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Strategic Analysis of Intercontinental Hotel Group

IHG® HOTELS &
RESORTS

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Introduction

Business organizations across the globe use different strategies along with strategic analysis to develop certain goals, procedures and objectives to make the organization more competitive. According to the opinion of Chandler (1963), strategy is an organization's long-term course for gaining a competitive edge through establishing advantageous goals. Based on the argument by Whittington *et al.* (2020), consideration was given to the long-term aims and objectives of an organization, as well as the adaption of action plans and the resource allocation necessary to attain them while creating a strategy for organizations. Accordingly, strategic analysis is also crucial for organisations because it helps in strategy-making (Lynch, 2018). Similarly, strategic analysis aids corporate organisations in formulating plans and reaching difficult decisions based on the company's long-term goals (Barney and Hesterly, 2019). This is essential to achieve organizational goals along with gaining a competitive advantage. This study is going to provide a comprehensive strategic analysis based on a company named, Intercontinental Hotel Group or IHG to analyze their strategic management choices. This study would focus on micro and macro environment analysis along with internal analysis to gain a better understanding of the strategic choices made by the company.

Intercontinental Hotel Group Background

Intercontinental Hotel Group or IHG is a hospital service provider. The company owns and manages many hotels along with these they also rent and franchise hotels and resorts (Ihgplc.com, 2023). The company incorporated a new business concept and started Holiday In to provide travelling families with comfortable and affordable accommodation in 1952 (Ihgplc.com, 2023). Since then, the company started to gradually expand till today's timeline. The company became IHG Hotels & Resorts in 2021 with bold new branding and logo to broaden its portfolio group (Ihgplc.com, 2023). Consequently, the Holiday Inn Express brand reached 3000 hotels and IHG reached the marking of 6000 hotels in recent times (Ihgplc.com, 2023). In spite of the smooth journey, IHG encountered many challenges due to the global pandemic. The company faced the major impact of covid even before competitors due to their exposure to China. The hotel chain said that it could only remain operational without any capacity in its hotels for 18 months (Intercontinental Hotel Group, 2020). In the US 10% of its hotels were also closed along with

China (Intercontinental Hotel Group, 2020). The hotel group faced massive economic loads which forced them to take support from the government. IHG issued \$600 million after the Bank of England approved it as a qualified issuer for the UK Government's CCFF (Intercontinental Hotel Group, 2020). This signifies the company required proper strategies and strategic analysis to overcome these challenges.

Intercontinental Hotel Group Mission and Objectives

Mission

Intercontinental Hotel Group focuses on providing great hotels guests love. The mission of IHG Hotels & Resorts is to provide true hospitality for good every day through talented and passionate colleagues across the hotel and communities all over the world (Ihgplc.com, 2023). The company embraces opportunities to create positive change that aid in providing hospitality for good and it can be felt in different ways (Ihgplc.com, 2023). Apart from this, IHG also emphasises implementing sustainable solutions to protect their picturesque surroundings which is beneficial for the environment. It also attracts many customers making it an excellent strategy.

Objectives

The Intercontinental Hotel Group has many objectives that it wants to achieve. One of the major objectives of IHG is to create great hotels that provide great services to guests with love by providing true hospitality for everyone. Another objective of this hotel group is to achieve sustainability and minimize their carbon footprint. These objectives not only help the organisation to gain more growth but also help in gaining and sustaining its competitive advantage and maintaining the supply chain of different services. Hence, the study mainly focuses on the objectives mentioned below-

- To find the different organizational strategic decisions of Intercontinental Hotel Group and their impact on the organizational operations
- To identify the challenges faced by Intercontinental Hotel Group due to changes in circumstances
- To recommend effective strategic management choices to IHG for mitigating challenges and achieving a competitive advantage within an intense market

Macro Environment Analysis

PESTLE Analysis

Particulates	Description	Impact on company
Political Factor	- The political stability index of the UK is 0.54 points (Theglobaleconomy.com, 2023). - The hospitality industry suffered greatly due to Brexit (Whittington, <i>et al.</i> 2020).	The political stability of the UK can be stated as stable which is good for any business organization. It is also one of the factors that attract tourists and other travelers who utilise services from hotels. Hence, this positive political stability is beneficial for IHG. However, the Brexit situation created challenges for the hospitality sector as well. The retention of staff is one of the major problems faced by them as it hampers the overall services provided by the hotels. As a result, IHG needs to mitigate this challenge otherwise this can create a major negative impact in the future as well.
Economic Factor	The GDP of the UK has been projected to increase by 0.5% monthly in June 2023. (Ons.gov.uk, 2023).	The UK observed significant growth in GDP in the past few months. This is also beneficial for the company IHG as people would spend more money on their travel. This would lead to revenue generation for the company IHG.

