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Business Report
Comparison between
Corinthia Hotels and Ibis Hotels

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Module code: BMIH5007

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Word count

Executive summary

Executive Summary

This report is presenting a comparison between two different hospitality businesses, pointing out not only the differences between them, but as well an analysis of why these differences are between them, what factors are influencing the companies' results and, at the end, a short list of recommendations based on the findings.

The companies compared are Corinthia Hotels and Ibis Hotels.

Corinthia Hotels and Ibis Hotels are two hotel brands who, at the base, they offer the same basic needs, which are a room to sleep and food. The difference between them is regarding how they are offering these services. Corinthia, being a luxury hotel, are offering to them customers the extravagance experience while booking and staying with them, for example opulence rooms, restaurants, and additional services, like spa, pools and other services that would add value to the whole customer's experience.

On the other hand, Ibis hotels are offering basic services, while the customers get, for the money they spend, a relaxed and comfortable stay, in rooms not that big, but comfortable, while enjoying every single detail of their journey.



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Report Structure

Introduction



purpose of introduction

Russo (2022) states that a company's financial situation and operations are made transparent and understandable through financial reporting. After researching the information provided by the companies, an analysis of their practices will be made to provide a better understanding in regards to their performances.

This report will assess the financial management strategies of two hotels, taking into account key performance indicators and sustainability-related concerns such as total revenue, market position, development prospects, and financial dedication to corporate social responsibility.

The comparison from this report will be made between Corinthia Hotels and Ibis Hotels.

To get a better understanding of the hotels, a short presentation regarding their backgrounds will be made.

Financial reporting often offers details on income, costs, gains and losses, cash flow, and the condition of your balance sheet. (QuickBooks, 2022)

The comparison will point out the main differences regarding their performances, as well as using key financial data, creating a whole picture of their practices.

As commitment to corporate social responsibility (CSR) is the main subject nowadays, this report is going to evaluate and analyse both hotels' data.

The final piece of this work will be represented by a list of recommendations for each hotel, based on the results of the research and the conclusion will wrap up the whole report.



Comparative Analysis

About hotels

Corinthia Hotels

One of the luxury hospitality companies is represented by the hotel company group named Corinthia Hotels. First, in 1962, a fine-dining restaurant in Malta opened by Alfred Pisani and his family, 6 years later, restaurant was transformed into a hotel, which debuted under the Corinthia Palace Hotel Company Limited brand. (Corinthia Group, 2024). The holding firm of the Corinthia Group is known as International Hotel Investments p.l.c. (Corinthia Group, 2024). Along with the owned hotels, CHL manages under the Corinthia brand other properties, being able to develop, lease and operate as luxury hotel. Finally, IHI p.l.c. has been developing commercial properties in conjunction with its hotels. (CORINTHIA GROUP, 2024)

Ibis Hotels

On the other hand, Ibis is part of the Accor Hotel Group. The first economy hotel in Bordeaux is Ibis and it was opened by Accor in 1974. Nowadays, Ibis is placed in the economy class, international 3 stars. (Accor, 2023). Ibis world has a selection of 3 brands at active, Ibis, Ibis Budget and Ibis Styles. Ibis is offering a stylish experience at affordable prices. (Accor Group, 2023). Ibis network is proudly offering to customers 1,269 hotels, 159,180 rooms in 70 countries and 17,474 rooms. (Accor, 2023a).

Company's performances

As there were not much information found regarding the hotels chains themselves, this part of the report is going to focus on the practices and numbers/percentages offered by their parent companies, which are Accor for Ibis and Corinthia Group for Corinthia Hotels.

In order to evaluate a property's capacity to fill its available rooms at an average rate, the hotel sector uses a statistic called RevPAR. An improvement in a property's occupancy rate or average room rate is indicated by a rise percentage RevPAR. (Chen, 2019)



Accor Group

In 2023, Accor states that REVPAR went up 15% compared with third quarter of 2022. (Accor -Press Release, 2023). In the third quarter of 2023, the company opened 73 new hotels with a total of about 1,200 rooms. This means that over the last 12 months, the company has seen net unit growth of 3%. Around 5,537 hotels made up the Group's hotel portfolio at the end of September 2023. Another 219,000 rooms (1,273 hotels) were in the works. Continuous expansion of the company represents its growth.

Evidence Required

Accor's ALL-Accor Live Limitless is an industry-leading programme offering diverse services, unique connections, and upgraded experiences to travellers and residents. The reward programme is supported by a digital distribution and transaction network, including a booking web app that offers personalised experiences and options. All these updates contribute to customer experience and represent a beat in booking with Accor, managing to create revenue by offering a simple, easy and effective platform for guests.

