

**The Saigon International  
University**



Graduation  
**Internship**  
Report

**The Saigon International  
University**



# Graduation Thesis

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# GRADUATION THESIS

*Major*

Business Administration

*Title*

*Strengthening Business Performance through  
Purchasing Strategies: A Comparative Study of  
Two Leading Hospitality Corporations*

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## **DECLARATIONS**

I hereby declare that this report is my original work. I affirm that this graduation thesis has been composed independently without any form of plagiarism or unauthorized copying from other works.

All information, data, and references used in this report are permitted by Pullman Saigon Centre and Park Hyatt Saiton, the organizations where I had opportunity to work.

## **ACKNOWLEDGEMENT**

I would like to express my sincere gratitude to all those who have supported me throughout the journey of writing this graduation. Firstly, I want to extend my thanks to my instructor and also my teacher, Ms. Kazi Raisha Anwar, who guided, encouraged, and supported me in shaping this graduation thesis. Her feedback has played a significant role in helping me understand and enhance the quality of this thesis.

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Furthermore, I am grateful to my friends who have given valuable advice, encouragement, and support during the course of the time I was writing this thesis. Their perspectives and advice have been helpful in my understanding of the topic.



## **ABSTRACT**

In the hospitality industry, business strategies are extremely essential for operational practices, guest satisfaction, and revenue management. This study discovers one of the most important business strategies in this industry, purchasing strategy. By comparing two luxurious hotels in Ho Chi Minh City, Park Hyatt Saigon and Pullman Saigon Centre, the study aims to discover different business models and practices that contribute to the hotels' business successes. The research objectives include an examination of how the purchasing practices these hotels impact their business targets. In the highly competitive hospitality sector, a well-structured purchasing strategy significantly impacts revenue and provides memorable experiences for guests.

The study also reveals that both Park Hyatt Saigon and Pullman Saigon Centre execute different purchasing strategies to achieve their business goals. Park Hyatt Saigon focuses on premium supplier relationships and luxurious experiences for the customers. In contrast, Pullman Saigon Centre implements operational efficiency strategy through strategic cost management and environmentally friendly policy.

This study aims to provide reasons why effective purchasing strategies can drive hotel development by improving cost control, guest experiences, operational efficiency as well as managing potential risks, thereby significantly contributing to the financial and operational successes of hotels.

# CHAPTER 1. INTRODUCTION

## 1. Rationale of the study

“A product is something made in a factory; a brand is something that is bought by the customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.” (Stephen King)

Through this quote, we figure out that purchasing high-quality products is crucial for transforming products into premium brands. While products are tangible outputs, brands are bought by clients for their value and eye-catching appeal. Purchasing strategy plays a vital role in ensuring that materials uphold a brand identity, contributing directly to brand awareness of customers.

Overall, in the competitive market of hospitality industry, purchasing strategies are important for operational practices, customer satisfaction and revenue control. The rationale for this study plays a critical role in purchasing strategies in cost management, operational efficiency, and guest experience. By comparing two hotels in Ho Chi Minh city, Park Hyatt Saigon and Pullman Saigon Centre, which represent different business models, brand identities, practices that contribute to their successes.

In recent dynamic hospitality environment, where operational excellence directly impacts the profit and customer experience, the purchasing strategies becomes a strategic plan. Each hotel has its unique process, supplier relationships, and financial management strategy, which reflect their priorities and selections as well as their advantages in the competitive hospitality industry.



Through this comparative analysis, the study aims to discover insights by focusing on these various aspects. Also, the research seeks to provide valuable sharings and experiences of stakeholders that can help hospitality businesses navigate challenges, opportunities, to develop their overall operational procurement and customer satisfaction level.

## ***2. Profiles and backgrounds of the hospitality industries***

*In this part, I will provide detailed profiles of two hotels, Park Hyatt Saigon and Pullman Saigon Centre, highlighting their market positions in Ho Chi Minh City*

### **2.1. Profile of Pullman Saigon Center**

The first hotel I am going to write about in this thesis is Pullman Saigon Centre, a premium hotel, located in the vibrant heart of Ho Chi Minh City. It belongs to Accor Hospitality Group, a French multinational hospitality firm that manages hotels, resorts and properties. Offering luxurious retreat and experience for travelers, Pullman Saigon Centre ensures a memorable stay, vacation for the clients, whether the purpose of the trip is visiting for business or leisure. Located in District 1, the hotel is ideally positioned for guests to explore city's attractions such as Ben Thanh Market, the Saigon Opera House, and the Notre-Dame Cathedral Basilica of Saigon. Its central location makes it a convenient selection for tourists.

