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HILTON WORLDWIDE

HOW

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Introduction

This report has the purpose to outline the importance of the Marketing Information System within the hospitality and tourism industry. Ismaeel (2015) would identify one definition of MIS as “a continuous organized process to record, categorize, store and analysis of past, current and future information related to hotels business and the factors affecting it in order to obtain accurate marketing decisions to achieve the aim of the businesses.” So, as an example of how effective is the MIS within a company, this report will analyze an issue that Hilton Worldwide, a hotel chain, had in the past and it will also highlight the manner that was used in order to bring about the outcomes generated.

How MIS is structured

First of all, Hilton Worldwide is a company that operates within the hospitality industry and it was founded in 1919, 100 years ago. It has its headquarters in Virginia, United States of America and had an annual revenue of \$8.906 billion, with an increase of 9.53% from 2017. (MacroTrends, 2019) Moreover, Hilton faced a lot of pressure from the external sources being one of the leading chain-hotel company worldwide. Maintaining its positioning meant for Hilton to reinvest themselves and to keep aiming higher. Trying to know which are the most likely decisions to be taken in a hospitality industry which is full of luxurious competitors and which is striving as well to position themselves as a recognized hotel-chain involves rigorous work.

„Tourism destination marketing has traditionally been heavily oriented towards the promotion function, a tendency that will no doubt continue well into the future. But growing recognition of the need for a more holistic approach to destination management in the era of ‘new tourism’”. (Ritchie & Ritchie, 2002)

“Markets have been segmented and products and services differentiated for as long as suppliers have differed in their methods of competing for trade.” (Dickson, 1987) So, in the hospitality industry the services are now differentiated because of the variety of choices companies are offered in order to build up their business based on the desired targeted customer segment.

At any issue Hilton would have regarding their internal processes or the issues they might face regarding the external factors, or the PESTEL analysis. Moreover, in order to respond to the customers' needs, a behavioural-map should be designed or a scheme for the new trends in the hospitality industry that are likely to come out. Marketing information system is used firstly to generates benefits from the data given through a process that involves data gathering from the information users, processing and using the data through the advanced and developed technology (artificial intelligence, marketing intelligence, a couple of IT software etc.) and to answer to the statistics, reports and other forms of data-representation through a marketing decision.

“The primary research is often based on principles of the scientific method, a theory of investigation first developed by John Stuart Mill in the nineteenth century in his book ‘Philosophy of the Scientific Method’.” (Zemliansky & Lowe, 2010) In a study conducted by 281 participants (sampling method from the gathering data, primary research) who had stayed at luxurious hotels, even the Hilton in Seoul, South Korea. (Min, et al., 2002) They were asked to complete a survey regarding the demographic research (gender, age, occupation and nationality) and the frequency they are using the services of the hotel and other relative information to the quality of the services provided by each hotel. Table 1 shows the answers to the sampling methods these 11 hotels had in order to identify the customer segment they should target in order to take advantage of the outcome generated by conducting the survey. “One of the major objectives of this study was to classify the existing customer databases into certain types of segmentations and then predict a customer's behaviour in selecting a particular hotel, room, settings, payment options, and so forth. In addition, the study examined the influence of the customer's demographic profile on hotel choice or patronage behaviour, level of satisfaction with certain service attributes, purpose of the trip, and frequency of hotel visitation in the past” (Min, et al., 2002) So, the data collection was conducted throughout the surveyed travellers and the answers-registration. The analyse was therefore also done and the customer profiles were designed to be targeted after the strategy decisions are made. First, the choices were categorized by the purpose of travelling (e.g. if the traveller would prefer to have a room at the executive floor or at the standard floor, if the would prefer a cash payment or a card one etc.) All of this information conducted to the answer that businessmen prefer large lobbies with free Wi-Fi and the hotels should rather target the American customer segment, rather the Japanese one since there were almost the same number of Americans as the Japanese (Table 1). Another analyse regarding the survey conducted shows us that most of the travellers are aged between 30-49. Therefore, this is the customer segment that would repeat their experience and would travel back again to the same hotel. Many of them are middle managers and professionals, a businessmen class. This identifies with the purpose of the travelling either for the Americans or for the Europeans (seen by the number represented by

Table 1
Demographic profiles of the survey participants

Demographic features	Frequency	Percentage
Gender:		
(1) Male	196	69.8
(2) Female	85	30.2
Age:		
(1) 20-29	38	13.5
(2) 30-39	96	34.2
(3) 40-49	95	33.8
(4) 50-59	47	16.7
(5) Over 60	5	1.8
Occupation:		
(1) Executives	34	12.1
(2) Middle managers	90	32.0
(3) Professionals	64	22.8
(4) Government officials	15	6.3
(5) Entrepreneurs	30	10.7
(6) Other	48	17.1
Nationality:		
(1) American	83	29.5
(2) European	38	13.5
(3) Japanese	88	31.5
(4) Korean	48	17.1
(5) Asian, excluding Japanese and Korean	24	8.6

each nationality). Many of the customers were happy with the services provided (especially Hilton, Hyatt and Plaza) (Min, et al., 2002) Therefore, the main competitors in the region of Seoul would be these hotel-chains. Hilton would need to identify how they can class themselves on a higher scale of qualitative service rather than the Hyatt and Plaza.

Hence, Hilton Worldwide should formulate a marketing strategy based on the outcomes generated by the Marketing Information Intelligence which helped them in the first stage to identify the main competitors and the internal issues they might face. However, there are a multitude of attributes which needs to be taken into consideration because there are two customer segments which have the most frequency among the others. Specifically, Hilton will need to conduct another primary research based on the sampling method for example or a focus group. This is so because of the combination of cultures and traditions between two different nations (the Americans and Japanese). Whilst the Americans have their own tradition for their Western breakfast for example, the Japanese still stick to their traditional breakfast formed by tea, white rice and raw eggs. All of this information needs to be processed and stored (e.g. in an external hard disk for future use) in case that it will be needed somewhere else as a secondary data or for data mining purposes.

Conclusion

In conclusion, this report highlighted the two different aspects regarding the outcomes generated by the marketing information system functions. The two types of customer segment which are meant to be targeted are on one hand the Americans with different values, culture, beliefs and traditions and the Japanese ones, the ones who are originally from the country in which the survey was carried out. The decision makers have now the duty to identify the most reliable decisions in order to target either a specific customer segment, preferably the Americans, or to combine the targeting options and to create an environment which would be suitable for both of the nations.

An in-depth research can be conducted further in order to re-analyse how they would behave in the same hotel with the same vision and mission, but with an environment changed, an environment that would be excellent for them. For example, rather than having just English or American breakfast, there could be also the traditional and national one (e.g. the Japanese).

Hospitality industry is becoming one of the most required service in the world since the hospitality growth-sales are even higher by year. The hospitality industry does not only allow people to relax, but it also helps them to create new networks and to engage with other people more, making the business sector to bloom. It introduces a lot of different services and it differentiates the services based on the region they have the business running.

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