Social Factor	• 7.7 million visitors from outside came to the UK in the first quarter of 2023 (Ons.gov.uk, 2023). • Foreign visitors spent £5.6 billion in the UK within the first quarter of 2023 (Ons.gov.uk, 2023).	It has been observed that in the post-pandemic period, tourists along with other travellers started to visit the UK. This is also a positive effect on the company IHG. Similarly, the tourists also spend a reasonable amount of time and money while travelling which also brings a positive impact on IHG.
Technological Factor	• The government of the UK committed to investing 3.5 billion dollars for future technological advancements (Gov.uk, 2023).	The government of the UK also stated to invest more for the future betterment of science and technology. Hospitality industries such as IHG use many advanced technologies to provide better hospitality to their customers. Hence, these advancements in technology are also beneficial for the company IHG.
Legal Factor	• Every hotel in the UK needs to follow the Hotel Protection Act of 1956 for the inn and innkeepers' protection (Legislation.gov.uk, 2023).	Every organisation also requires to follow the specific guidelines and acts stated by the UK government. Otherwise, the company might face lawsuits and fines. Hence, it is also important for IHG to follow the different acts and guidelines to avoid any kind of lawsuits as it can lead to reputational damage causing a negative effect altogether.

Environmental Factor	• The UK government aims to achieve net zero by the year 2050 (Sgi-network.org, 2023). • The government of the UK also aims to reduce carbon emissions by 78% by 2035 in comparison with 1990 (Sgi-network.org, 2023).	The UK government also started to focus on achieving sustainability to minimise environmental impact. Thus, IHG also requires them to focus on strengthening their environmental policies. A sustainable organisation attracts eco-conscious customers which brings positive impacts for the IHG.
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Micro-Environment Analysis

Industry Life Cycle

The industry life cycle provides brief knowledge regarding the important phases of a sector along with its crucial information. Based on the opinion of, Cucculelli & Peruzzi (2020), the industry life cycle describes the various stages an industry goes through from its inception to maturity and decline. The industry life cycle of Intercontinental Hotel Group has been discussed below-

Introduction phase:

The Intercontinental Hotel Group was prominently established in 2003. The company then primarily focused on building brand awareness, establishing a customer base and defining its offerings. The company IHG successfully increased the number of brands in its portfolio by making purchases and mergers with Six Continents PLC (Ihgplc.com, 2023). This significantly helped the company to also acquire competitive advantages.

Growth phase:

During the growth stage of this company, IHG experienced an increase in market competition. Similarly, the acceptance within the intense market has also been observed by the company in this phase. The global presence of IHG expanded as it acquired and developed properties worldwide.

The company also discovered that it was able to achieve great exposure in China compared to any other country (Intercontinental Hotel Group, 2020). Consequently, a rising client base was drawn to the business by its reward programmes and variety of brand offerings. Furthermore, IHG concentrated on increasing customer experiences and boosting operational effectiveness at this point to gain market share.

Maturity phase:

IHG company's operations are primarily aligned with the maturity stage of the industry life cycle. IHG established itself as one of the world's largest hotel companies in the 2000s. IHG also opened more than 5000 hotels during this phase (Ihgplc.com, 2023). However, the company also reached a point of saturation during this phase due to the increasing number of big competitors competing for market share. Hence, the focus of the company shifted to differentiating through product quality, customer satisfaction and operational effectiveness. Accordingly, IHG demonstrated its dedication to retaining its market position in this phase by continuing its expansion, both organically and through franchise agreements.

Challenges and potential decline: The Intercontinental Hotel Group also faced many challenges between their maturity and potential decline phase. The company has been seriously affected by the global pandemic in recent times. The challenges during this timeframe for the company IHG include financial crisis, supply chain disruption, staff retention and others (Intercontinental Hotel Group, 2020). However, the company was able to overcome those challenges by implying proper strategic management strategies. On the other hand, the company might encounter its potential decline phase due to the increasing popularity of Airbnb and other affordable hotel options. In spite of this, IHG might be able to overcome these challenges by focusing on different sectors like innovation, technology integration, sustainability practices and customer involvement.

