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Introduction

Financial management in the hotel or hospitality industry involves the management of the financial resources of an organisation. Financial management aims to ensure that the organisation has sufficient funds to meet its obligations and maximise its return on investment. It involves allocating resources effectively, managing cost and revenue, and analysing the data to make informed financial decisions (Guilding, 2014). For this task, Hilton Hotels and Resorts and Marriott International Hotels & Resorts have been chosen as two hotels. These two hotels are among the world's most successful and well-known hotel chains. They both have a strong presence in many countries and offer their guests a wide range of services. This report will compare these two hotels from different perspectives, including total revenue, market position, growth potential, and recommendations.

Hilton Hotels and Resorts

One of the most famous brands in the hospitality sector is Hilton Hotels & Resorts, which operates several hotels and resorts. Since its inception in 1919, the organisation has developed into a multinational corporation with more than 5,400 establishments throughout 118 countries and territories (Tretyakova, Astapenko and Kluykina, 2022). Hilton Hotels & Resorts staff is highly trained and offers guests various services and facilities. The Hilton provides a variety of amenities, ranging from opulent lodgings to exquisite cuisine, to ensure that guests have a pleasant and relaxing time throughout their visit (Henry, 2019).

Total Revenue

Before any costs or expenditures are removed, an organisation's revenue is the whole amount of money earned through the sale of products or services and any other usage of capital or assets related to the business's primary activities. Forbes said that Hilton Hotels brought in a total of \$9.7 billion in sales for 2021, with a revenue of \$10.39 billion in 2019 (Gehrels and Blonar, 2022). Because of the Covid-19 pandemic, the organisation's revenue has decreased significantly.

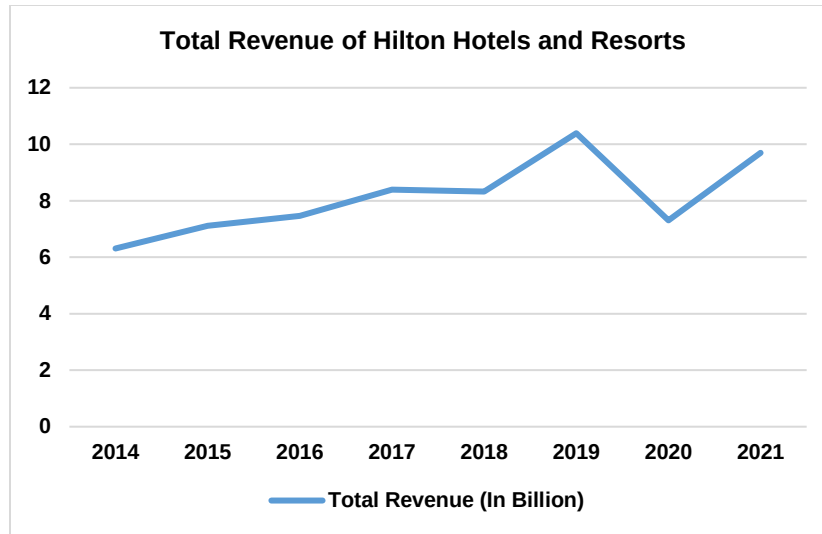


Figure 1: Total Revenue of Hilton Hotels and Resorts

Source: (Gehrels and Blantar, 2022)

Market Position

When it comes to the international hotel market, Hilton Hotels and Resorts is undoubtedly a formidable player. It is the biggest hotel chain in the United States and the number two chain worldwide (Davydiuk and Ushchapivska, 2021). In addition, Hilton Hotels and Resorts is widely regarded as the premium hospitality industry's undisputed leader due to its excellent service and enduring reputation. To further fortify its position in the market, Hilton is also working to increase its footprint in growing areas, including Africa and South America. It is believed that Hilton Hotels and Resorts controls around 8 per cent of the international hotel market. It is the biggest in the United States and the second largest among hotel chains (Bromwich and Bhimani, 1994). When it comes to the high-end hospitality market, Hilton Hotels & Resorts is unrivalled.