Revenue Analysis

Corinthia Hotels Group

Graphs & Tab

International Hotel Investments P.L.C. is a developer and operator of hotels and real estate under the Corinthia Hotels Group.

IHI declared in at the beginning of 2023, a increase in total revenue of 84% to €238.2 million from €129.3 million reported at the final of 2021. After COVID-19, especially in the first quarter, and the Russia-Ukraine conflict, was developed loses in 2022 reports. (Corinthia Group, 2023a)

Revenue Comparison

Market positions

In order to sale the products and services that a company is offering, they must make sure that they address to the right type of customers, by analysing many external factors that could impact the wellbeing and evolution of the business. (Jolaoso, 2023).

Price segmentation, geographic segmentation, and occasion-based segmentation (Thomas, 2016) are strong parts of the process in addressing the right customers, and Corinthia Hotels are making sure that they follow these strictly.

Corinthia Hotels

Targeting wealthy tourists looking for unique and sumptuous experiences, Corinthia Hotel Group manages to retain an exclusive and specialised market position and for achieving their targets, the group only runs a small number of hotels, in big cities, well developed, with many other activities and amenities available, as customers who came and stay at their hotels, can enjoy amazing experiences, inside and outside the hotel as well. Discussing occasion-based segmentation, Corinthia's hotels are placed near well-known, quite iconic places, where possible customers can, and will be impressed by the town's infrastructures and historical monuments.

They keep luxury and style at the highest rates.

Ibis Hotels

Conversely, Ibis Hotels positions himself as a hotel brand for customers that doesn't compromise quality for accommodations, even though they are on a limited budget. Ibis Hotels provides reasonably priced services on cities all over the globe. (Ibis. Accor, 2023). The multitude of hotels located near airports or, as they state on their official website, "vibrant social places - Open to everyone" (Ibis, Accor. 2024), makes them more approachable. 1,269 hotels in 70 countries and 17,474 rooms in the pipeline, Ibis Hotels manages to address to much many customers. (Accor, 2023c)

TripAdvisor highlights what type of services the hotels have and what Corinthia represents, after many extraordinary customers reviews, and along with the presentation put in place on their official website, Corinthia Hotels are known for offering luxury services, like babysitting, valet, doorman, beautiful spas and amazing pools, which are the available for customers of the hotel, but not only, along with the promises that the experiences are going to be unbelievable. (TripAdvisor, 2024)

Demographics data



Having this information about both companies, helps understanding why so big differences between them, as each of them offers different experiences, at very different rates, for different segments of customers in different locations.

Market Position Model

Financial Commitment to Corporate Social Responsibility

Research shows that 66% of customers are prepared to pay more for a sustainable brand, and 81% of consumers globally strongly feel that firms should benefit the environment. With the advent of millennials and generation Z, consumers appreciate sustainability. (Rafi, 2021) This means that sustainability-focused company strategies may boost brand value, meet consumer expectations, boost operational efficiency, attract top talent, and create new leads.

Triple Bottom Line

Corinthia Hotels

At Corinthia, sustainability is not so strong promoted like the competitor specified in this report, but they do care and act regarding of sustainable ways in operating their hotels. Reducing food waste, the chefs use most of the products, making sure as little as possible is thrown away. (Life Foster, 2022). By ensuring the welfare of their employees and the local communities in which they operate, companies may make a positive impact on sustainable development. Incorporate Corporate Sustainability into all aspects of the organisation and use it in interactions with external entities. (CORINTHIA HOTELS, 2024).

CSR Goals

As well, sustaining life, Corinthia Group has partnerships with water charity “Just a drop” and they give clean water and sanitation to over 40,000 people. Corinthia improves global well-being significantly. (Corinthia Group, 2023)

Ibis Hotels

As Ibis is part of Accor, the sustainable practices putted in place by the parent company are the ones followed closely by Ibis and all the other hotel brands Accor manages. Between 2016-2021 Accor rolls out the project Planet 21, strategy summed up in six commitments serving as an industry standard. After that, in 2020, Accor created a climate path that complies with the shared goal of limiting global warming to 1.5°C. Other steps in going as sustainable as possible was to ban single-use plastic from their hotels and committing to Net zero carbon by 2050, the first step being represented by the reduction of 46% of emissions by 2030.

Accor has moved much farther by including sustainable development—both human and natural—at the very core of its business strategy.

CSR Goals

Accor claims that they are trying to achieve their global sustainable transformation by developing a model in which they "give more than they receive" and closely collaborating with teams and hotel owners to integrate sustainability into all elements of their operations.