Porter's Industry Five Forces Analysis

<i>Particulates</i>	<i>Description</i>	<i>Impact on company</i>	<i>Likelihood</i>
Competitive Rivalry	Marriott and Hilton are some of the major competitors of IHG (Globaldata.com, 2023).	There are many big hotel companies present within the UK that pose a major threat to the IHG. However, the company can gain a competitive advantage through its strong brand portfolio and loyal customer base	High
Supplier's power	- IHG has 19 hotel brands and over 6000 destinations (Ihg.com, 2023). - IHG uses a split supply chain which consists of corporate and hotel supply chains (Ihgplc.com, 2021).	IHG use a double supply chain to avoid resource shortage. This minimises the chance for supplier bargaining providing significant benefit to IHG. Moreover, the company also utilises its global reputation to negotiate with suppliers which also provide crucial benefit to IHG.	Low

Buyer's power	• Customers online compare prices and then choose their stay for travel nowadays (Pinto & Castro, 2019). • Many hotels provide specific services according to the presence of customers.	The number of hotels is increasing daily along with technology. Hence, customers or travellers started to compare prices on different online platforms before booking a room. Similarly, many hotels also provide special customised services which attract a lot of customers. However, through proper strategic implications, IHG might be able to overcome these challenges.	Moderate
Threat of Substitutes	• Alternative options like Airbnb and other pocket-friendly options started to get popular (Whittington, <i>et al.</i> 2020).	There are many substitutes like Airbnb and other affordable options for staying started to rise. However, proper marketing and a positive brand reputation can help IHG to mitigate this problem effectively.	Moderate

The threat of new entrants	• The number of Airbnb and other boutique hotels is rising every day	The threat for new entrants is very for IHG. An extensive amount of investment, strategy and planning is required to launch a successful hotel group or establish a hotel.	Moderate
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Internal Analysis

IHG's Strategic Resources and Capabilities

Strategic Resources

- **Diverse brand portfolio:** IHG owns many renowned hotel brands like Intercontinental, Crown Plaza and Holiday Inn. This aid the company to provide various services to its customers.
- **Global market:** The market presence of IHG can also be seen within the global market. This also showcases the diversity provided by the company and also helps in capitalising on the economic scale.
- **Efficient distribution channel:** IHG focuses on providing high-quality hospitality to its guests. Hence, they incorporated user-friendly online platforms and distribution channels to simplify bookings. This also aids in enhancing customer engagement.
- **Innovation focus:** IHG also concentrates on utilising innovative ways such as smart technologies, data analytics and personalised services. This helps the company to maintain its elevating guest satisfaction and operational efficiency while earning them a competitive advantage.
- **Sustainability initiatives:** Customers nowadays started to move towards companies that focus on sustainability. As a result, the company IHG also incorporated a green energy system to reduce its carbon footprint and improve the environment (Ihg.com, 2023). This also provides the company with a significant competitive edge by attracting the attention of eco-conscious customers.

Capabilities

- **Brand management:** IHG has many popular hotels or brands under them which provide different services to its guests. The company has expertise in managing diverse brands through effective marketing, segmentation and customer targeting.
- **Global operations:** The company has a presence in the global market along with a significant brand reputation. This signifies the capability of IHG in operating a vast network of hotels across different countries.
- **Customer engagement:** IHG emphasizes providing the best services to its guests. Hence, they also provide effective loyalty programs called One Rewards (Ihg.com, 2023). This includes the best hotel rewards and exclusive member offers. This capability of the company helps them to gain a crucial competitive advantage within the intense market.

Value Chain Analysis

Value chain analysis is another strategic management choice that IHG might undertake to sustain its competitive advantage. According to the opinion of Mejías *et al.* (2019), value chain analysis is a technique for assessing each activity in a company's value chain to identify areas for improvement. The value chain analysis is divided into two activities, primary activities and secondary activities. Both activities of IHG have been discussed below-

Primary Activities

- **Inbound logistics:** IHG efficiently manages its global network of hotels by coordinating the procurement and distribution of resources required for operations. The managing strategy also focuses on ensuring quality and cost efficiency.
- **Operations:** IHG significantly focuses on its operations to provide the best services and staying experience to its guests. Accordingly, the operational excellence of this company can be noticed in its standardized procedures across its properties (Voegeli, 2021). Effective operation also helps in delivering consistent service quality and guest experiences.