Growth Potential

Hilton Hotels and Resorts is one of the world's largest and most lucrative hotel brands. With over 5,500 sites in over 110 countries and a substantial customer base a consequence, the brand is well-known globally (McNeill and McNamara, 2021). The company has developed tremendously in recent years, and its prosperity shows no indications of abating. By 2025, the company plans to add over a thousand hotels to its already impressive portfolio. The organisation offers its consumers various services and

amenities, including upscale accommodations, event spaces, and eating outlets (Phalippou, 2022).

Additionally, the corporation has established a robust customer loyalty programme that rewards repeat customers with unique benefits. The company has also made significant technical advances, allowing visitors to make reservations and manage their online stays (Further, 2019). The Hilton Hotel chain's growth prospects are outstanding. The number of customers will expand when the organisation establishes itself in more and more worldwide cities. The corporation's loyalty programme and technology investments will also help its development. Hilton Hotels & Resorts is ideally positioned to capitalise on upcoming opportunities as the hospitality industry evolves. Therefore the hotel has planned to target upper middle-class customers since they are now moving; hence it has planned to arrange its pricing strategy like this (digital travel. web research, 2022).



The image shows a table titled 'HILTON HOTELS BRAND PORTFOLIO' with a subtitle '31-Dec-13'. The table lists five hotel brands: Waldorf Astoria, Conrad, Hilton, DoubleTree, and Embassy Suites. For each brand, it provides the segment, the number of countries/territories, the number of hotels, the number of rooms, and the percentage of total rooms. Hilton is the largest brand with 80 countries, 554 hotels, and 196,670 rooms, accounting for 29.0% of total rooms. DoubleTree follows with 32 countries, 371 hotels, and 93,054 rooms (13.7%). Embassy Suites has 5 countries, 215 hotels, and 51,367 rooms (7.6%). Waldorf Astoria and Conrad are the smallest in the portfolio shown.

Brand	Segment	Countries/ Territories	Hotels	Rooms	Percentage of total rooms
 WALDORF ASTORIA WORLDWIDE	Luxury	10	24	10,529	1.6%
 CONRAD HOTELS & RESORTS	Luxury	17	23	7,877	1.2%
 Hilton HOTELS & RESORTS	Upper Upscale	80	554	196,670	29.0%
 DOUBLETREE BY HILTON	Upscale	32	371	93,054	13.7%
 EMBASSY SUITES BY HILTON	Upper Upscale	5	215	51,367	7.6%

Figure 2:Growth Potential for the hotel

Source: (Hilton, 2022)

Financial Commitment to CSR

The Hilton Hotel chain is dedicated to environmental and social responsibility. The corporation has spent \$3.75 million on Travel with Purpose projects that attempt to solve pressing societal and environmental problems in 2020. These efforts focus on lowering energy and water use, helping local communities thrive, encouraging ethical purchasing practices, and expanding opportunities for people of all backgrounds and perspectives

(Essential Guiding, 2013). More than \$20 million have been given to the Hilton Foundation since it was established in 1999 by the hotel chain. To help those working to alleviate poverty and hunger, promote education, and better the lives of children and their families, this foundation awards funds to deserving groups (Further Bhimani, 2006). The following figure represents Hilton's ESG plan:

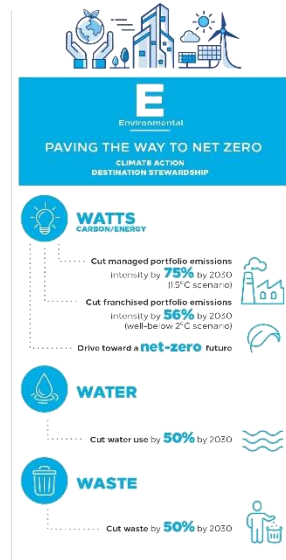


Figure 3: ESG Plan of Hilton

Source: (esg.hilton.com, 2020)

Recommendations

The hotel needs to expand its business towards other continents of the hotel to generate more revenue since people now like to travel to developing countries. To expand the business, the company can adopt a market development strategy under Ansoff, where the organisations move to new markets with their existing product and service. The company will not adopt another strategy, such as product development or diversification, since it will ultimately reduce the hotel's brand image.

