

Comparison of two organisations – Premier Inn & Marriott Hotel

Report

Introduction:

In terms of respective approaches to financial management, this research compares the Premier Inn and Marriott Hotel. The examination focuses on a number of important factors, including overall revenue, market position, development potential, and financial commitment to corporate social responsibility (CSR). This report's goal is to evaluate the financial performance and business plans of these two hotel chains in order to learn more about their methods of financial management.

The largest hotel corporation in the world is Marriott International. It is present in 133 nations and territories and manages over 7,600 hotels globally under a total of 30 different hotel brands. The company's founding father, J. Willard Marriott, moved the corporate headquarters to the Maryland city of Bethesda in 1927. Marriott uses a business approach based on franchising to run hotels and resorts for both its own brands and for those of other companies, while with more than 72,000 rooms and 800 hotels, Premier Inn is the largest hotel brand in the UK and a

limited-service hotel company. It runs hotels in many different areas, including city centres, suburbs, and airports, where it competes with establishments like Travelodge and Ibis hotels.

Total Revenue:

Premier Inn: As a well-known chain of inexpensive hotels, Premier Inn brings in a sizable sum of money via its wide-ranging network of properties in numerous cities. The brand's emphasis on value for money and affordability has helped them draw in a diverse customer base. The majority of Premier Inn's income comes from reservations for rooms, dining experiences, and supplementary services like meeting spaces comparing with Marriott Hote, which is a top-tier hospitality provider, commanding more expensive accommodation rates and providing a wide range of upscale amenities. With a significant global presence, Marriott Hotel generates significant revenue through reservations for rooms, fine dining establishments, hosting events, and supplementary services like spas and recreational facilities.

Market Position:

Premier Inn is in the area of low-cost hotels, Premier Inn has developed a solid market position. Premier Inn has established a reputation as a dependable option for both leisure and business travellers by providing reasonable comfortable rooms and upholding consistent quality across all of its hotels. Its market dominance is a result of the brand's global presence and constant consumer satisfaction, while Marriott Hotel recognised as a top worldwide hospitality brand, Marriott Hotel holds a commanding market share in the upscale and luxury hotel industry. It has earned a reputation for providing excellent service, luxurious lodgings, and a variety of amenities. Due to it wide range of brands, Marriott Hotels is able to serve a variety of clientele, including families, business travellers, and those looking for luxury accommodations.

Growth Potential:

Premier Inn is actively pursuing development potential by diversifying its hotel portfolio and examining new markets. The brand is well-positioned to gain market share in the low-cost hotel sector thanks to its focus on providing consistent quality at an inexpensive price point. The development plan of Premier Inn offers massive growth potential, as does its excellent brand reputation. Over the past year, Premier Inn has added another 11 properties to its growing

portfolio in the UK. Following the launch of the Hub by Premier Inn Clerkenwell in London, the cheap brand, which is owned by Whitbread, claimed it had increased its UK footprint by 1,500 rooms in a year. Whitbread's UK development director, Alex Flach, claimed that the openings demonstrated how proactive Premier Inn has been in adding new hotels after seeing "market potential" to boost its present 82,000 rooms in the UK and Ireland up to 125,000 rooms, where also they show the power of modern design and construction capabilities, frequently in sensitive and confined places. By looking at Marriott Hotel with its extensive brand portfolio and global presence, Marriott Hotel offers several growth prospects. The business is continually looking to enter new markets, offer cutting-edge hotel designs, and buy valuable real estate. The Marriott Hotel's potential for positive expansion is influenced by its capacity to serve a variety of customer categories and adjust to shifting market trends, also we can see Whitbread stated that it was now working to secure Marriott International added more than 65,000 rooms across 394 locations in the world in 2022, including over 40,000 rooms in foreign markets and close to 17,500 rooms that were converted from other types of accommodations.

Due to this development, the business anticipates net room growth of between 4 and 4.5% in 2023. There are new Premier Inn hotels in more than 160 countries. (Claire Nicholls.2023)

Financial commitment to CSR

Corporate social responsibility, or CSR, is a type of corporate self-regulation incorporated into a company model. It is also known as corporate conscience, corporate citizenship, social performance, or sustainable responsible business/Responsible company. A firm monitor and guarantees that it is acting in accordance with the letter and spirit of the law, ethical standards, and international norms through the use of a CSR policy, which serves as an integrated, self-regulating system.