- **Outbound logistics:** It is another important primary activity of IHG based on value chain analysis. IHG utilise efficient distribution of channels and online platforms. This facilitates reservation, enables seamless interactions with customers and also enhances convenience.

Secondary Activities

- **Firm infrastructure:** IHG has a presence across the globe. The company can achieve this point by effectively coordinating all activities across the world through its global network.
- **Procurement:** IHG focuses on procurement strategies which involve sourcing materials, goods and services needed for its hotels. Some of the procurement strategies might also enhance the strategic supplier relationship and cost-efficient procurement. Hence, it provides the company competitive advantage.
- **Technology development:** Technological advancements significantly helped many industries just like the hospitality industry. The company IHG invests in technological innovation, including property management systems, digital platforms and data analytics (Voegeli, 2021). The implementation of these technologies remarkably improves guest experiences, streamlines operations and informs decision-making.

VRIO Analysis of Distinctive Resources and Capabilities

		Valuable	Rare	Imitable	Organized	Impact on company
Financial	Financial	Yes	Yes	No	Yes	Highly competitive advantage
Physical	Physical	No	No	Yes	Yes	Moderate competitive advantage
Research	Research and development	Yes	Yes	No	Yes	Highly competitive

and develo pment						advantage
Techn ologic al	Technological	Yes	Yes	No	Yes	Highly competitive advantage
Huma n resour ce	Human resource	Yes	Yes	No	Yes	Highly competitive advantage
Produ ct and servic e mana gemen t	Product and service management	Yes	Yes	No	Yes	Highly competitive advantage
Custo mer mana gemen t	Customer management	Yes	No	No	Yes	Moderate competitive advantage

Analysis:

In summary, the capacity to innovate, adopt the guest experience, commit to sustainability, use data and Technology and invest in staff is what gives IHG a persistent competitive advantage. These tactics provide IHG with a competitive position in the dynamic and developing hospitality sector, together with a dedication to quality and guest-centricity. The competitive advantage of the

organisation is given by its research after covid-19 (Intercontinental Hotel Group, 2020). The development of technological capability, human resources and effective management of the product, services and consumer relationship also help them to grow (Antoni, Jie & Abareshi, 2020). In the hospitality sector, IHG's strategic alignment of valued, uncommon, and organized resources and capabilities considerably strengthens its competitive edge.

SWOT Analysis

Strength	Weakness
• Strong brand portfolio • Global presence • Diverse hotel ranges • Diverse service ranges • Efficient operations • Loyalty programs	• Franchise dependency • Quality issues • Economic fluctuations • Intense market competition
Opportunity	Threat
• Emerging geographical markets • Expansion in the luxury segment • Sustainability trends • Technological innovations • Mergers	• The rising popularity of Airbnb • Economic downturns • Global crisis • Rapidly changing customer preferences

Analysis:

Business organisations like Intercontinental Hotel Group use SWOT analysis to understand the strengths and future opportunities of the company. Accordingly, SWOT analysis also helps in finding and analyzing weaknesses and potential threats that a company might face shortly (Engelbrecht, Lindeman & Hoermann, 2019). Based on this SWOT analysis of IHG it can be seen that they have significant strengths such as positive brand awareness, loyal customers, global presence, various services and others. Similarly, the further opportunities the company has to grow more within an intense market and obtain a competitive advantage. On the other hand, it also pointed out the major weaknesses IHG requires to work on and make them their strength. Similarly, this analysis also provided the potential threats the company might face. Hence, the company requires to implement proper strategic management to achieve a competitive advantage and also sustain it.

