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Marketing Essentials

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Assaignment 1 : A comparison of the marketing methods of two multinational hotel chains the Marriott International and the Premier Inn.

In the hospitality and hotel industry different business organisations possess different methods or strategies according to their size and business concepts/philosophies. Over the last decade the hotel and hospitality sector has become incredibly competitive because of dramatic technological advances. Consumer taste has become sophisticated. The current pandemic, economic condition, and environmental issues are all factors that have had a profound effect on the hotel and hospitality sectors. In this essay international hotel chain Marriott International and Premier Inn have been chosen from two different groups of hotels to make a comparison of the marketing strategies followed by the two hotel chains and analyse the strategies they follow to fulfil their business goals in the competitive hotel and hospitality business sectors.

All successful companies are strongly customer focused and heavily committed to marketing activities. These companies share a passion for satisfying customer needs in well-defined target markets. To build a lasting customer relationship and creating value, these companies take measure to motivate everyone in the organisation. Kotler and Armstrong (2018, p.4) states that 'New digital, mobile, and social media developments have revolutionized how consumers shop and interact, in turn calling for innovative marketing strategies and tactics. It's now more important than ever to build strong customer engagement, relationships and advocacy based on real and enduring customer value.'

Marriott International is an American multinational hospitality company, commonly known for its luxury hotel chain. Marriott is the famous hotel chain in the world which accounts for around 5% of the global hotel market. Marriott International's network is also top-notch with more than 7000 properties across more than 100 countries and territories. On the other hand, Premier Inn is a British hotel chain which serves in multiple countries. Premier Inn is owned by Whitbread plc, and it is one of the biggest hotel brands in the UK. It occupies more than 800 hotels and around 72000 rooms. It serves in a variety of locations including city centre, airports, suburbs etc, Premier Inn believes in customer comfort and popular for consistent level of service and standards (Ghandour, Bilal and Mudassar, 2015).

Historically, Marriott used to target high income luxury traveller and business travellers. But as part of their effective marketing strategies, Marriott International has successfully built-up different target markets within hospitality industry by specifically targeting the requirements of its customers. A sophisticated marketing strategy was introduced by Marriott to cover everything into running the hotels. They have over 30 brands and has categorised its brands under the following tags: Luxury, Premium, Select and longer stays. This strategy helps customers to choose the hotels based on their travel plans and convenience. On the other hand, Premier Inn had been setting their value proposition targeting more of the middle-income leisure travellers, who look for a budget hotel. But now the target market of the hotel chain is not only the leisure visitors and families but also the world business class seeking countless business and travel facilities. To be the first choice of families and business travellers to stay at Premier Inn, they have introduced award winning business service,

comfortable king size beds and delicious breakfast which add further value for the hotel chain.

The ability to influence the customers' perception toward a brand or product relative to competitors known as Market Positioning. The main objective of market positioning is to establish an image of a brand so that customers perceive it in a certain way (Corporate Finance Institute, 2021). Marriot International was working on setting its positioning strategies based on benefits and affordability. And now, it has successfully positioned itself as an affordable luxury in the market (StudentCorgi.com, 2021). Currently, it has been serving a wide range of customers through itself and its brands. While Premier Inn has positioned itself as complete solution of comfortable sleep focusing on its 'Good Night sleep Guarantee.' People perceive it as budget hotel service chain which is available across the UK.