Marriott International Hotels and Resorts

Marriott International Hotels & Resorts is a worldwide hospitality firm that manages and franchises a diverse range of hotels and other accommodation facilities connected to travel and tourism (Essential Hayes and Miler, 2012). It has about 6,300 properties spread out over 131 nations and territories, and its headquarters are in Bethesda, which is located in the state of Maryland, in the United States. The collection of brands owned by

Marriott contains thirty distinct names, each of which caters to a certain kind of customer, from business professionals to leisure visitors (Garbutt, 1992). Its brands include the upscale Ritz-Carlton, the modern W Hotels, the budget-friendly Fairfield Inn & Suites, and the flagship Marriott Hotels & Resorts.

Total Revenue

In 2019, Marriott International reported total revenues of roughly \$17.9 billion, compared to total revenues of approximately \$17.3 billion for the previous year in 2018. The company's total revenue decreased in 2020 and 2021 for the devastating effects of the Covid-19 pandemic. In 2021 the amount of total revenue of the organisation was \$11.36 billion, whereas the revenue was only \$9.31 billion in 2020. On the other hand, its competitor, Hilton hotels, was performing well. The company could not perform well because of high expenses and Operating costs. Operating costs for Hilton Worldwide Holdings in 2021 were \$4.778 billion, up 1.12% from the previous year.

Operating costs for Marriott in 2021 were \$12.107B, up 15.45% over the previous year (macrotrends.net, 2020).

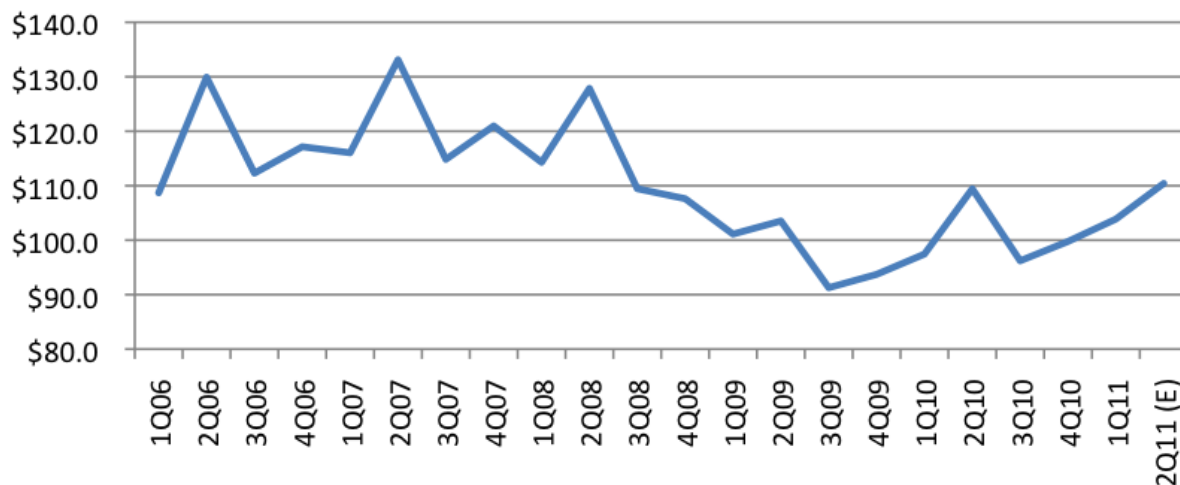


Figure 4: Revenue of Marriott Hotels and Resorts

Source: (Marriott, 2022)

Market Position

With approximately 7,400 hotels and resorts in more than 130 countries and territories, Marriott International is one of the largest hotel chains in the world. The firm has established itself as a leader in the high-end and premium hotel industries and is expanding its offerings in the mid-range and budget categories (Vanicek, 2020). For 2019,

Marriott International rated number four among the world's biggest hotel firms in hotel rooms and number eight in terms of hotel revenue. Marriott International is the biggest hotel chain in the world regarding available rooms and its unparalleled collection of hotel brands (Vanicek, 2020).