#### **2.1.1. Length of Existence**

Pullman Saigon Centre opened its doors in 2013. Since then, it has been a go-to spot for travelers looking for modern and luxury services. With its chic style and warm welcome, the hotel has been a favorite for visitors wanting a comfortable and stylish stay in the bustling Ho Chi Minh City.

### **2.1.2. Hotel Category**

Pullman Saigon Centre belongs to the upscale hotel category, offering luxurious amenities and services to its customers. As a part of Accor Group, it upholds high standards of hospitality and targets various customer segments, especially young businessmen, especially foreign visitors looking for a sophisticated and comfortable experience in the heart of Ho Chi Minh City.

### **2.1.3. Number of Employees/Departments**

#### **Executive Management**

- General Manager
- Executive Assistant Manager
- Personal Assistant of General Manager

#### **Housekeeping**

- Housekeeping Supervisor
- Laundry Supervisor
- Room Attendants
- Laundry Attendants

#### **Front Office**

- Front Office Manager
- Front Desk Supervisor
- Duty Manager
- Reservation Supervisor
- Concierge
- Guest Services Representative
- Front Office Staff

#### **Food and Beverage**

- Food and Beverage Manager
- Restaurant Manager
- Restaurant Supervisors
- Restaurant Captains
- F&B Coordinator
- Bar Manager
- Banquet Manager

- Banquet Supervisor
- Banquet Captains
- Kitchen Supervisor
- Chef
- Attendants

Bartenders

Cooks

### **Sales and Marketing**

- Sales and Marketing Director
- Sales and Marketing Manager
- Sales and Marketing Executive
- Sales and Marketing Coordinator

### **Human Resources/Talent and Culture**

- Talent and Culture Manager
- Talent and Culture Assistant

Manager

### **2.1.4. Facilities and Amenities**

Pullman Saigon Centre features 306 stylish rooms, including 17 suites, each featuring stunning views of the city. The hotel includes various dining options, such as Food Connexion, an buffet restaurant serving both traditional and international cuisine, and Mad Cow Wine & Grill, a rooftop bar and restaurant. Urbane Lounge features an relaxing setting

- Talent and Culture Executive

### **Finance**

- Financial Controller
- Assistant Financial Controller
- Cost Controller
- Purchasing Manager
- Accounts Payable Clerk
- Accounts Receivable Clerk
- Payroll Administrator

### **Engineer**

- Engineering Manager
- Chief Engineer
- Maintenance Technicians
- Engineering Coordinator

that is impeccable for gathering with friends. Additional facilities include a fitness center, an outdoor pool, a spa, and extensive meeting and conference spaces suitable for events.

## **2.2. Profile of Park Hyatt Saigon**

The second organization that I am going to write about in this report is Park Hyatt Saigon. It is a 5-star hotel owned by Grand Imperial Saigon Company, Vietnam, and is operated by the Hyatt International Corporation (USA).

The hotel is located in the city center on Lam Son Square, overlooking the Opera House, near entertainment areas and tourist attractions, and 7.5 km from Tan Son Nhat International Airport. The magnificent 9-story ivory-colored Park Hyatt building is designed and constructed in French architectural style, creating an antique and luxurious ambiance.

### **2.2.1. Length of Existence**

Park Hyatt Saigon opened its doors in 2005, marking its presence in the prestigious hospitality landscape of Ho Chi Minh City, Vietnam. Since then, it has been a go-to spot for travelers seeking ultimate luxury and elegance in the heart of District 1. With its combination of sophisticated design, handcrafted details, and modern-day comforts, the hotel has been the best selection for visitors desiring a luxurious and comfortable stay in this bustling city.

### **2.2.2. Hotel Category**

Park Hyatt Saigon is categorized as a luxury hotel, providing premium amenities and services to its clients. As one of the top hotels in Ho Chi Minh City, it maintains the highest standards of hospitality, catering to both leisure and business travelers, especially foreign visitors who seek a splendid experience in the center of the city.