Premier Inn's financial commitment to CSR is shown through a number of projects. Premier Inn is dedicated to corporate social responsibility. Sustainable practises, energy efficiency, trash reduction, and community involvement are prioritised by the brand. In order to balance its financial resources with social and environmental responsibility, Premier Inn invests in charitable partnerships and programmes for the development of its employees in order to benefit local communities, although Marriott Hotel gives corporate social responsibility a high priority. The business aggressively promotes sustainability, including programmes to lessen its impact on the environment, help local communities, and foster diversity and inclusion. To

decrease waste, save resources, and improve the wellbeing of its staff and the communities in which it operates, Marriott Hotel has set ambitious standards.

According to some theories, a company's CSR efforts go beyond legal requirements and involve "actions that appear to further some social good, beyond the interests of the firm and what is required by law's is a procedure with the goal of accepting accountability for the company's deeds and encouraging a favourable impact through its activities on the environment, customers, employees, communities, stakeholders, and all other people in the public who may also be considered to be stakeholders.

Recommendation

Both Premier Inn and Marriott Hotel should regularly review and analyse financial performance indicators, including revenue streams, profitability, and guest satisfaction metrics. This will help them identify areas of improvement and make data-driven decisions to optimize economic management strategies.

Some recommendations for Premier Inn Hotel can increase Market Presence: Looking for possibilities to enter new markets or areas where there is a demand for inexpensive hotels. Adapt the offers in accordance with the understanding of customer preferences by conducting market research.

Increase Direct Booking Channels By providing special advantages like savings, awards for loyalty, or tailored offers, Premier Inn can entice guests to make direct reservations via the company's website or mobile app. Making investments in user-friendly booking platforms and successful digital marketing techniques. Promote ancillary services to upsell in order to improve income per guest. Examples of these services include conference space, airport transportation, or in-room amenities. Implement targeted marketing initiatives and educate employees to upsell these services either during the reservation process or at check-in. By create alliances with nearby restaurants, tour companies, and attractions can be an effective way to provide bundled packages or special prices. By cross-promoting, this can draw more visitors and bring in more money.

Continued Cost Monitoring Review operational costs on a regular basis and pinpoint potential for cost reduction. To save expenses overall, investigate energy-efficient alternatives, optimise the procurement process, and bargain advantageous contracts with suppliers and to continue with the sustainability process.

Also, for Marriot Hotel by personalised marketing strategies creating a focus marketing campaigns by utilising analytics and customer data. Implement customised experiences, loyalty programmes, and offers depending on the preferences and historical behaviour of the guests. Improve online presence by spending money on search engine optimisation (SEO), social media marketing, and online advertising to raise awareness and draw in more potential customers. Enhance hotel listings on well-known travel websites and take active control of online ratings and reviews. If Marriot upgrade their Technology Infrastructure, they will increase operational effectiveness and enhance the visitor experience, implement contemporary property management systems, reservation platforms, and guest communication tools. Technology in the rooms, such as mobile check-in and digital concierge services, can set the hotel apart and draw in tech-savvy guests.

Promote connections with corporate customers and enterprises by providing specialised services, meeting spaces, and special rates for their staff. This may lead to higher weekday reservations and repeat business.

Also, as Premier Inn hotel they need to continue with the Sustainable Practises, Highlight Marriott's dedication to environmental protection and sustainable practises. Display initiatives to lessen the influence on the environment, such as waste management plans, energy-efficient technologies, and collaborations with regional communities for environmental and social purposes.

It is critical for both hotels to carry out market research, stay current with business trends, and consistently modify their products to satisfy shifting guest preferences. They will be able to improve their services and draw in a larger consumer base if they routinely collect visitor feedback and use customer insights.

Conclusion

In conclusion, Premier Inn and Marriott Hotel show unique methods of financial management that are distinct from one another. While maintaining a high standard of quality and growing its market share, Premier Inn places a priority on providing inexpensive lodging. On the other hand, Marriott Hotel operates in the upmarket and luxury segment, focusing on great service, a variety of amenities, and chances for international expansion. Both hotel chains demonstrate

a dedication to CSR by including sustainable practises and community involvement into their business plans.

Marriott has achieved high profitability and a stable financial position because of its emphasis on revenue management, cost optimisation, and operational efficiency. Their competitive edge has been boosted by their capacity to invest in strategic projects and respond to shifting market circumstances. The financial standing of Premier Inn is still strong, with reasonable debt levels and healthy finances. A consistent revenue stream has been produced by the company's capacity to maintain competitive room prices and strong occupancy rates.

in the extremely competitive hospitality sector, their emphasis on operational effectiveness, revenue optimisation, and strategic decision-making has enabled them to prosper. Due to their strong financial health and performance, these businesses are well-positioned for future expansion and success.

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