A marketing strategy is an overall game plan of a business in order to reach its probable customers and turn them into its products or services (Baker, 2014). The marketing strategy of Marriott International and Premier Inn can be assessed through a marketing mix; a set of techniques that are used by a company to influence consumers to buy its products or services, adopted by these hotel chains. It includes the 4Ps of marketing that covers place, price, product, and promotional strategy of a business. The pricing strategy of the Marriott International is quite fascinating. It is one of the small numbers of companies that maintains its price over years regardless of competitors' deliberate price setting and high discounts. Marriott has successfully identified best possible way to serve its guests and charge accordingly. The product strategy of Marriott covers all the services regarding hotels. Marriott International has 30 brands which offer different hotels services under the following tags: Luxury, Premium, Select and Longer Stays (Shastri, 2021). Marriott International is one of the biggest hotel chains in the world. Proper place selection to attract the potential guests plays a vital role in its business success. To remain in the centre of attention, Marriott mainly places its hotels around or in major cities or towns of a country. Marriott International is one of the most recognized hotel chains in the hospitality industry. Hence, Word of mouth promotion covers a great portion of promotional efforts of Marriott International. Recently, Marriot has shifted from traditional marketing approach to digitalized market promotion. It has introduced a platform named M Live which covers a variety of topics that are popular around the world and develops contents on these topics to make the customers more engaged with itself and its brands (Shastri, 2021). Moreover, Marriott uses digital mediums including well-designed websites, user generated contents etc. to provide details information and influence the behaviours of the customers. The quality unique contents circulate throughout Snapchat, YouTube, Facebook, and other social medias to capture the attention of different demographics. To increase the customer loyalty, Marriott has introduced a marketing campaign known as Marriott Bonvoy where the customers can earn points and redeem them. Marriott Bonvoy also facilitates the users to attain membership in different sporting events. While Premier Inn uses a dynamic pricing model. It is well-known as a 'budget hotel' which offers quality accommodation at affordable prices (Bowie, Buttle, Brookes and Mariussen, 2016). "Everything is Premier but the price" was one of Premier Inn value propositions which clearly reflects the company's low pricing strategy. Premier Inn's product strategy is centered on the travellers and backpackers along with the middle-class families find for low-cost accommodation. In case of placing strategy, Premier Inn is more interested to open their new hotels within the UK rather than in other parts of the world.

As part of its promotional strategy, Premier Inn is relying on social media and Google Hotel Adverts to influence the customers and convey the brand's messages. Google Hotel Adverts account for more than 40% of bookings of Premier Inn from new customers (Thinkwithgoogle.com. 2021).

Marriott International is working on reducing the environmental impact of its business operations and to promote sustainability. It promised to reduce its carbon emission and food waste by 30% and 50% across the portfolio by 2025 (csr-marriott. 2021). Further, it aimed to achieve a minimum of 30% renewable electricity uses by this time. Marriott International has already implemented internal food waste resources and tools within itself and its brands. Marriott already developed 180 reuse hotels and certified 36% of its properties to a recognized sustainability standard at the end of 2019. On the other side, Premier Inn also believes in communities' well-being and making this planet more habitable. They are working with their suppliers and operational teams to reduce waste at every points of their supply chain to reduce environmental impact of their business operations. Premier Inn donated over half a million meals worth of surplus to charity as part of its Force for Good sustainability program in 2020. Premier Inn is committed to reduce its carbon emissions intensity by 50% by 2025 and to achieve Net Zero by 2040. It has already planted solar panels on over 180 hotels to run them through 100% renewable energy. Premier Inn also planted roof top gardens on some of its hotel to promote the local biodiversity.

Due to COVID-19, the hospitality industry has been severely harmed. Even during the reopening phase, both hotel chains are facing multiple challenges like attracting staff and filling the gap of the quality service catered due to long practice. Marriott International instituted additional cleanliness standards including rearrangement of their furniture which ensures social distancing and introduction of the use of electrostatic sprayers with disinfectant during the pandemic to provide a sense of safety from the spread of virus infection. Premier Inn has been involved in improving the quality of the staffs and service providers and developing the interior design during the pandemic alongside with ensuring the safety measure to limit the spread of virus.

The marketing strategy of Marriott International is quite different from Premier Inn's. Marriott and its brand target to serve the guests, who are ready to pay the premium prices for superior services while Premier Inn targets the middle-class people who are looking for the budget accommodation. Where Marriott International gives more focus on customers' loyalty, Premier Inn works on the new customer acquisition with comparatively less focus on customer retention. Though both the hotel chains are committed to environmental impact of their business operations, Premier Inn cares more about communities' well-being.

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