### 2.2.3. Number of Employees/Department

#### **Executive Management**

- General Manager
- Deputy General Manager

#### **Human Resources**

- Human Resources Director
- Human Resources Manager
- Human Resources Assistant  
Manager
- Human Resources Executives

#### **Housekeeping**

- Director of Rooms
- Housekeeping Supervisor
- Housekeeping Manager
- Assistant Housekeeping Manager
- Housekeeping Staff

- Room Attendant

- Laundry Attendant
- Public Area Attendant
- Security Staff

#### **Finance**

- Finance Director
- Finance Manager
- Accounts Payable Officer
- Accounts Receivable Officer
- Payroll Specialist
- General Cashier
- Credit Manager
- Cost Controller
- Cost Clerk
- Income Auditor

## **Sales and Marketing**

- Sales and Marketing Director
- Sales Manager
- Marketing Manager
- Sales and Marketing Secretary
- Sales Representative
- Marketing Coordinator
- Marketing Specialist
- Digital Marketing Specialist
- Market Research Analyst
- Advertising Coordinator
- Public Relations Specialist
- Event Coordinator

## **Technical**

- Technical Director
- Maintenance

- Fire Protection
- Security

## **Food and Beverage**

- Food and Beverage Manager
- Restaurant Manager
- Restaurant Supervisors
- Restaurant Captains
- F&B Coordinator
- Bar Manager
- Banquet Manager
- Banquet Supervisor
- Banquet Captains
- Kitchen Supervisor
- Chef
- Attendants
- Bartenders
- Cooks

## **2.2.4. Facilities and Amenities**

Park Hyatt Saigon offers hotel rooms including 23 suites, combining elegant, traditional decoration with latest technology such as mini iPads. Customers can enjoy diverse dining options such as a mixture of Vietnamese and French cuisine at Square One, Italian cuisine at

Opera, and cocktails at 2 Lam Son bar. The hotel also provides relaxing treatments at Xuan Spa, and a 20-meter outdoor Pool Bar.

### **3. Research objectives**

This thesis compares the purchasing strategies of two luxurious hotels in Ho Chi Minh City, Park Hyatt Saigon and Pullman Saigon Center. By examining how their purchasing processes and financial management affect their business goals.

Also, this thesis aims to highlight the importance of Purchasing Strategy in Revenue Enhancement Policy

In the competitive scenery of the hospitality industry, a well-structured business strategy is extremely beneficial for enhancing revenue and providing unforgettable experience for the customers. One of the important business strategies is purchasing strategy, methods and processes of acquire goods and materials for the organization.

A well-structured purchasing strategy drives hotel development by improving cost management, enhancing customer experiences, increasing operational efficiency, and managing risks. These benefits considerably contribute to the hotel's financial performance.

For instance, one of the strategies in purchasing practices is establishing long-term relationships with regular suppliers, which is helpful in managing financial performance through advantageous contract terms, such as:

Bulk purchase discounts, which helps lowering costs for a large amount of products, directly improves monthly profit, allowing hotels to invest in other areas such as room and restaurant

facilities upgrades or marketing campaigns for attracting more customers and enhancing guest services.

Fixed pricing, protects the hotel from market price fluctuations and ensures predictable costs. This financial term allows the hotel to maintain consistent pricing strategy, contributing to more predictable profit margins, avoiding unexpected or additional expenses.

Extended payment terms, giving the hotel more time and flexibility to spend on immediate needs including urgent payment or short-term projects. The hotel can delay supplier payments while paying for the more important fees to balance immediate needs with long-term improvements.

#### **4. Research Questions**

There is a desperate need to address the disadvantages and limitations of purchasing strategies within the hospitality industry. This research will compare and highlight some excellent purchasing strategies and practices of two hotels, Park Hyatt Saigon and Pullman Saigon Center. How they enhance customer satisfaction and purchasing procurement in this competitive hospitality industry. Some questions that need to be answered are:

*What are similarities and differences of the existing purchasing strategies of the hospitality industries?*

*What are the current purchasing practices used by hotels in Vietnam, specifically at Pullman Saigon Centre And Park Hyatt Saigon?*

*How do these hotels manage supplier relationships and procurement processes?*

*What is thematic analysis of the purchasing strategies of the selected hospitality industries?*



## **5. Statement of the Problem**

As the hospitality corporation seeks to maximize revenue, a critical challenge arises: developing an effective purchasing strategy that harmonizes with the business goals. This challenge demands the need for strategic decisions to successfully contribute to revenue growth, cost efficiency, and exceptional customer experience.