Strategies to Sustain Competitive Advantage

InterContinental Hotels Group or IHG can sustain its competitive advantage through a combination of strategic approaches that capitalize on its brand recognition, customer loyalty and operational expertise. IHG need to continue to focus on innovation and guest experience. Also, by introducing new and unique offerings, amenities, and technology-driven solutions, IHG can differentiate itself in the market and enhance guest satisfaction (D'Souza & D'Souza, 2023). Additionally, leveraging its diverse portfolio of brands, IHG should tailor experiences to specific customer segments, catering to various preferences and needs. A deliberate strategy should be taken while expanding internationally. IHG should work with local partners as it expands into new markets to learn cultural subtleties and modify its offers appropriately (To, 2021). This strategy ensures that visitors have a seamless experience and reduces the possibility of miscommunications or misalignments with regional cultures.

Finally, it's important to promote employee empowerment. IHG's committed staff is essential to the company's success. IHG can inspire workers to provide great service, hence raising visitor happiness and loyalty, by providing continual training, maintaining a healthy work environment, and recognizing employee efforts (Intercontinental Hotel Group, 2020). In summary, IHG's capacity to innovate, adapt guest experiences, commit to sustainability, use data and technology, and invest in its staff is what gives it a persistent competitive advantage (Dao, 2021). These tactics

will strengthen IHG's position in the dynamic and developing hospitality sector, together with a dedication to quality and guest-centricity.

Porter's generic strategy

IHG should use a differentiating approach that focuses on Innovation and provide quality guest experiences by utilising their brand portfolio. This helps the organisation to distinguish itself from their competitors and foster customer loyalty. They can maintain competitive ads in the hotel sector by employing this strategy

SWOT strategy

IHG can be benefited from the SWOT strategy and with the help of their strong brand recognition, operational expertise and diverse portfolio with a dedicated workforce. This strategy helps them to understand the strength, weaknesses, opportunities and threats of the organisations to sustain in the market (Abid & Jie, 2021). The challenges and cultural differences can create problems but growth in the market and eco-conscious travellers can make it productive.

Ansoff strategy

Ansoff matrix is a strategic planning tool that helps business is to determine their growth strategies. It analyses the relationship between current products and services and the current or potential market to provide a growth strategy for InterContinental Hotels Group or IHG. IHG Can expand their market share by offering promotions focusing on emerging market trends and enhancing its brand with innovative amenities.

Growth Strategies

Ansoff matrix

Market penetration	Market development
InterContinental Hotels Group's Market penetration involves selling its existing product	InterContinental Hotels Group's market development focus includes expanding into

and services to its current customer base or within its current market. InterContinental Hotels Group can increase its market penetration by implementing a loyalty program, aggressive marketing, offering special promotions or expanding its consumer base within the existing market. They can also partner with similar brands to attract more customers. This could involve encouraging repeated visits from existing guests, attracting new consumers from the same demographic increasing their share of wallets from existing customers.	new markets or customer segments with existing products and services. InterContinental Hotels Group can engage in market development by expanding into new geographical regions or targeting new customer segments. For example, entering into emerging markets like Asia or Africa or targeting significant consumer segments like Business travellers or eco-travellers can be effective for the organisation.
Product Development	Diversification
The product development of the InterContinental Hotels Group involves creating and offering new products or services to the company's existing customer base or markets. The organisation can engage in product development by introducing new hotel brands or enhancing their existing hotel (Stoimenov, 2023). This could include new amenities, and improved sustainability initiatives and can create innovative experiences that attract and retain more customers.	Diversification in the case of the InterContinental Hotels Group entails entering into New Market with new products or services which may not be related to the current offering of the company. According to Aburumman, (2020), InterContinental Hotels Group's diversification could involve venturing beyond the traditional hotel industry like entering into the retail market by offering travel-related services like tours and activities and exploring hospitality technology solutions.

International strategies

International strategy: IHG export its hotel chain to foreign market by standardising core brand values and service standards by maintaining a centralized approach. This is the simplest and least expensive way to expand internationally. However, it can be difficult to compete with local brands which are more familiar in the local market (Kim, Moon & Iacobucci, 2019). Thus, the company needs a specific international strategy for a particular region depending on a significant number of factors like growth potential, competition and the political and cultural environment of the market.

Multidomestic strategy: IHG customizes their hotel brand to meet the need of local markets. This involves the hotel chain adopting the products, services and marketing campaign to the specific need of each market. This strategy can be more expensive than the international strategy but it could help the organisation to better compete with local brands which are more familiar to the customers in a certain market (Hu *et al.* 2021). For instance, IHG uses a multi-domestic strategy in Asian countries compared to the USA because there is a large and diverse market with a wide range of cultures and preferences.

