star sleeping environment at a one star price’.

Central to its leap in value was the identification of five important factors in hotel accommodation including:

- 5 star beds
- Power showers
- Central locations
- Clean environment
- 24 hours security

This was a blue ocean strategic move through creating value innovation. They reconstructed market boundaries (using the six paths framework) and created value innovation (using the four actions framework , the buyer experience cycle and buyer utility models) to establish an exceptional leap in value.

Returning a profit within months of operation, Tune Hotels has over 13 hotels in operation in Malaysia, Indonesia, England, the Philippines and Thailand. Another 18 hotels are under construction including Australia’s first Tunes Hotel in Carlton (opening Dec 2012). It forecasts a global portfolio of 100 hotels by 2015.



Formulation

Validation

Execution