In the competitive hospitality industry, their purchasing strategy serves as an important tool, connecting critical business strategy and operational execution. It indicates how resources are bought, managed, and optimized to enhance the hotel's position and reputation in the market.

In addition, their strategy must address immediate procurement requirements while anticipating future trends and demands, positioning them for success in the developing marketplace. This requires thorough planning and smart investing to boost revenue in the present and also in the future.

Moreover, their purchasing strategy must be adaptable to keep up with changes in the hospitality industry, capable of responding to unpredictable market conditions, consumer preferences and seasonal demands. This requires continuous enhancement and optimization of their procurement processes, supplier relationships, business partners, favorable contract terms and cost-saving strategy to remain aligned with their main business objectives.

In conclusion, the hotel's challenge of creating a suitable plan to acquire materials is to develop a purchasing strategy that is a strategic alignment between their business plans and their goal to achieve excellence and determine their position in the hospitality industry.

## **6. Significance of the Study**

This study carries importance in offering comprehensive insights into the purchasing strategy development of the hospitality corporation. By meticulously examining and comparing the purchasing strategies of two esteemed hotels in the center of Ho Chi Minh city, it not only provides a deeper understanding of industry practices but also facilitates informed strategic planning within the hospitality industry.

Furthermore, the insights gained from this study provide invaluable understanding for hospitality firms aiming to optimize their procurement processes and increase revenue. By examining the strategies utilized by Pullman Saigon Centre and Park Hyatt Saigon, the study uncovers how the hotels determine practical approaches and areas for potential enhancement to effectively refine their purchasing strategies to better align with their business objectives.

Moreover, the implementing an effective purchasing strategy presents multiple benefits for the hospitality corporation. By balancing between procurement practices and business goals, such as cost reduction and revenue enhancement, the corporation can mitigate unnecessary expenses, and maximize the profit within the competitive industry.

In essence, this study highlights the valuable role of strategic procurement decisions in purchasing strategies that helps in driving financial success while maintaining the significance of operational efficiency and service excellence of the two hotels, Park Hyatt Saigon and Pullman Saigon Centre.

## **7. The scope of the study**

This part of the study aims to understand how purchasing strategies are adopted by different hotels of the hospitality industry. How similar and different they are in implementing business practices to compete with other hotels in Ho Chi Minh City as well as position themselves in the Vietnamese hospitality market.

When it comes to acquiring material strategy, what matters most are market factors, costs and expenses of stakeholders. However, the more important factor is the strategy of how to save money and enhance monthly revenue.

This part provides how Park Hyatt Saigon and Pullman Saigon Centre balance between these mentioned aspects, comparing the purchasing strategies of two hotels, focusing on how different they are in managing purchasing strategies to improve the overall revenue of the hotel.

## **8. Limitation of the study**

The study has pointed out numerous sources and conducted a detailed survey and interview within the employees and employers to achieve the result of experience, thought for improving overall business performance, acknowledging the similarities and differences in two luxurious hotels. However, due to the limitations of writing skill, this thesis may contain errors and shortcomings.

In comparing purchasing strategies of two hotels, limitations can be detailed analysis due to restricted access to internal data and information of two hospitality corporations. Although this thesis contains limitations, the mentioned limitations are a basis for the writer to improve writing expertise.

## **CHAPTER 2. LITERATURE REVIEW**

### **1. Definitions of Terminology**

#### **Purchasing Strategies:**

A term used by companies or organizations to acquire goods and services, manage procurement, aiming to optimize cost efficiency and operational effectiveness within the specific industry.

#### **Operational Efficiency:**

The ability of organizations to provide services in the most cost-effective way without sacrificing the quality and guest experience.

#### **Cost Management:**

Strategies implemented to control and mitigate unnecessary expenses in purchasing activities. This includes budgeting, negotiating with business partners, and optimizing cost and inventory.

#### **Data Analysis:**

The process of using data to analyze and give decisions in the financial department. This is necessary for purchasing strategies effectiveness.

#### **Procurement Records:**