All the steps Accor is taking into the sustainability area, helps them not only to reducer their footprint but as well to develop the business, create more revenue and offer better quality services. The more awareness is raised about what practices they put in place, the more customers will choose their brands, bringing more profits for the whole company.

CSR comparison

Recommendations



The following recommendations are made after carefully reviewing the hotels performances by following the customers reviews on TripAdvisor website, where customers are posting reviews regarding their experiences at Corinthia Hotels and Ibis Hotels. The fact that the management is answering to these reviews confirms that the reviews are legit, and it can be used as reference for the recommendations.

For Corinthia Hotels, the main recommendation is for the staff of the hotels. Trying to maintain the hotels standards, the staff might forget to be empathic in certain situations. (Margaret, 2022) . To make the customers experiences even better, staff may stand to improve the welcome process and as well, paying more attention to details. To make the visitor experience even better, consider adding a more individualised and hearty greeting as well. After not wasting these small opportunities, the hotels will increase customers happiness which could generate much more favourable reviews For a luxury hotel, reviews are very important, especially because the possible customers what to know as much as they can about past experiences at the locations, and this is how is decide in many cases, if the customers are booking with a hotel or another. In the end, these results will impact the final financial results of the company. Another important recommendation goes towards the sustainability implications that the group had until now. More statements about their activities and more focus on sustainable ways of operating the hotels would be extremely appreciated by customers and will have a great impact for the planet as well.

Using the same method as for Corinthia Hotels, TripAdvisor had been the gate on researching what Ibis Hotels could improve to achieve better results at the end of the year.

For Ibis Hotels, the recommendation emphasises on renovation in some locations. Many reviews are poor because of air-conditioned where not working. Moreover, the cleanness of the public areas and room toilets are described as poor in many locations. In order to boost guest experiences, and to gain more customers, the recommendation is to improve the practices for the housekeeping and maintenance teams, more often meetings between the management team and staff, discussing issues raised by customers and taking the right actions. These recommendation does

not involve huge spendings but could boost the number of customers. Regarding the maintenance problems, fixing the air-condition in the rooms could contribute to cost-effective efficiency if the products are functioning properly.

These strategic initiatives align with Ibis Hotels' commitment to providing budget-friendly accommodations without compromising on essential services, ensuring sustained customer loyalty.

In order to get more satisfied future customers and to produce more revenue for the business, the hotels must continually adapt and innovate their practices

recommendations



Conclusion

External and internal variables will affect company success. As there is always opportunity for development, the hospitality business must stay up with changing trends, needs, and client wants.

Even though Corinthia Hotels and Ibis Hotels operate differently in terms of locations, prices, amenities, and other factors discussed in the main body, the final conclusion is that the brands' targets determine their methods. A luxury brand like Corinthia must be sensitive to its target market, whereas a cheap chain like Ibis is easy. Hotel financial outcomes vary greatly due to their offerings and client bases.

Sustainability, the number of rooms, and the loyalty programme help Accor increase its visibility among average customers, who can't afford luxury but don't mind spending some money on a well-deserved vacation at a modern but affordable hotel.

conclusion

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Format References/Works Cited

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41 /100

PAGE 1

QM

Word count

need to include the word count as well

PAGE 2

QM

Executive Summary

An executive summary should summarise the key points of the report. It should restate the purpose of the report, highlight the major points of the report, and describe any results, conclusions, or recommendations from the report. It should include enough information so the reader can understand what is discussed in the full report, without having to read it.



Comment 1

lacking detail

PAGE 3



Comment 2

missing growth section of the report

QM

Report Structure

you need to ensure the structure is correct for a report

PAGE 4



Comment 3

headings should be clearly identifiable



purpose of introduction

define the purpose of the assignment and how are you going to answer the question. think about using specific examples



Comparative Analysis

remember that this should be a comparative analysis



Comment 4

do not list information, but write it out in full.

PAGE 5



Comment 5

not overly relevant to the assignment

PAGE 6



Evidence Required

provide evidence for this



Revenue Analysis

how can you analyse their financial data? where is the revenue coming from and what percentage is this of the overall revenue? What other data can be utilised and are hotels their only source of revenue generation?



Graphs & Tables

consider using tables and graphs to portray information more clearly and define trends



Revenue Comparison

What comparisons can you make between these 2 companies and their sources of revenue? Revenue vs number of hotels? Revenue diversification? Percentage of income from these different areas (rooms, F&B etc)?

PAGE 7



Demographics Specification

can the demographics be more specific? age, background etc



Comment 6

what does this have to do with market positioning?