Marriott International has an unparalleled portfolio of brands, catering to every traveller's needs and budget. The Ritz-Carlton, JW Marriott, Marriott Hotels, and Embassy Suites are a few of the prestigious hotel brands in the company's portfolio. Marriott International also operates the Marriott Vacation Club and Marriott Executive Apartments brands, both of which are alternatives to traditional hotel stays. The Marriott Bonvoy customer loyalty programme has also contributed to the company's expanding client base. Marriott International's market share is expanding because of the company's well-established reputation in the hotel sector.

Growth Potential

One of the world's leading hotel chains, Marriott International Hotels and Resorts, has over 5,000 properties in more than 30 countries. With over 6,700 hotels and resorts located in 127 countries and territories, Marriott International provides guests with a wide range of options to suit their individual preferences (Marriott, 2020). The corporation operates under various hotel brands, such as Marriott, Sheraton, Renaissance, and Ritz-Carlton. Much room for expansion exists at Marriott International. The firm has an extensive and varied brand portfolio, a strong worldwide presence, a dedicated customer base, and a proven track record of success.

There are many ways in which Marriott International might expand shortly. The company's brand portfolio is growing, especially in developing regions. The organisation is also investing in new technologies and services to serve its clientele better. As part of its efforts to digitise its business, Marriott has been emphasising using AI and data analytics technology. In 2021, Marriott is expected to spend \$564.2M on IT and related expenses. The organisation wishes to continue its expenses on innovation (global data, 2021). Most of this money will purchase computers, networking equipment, and information and communication technology (ICT) services from outside companies.

In addition, Marriott International is putting money into promising emerging markets like China and India. Marriott International is at last capitalising on its international reach to expand its client base and market share.

Financial Commitment to CSR

The Marriott International Hotels & Resorts brand has shown a substantial commitment to the company's corporate social responsibility (CSR) programmes by making a sizeable financial investment. More than two billion dollars is the amount that Marriott has promised to put into these efforts by the year 2025 (Fehre and Weber, 2022). These investments will promote various projects, including economic growth, diversity and inclusion, health and safety, and sustainability. The organisation has also committed to lowering its carbon footprint by thirty per cent by 2030 and obtaining one hundred per cent of its power from renewable sources by 2025. In addition, Marriott has pledged to spend a total of \$50 million in local communities throughout the globe over the next five years, with a particular emphasis on finding solutions to problems relating to society and the environment (Fehre and Weber, 2022). In conclusion, Marriott has committed \$5 million to its global education initiative, which aims to foster young empowerment and provide educational opportunities to neglected areas worldwide.

Recommendations

Marriott International can consider outsourcing some services and activities that need considerable money to maintain personnel at the hotel throughout the year. This will minimise their operational expenses and will allow them to save money in the long term. This will reduce the hotel's operating costs and give higher income to the hotel. Additionally, outsourcing some tasks might assist Marriott International in concentrating on its core capabilities and delivering superior customer service. Marriott International should also consider investing in technology, such as artificial intelligence and big data, to improve the efficiency of its processes. This will help them to save money, as well as improve customer service.

Conclusion

To sum up, both Hilton Hotels & Resorts and Marriott International Hotels & Resorts are respected and well-known in the hospitality business. They both have extensive

international footprints and provide a wide range of amenities to their respective visitors. Both hotels' overall revenues, market shares, growth prospects, CSR spending, and expert advice were compared. In 2019, Marriott International Hotels & Resorts reported total revenues of \$17.9 billion, while Hilton Hotels & Resorts recorded total sales of \$9.7 billion. While Marriott International Properties & Resorts has a vast portfolio of brands and a solid global presence, Hilton Hotels & Resorts is poised for development, with over a thousand hotels to be added to its portfolio by 2020. These hotels have contributed significantly to CSR initiatives and received suggestions for improvement. Therefore, both Marriott International Hotels & Resorts and Hilton Hotels & Resorts have excellent opportunities to grow and sustain their current performance levels.

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