QM

Demographics data

there should be more data than this to give a better picture of demographics

PAGE 8

QM

Market Position Model

you could have introduced Bowman's Strategy Clock and determined where each hotel group is and why? this would add to your analysis

QM

Triple Bottom Line

any theory relating to this topic could help. Triple Bottom Line

QM

CSR Goals

there is lots of data you could have used to further demonstrate what they are doing, what their goals are and whether they are actually achieving their goals

PAGE 9

QM

CSR Goals

there is lots of data you could have used to further demonstrate what they are doing, what their goals are and whether they are actually achieving their goals

QM

CSR comparison

where do their focuses lie? can you compare and contrast their CSR efforts and determine who spends more as a % of revenue?

PAGE 10



Comment 7

after conclusion

PAGE 11



Comment 8

your recommendations need to be based on the analysis in the report and should focus on the group, not from client issues on tripadvisor.

QM

recommendations

you need to provide specific recommendations rather than general ones, based on your analysis of the information and your research

QM

conclusion

your conclusion needs to summarise the key points from your report

PAGE 12

QM

Referencing Material

any material viewed online needs links and accessed dates, including books and journals. For many of these references, you do not have access to the physical book/journal

QM

Format References/Works Cited

The format of this reference list/works cited page is inconsistent (punctuation, alphabetization, and/or indentation). Revise this list so that all citations follow a consistent format.

PAGE 13

PAGE 14

GRADING FORM: FINANCE AS1 SEPT '23

MADALIN POPESCU**41**

ENGAGEMENT WITH LITERATURE /10

Your work must be informed and supported by scholarly material that is relevant to and focused on the task(s) set. You should provide evidence that you have accessed an appropriate range of sources, which may be academic, governmental, and industrial; these sources may include academic journal articles, textbooks, current news articles, organisational documents, and websites. You should consider the

credibility of your sources; academic journals are normally highly credible sources while websites require careful consideration/selection and should be used sparingly. Any sources you use should be current and up-to-date, mostly published within the last five years or so, though seminal/important works in the field may be older. You must provide evidence of your research/own reading throughout your work, using the Harvard referencing system, including 20 in-text citations in the main body of your work and a reference list at the end of your work.



There is evidence of research, however this needs to be done in more detail and you should include some more scholarly material for any theories or models that could be incorporated into the report

5

KNOWLEDGE AND UNDERSTANDING/20

Knowledge relates to the facts, information, and skills you have acquired through your learning. You demonstrate your understanding by interpreting the meaning of the facts and information (knowledge). This means that you need to select and include in your work the concepts, techniques, models, theories, etc. appropriate to the task(s) set. You should be able to explain the theories, concepts, etc. meaningfully to show your understanding. Your mark/grade will also depend upon the extent to which you demonstrate your knowledge and understanding. Guidance specific to this assessment: Display an understanding of the financial performance of the two hospitality operations. To be able to evaluate and interpret information gathered using information learned in class as well as supported by independent learning.



You have demonstrated some understanding by interpreting your knowledge of the facts and collating information, and have attempted to use them to inform your analysis, but more data and evidence needs to be presented so your analysis

10

can go further and your arguments can be supported.

COGNITIVE AND INTELLECTUAL /20

Guidance specific to this assessment: To be able to effectively draw comparisons and establish similarities and differences, both between the hospitality operations, but also when discussing the available literature with use of comparative analysis.



This work is mostly descriptive and lacks analysis as you have not drawn comparisons between the 2 companies. More accurate data and reliable sources of data need to be used which can then be analysed and evaluated properly.

7

PRACTICAL SKILLS /40

Guidance specific to this assessment: Display a clear knowledge and rationale of how the approaches and principles discussed are practically implemented by the two organisations from the context of Financial Management.



Although, you have demonstrated some understanding, your analysis lacks some key frameworks and analysis tools. You need to be referring to concepts taught in class, such as supply, demand, market positioning etc and use models to help explain concepts or aid you with presenting your work, such as the Bowman's Strategy Clock

14

TRANSFERABLE SKILLS /10

Guidance specific to this assessment: You should write a report in a recognised format. All writing should be academic style, formal, focused, concise and subject specific. It should use a font of Arial 12 point or Times New Roman 12 point, and have 1.5 line spacing. All graphs, charts, and figures in the main body must be clearly referenced beside or beneath. Where possible they should not be on separate pages but should be incorporated within the text.



Your work is coherent and formatted well, however your report structure needs amending and you need to ensure you are covering the right material in each section, such as executive summary, introduction and conclusion etc

5