Global strategy: IHG Standardizes their hotel brand across the globe including all markets. This involved using the same product and services as well as promotional campaigns in all markets. This strategy can help IHG to become an economy of scale to reduce costs (Hu *et al.* 2021). However, it can be difficult to implement this strategy in the market with different democracies having different cultures and preferences. IHG uses a global strategy for the USA because there is a smaller range of cultures and preferences compared to Asian and European countries.

Transnational strategy: A transnational strategy balances effectiveness and regional market conditions by combining global and multidomestic techniques. IHG strives to reconcile the demands for both local responsiveness and global efficiency entails exchanging best practices, fostering a global mindset, and centralizing initiatives like branding and digital marketing (Hu *et al.* 2021). This requires some hotel brands' characteristics to be standardized while others be customized to meet the needs of local markets. Even though this strategy could be the most difficult to implement, it might eventually produce the best outcomes.

Entry mode strategies

The IHG group has a global presence and operating different regions across the globe through different entry modes. The potential entry mode Strategies for the organisation in the international market include

Exporting: IHG can choose to export their services to international markets involving the offerings of its existing Hotel brand and services from its home country to its customer in the target market. IHG could set up an online booking platform and market its services to potential customers globally. The strong brand position and existing consumer base could help the process.

Licensing: The company can licence its portal brand to local partners in some countries. This allows IHG to expand its reach without making a large investment. This can attract a target audience and local partners and the company licensing fees and royalties (Stoimenov, 2023). However, it can be difficult to control the quality of the hotel which is operated by its licensees.

Franchising: IHG has franchised its hotel brand in different countries in a good way to expand quickly and gain access to local experts. Typically, a deeper level of engagement is required for franchising, and the local franchisees may gain from continued support and direction from IHG (Stoimenov, 2023). However, the selection of the right franchise and providing adequate training and support to the employees is a difficult process.

Joint Venture: IHG Has entered into joint ventures with local partners in some countries to share risk and resources in a good way. Conversely, it can be difficult for the organisation to manage a joint venture and ensure the interest of both parties are aligned. This strategy would entail joint ownership and decision-making, enabling IHG to gain from the local partner's market expertise while contributing its international experience.

Wholly Owned Subsidiary: IHG has set up wholly owned subsidiaries in a different region which gives the organisation the most control over its operation in a target market. IHG can more successfully implement its global standards and strategy despite the additional investment and risk involved.

The market's legislation, available resources, degree of control, and competitive environment all affect IHG's entry mode approach. As IHG gets expertise with international expansion, it might incorporate many modes and change over time.

Green Strategy and CSR

Companies like InterContinental Hotels Group understand the necessity to implement a comprehensive green strategy in response to the growing global emphasis on moral and ethical behaviour. An intentional strategy known as a green strategy aims to reduce harmful environmental effects while advancing ecological, social, and economic well-being (Thomas *et al.* 2022). It includes a variety of strategic goals, initiatives, and initiatives aimed at integrating sustainable practises into the operations, supply chain, goods, and services of an organisation. IHG prioritises ethical sourcing, choosing environmentally friendly materials and goods whenever possible. In order to guarantee that sustainable practices are followed throughout the whole supply chain, the company regularly communicates with suppliers. IHG demonstrates its dedication to offering customers sustainable alternatives to lodging by supporting green certifications and upholding internationally recognised environmental standards. IHG invests in technology that improves energy efficiency, maximises the utilisation of resources, and cuts waste, all of which are crucial components of its green approach. IHG uses cutting-edge techniques to lessen its impact on the environment, including energy-efficient lighting systems and adaptive HVAC controls. Furthermore, IHG's Green Engage which is IHG's ground-breaking environmental management platform, reduces ecological footprints across all of its properties worldwide (Dewi, Sagitarini & Winia, 2022). With the help of this ground-breaking system, hotels may monitor their resource consumption, adopt sustainable practices, and protect regional ecosystems. An assurance of IHG's dedication to sustainability and ethical business practices.

The InterContinental Hotels Group shows a strong commitment to Corporate Social Responsibility by incorporating moral, social, and environmental concerns into its fundamental activities. The CSR programmes of IHG include a wide range of topics, including community involvement, environmental sustainability, and employee wellbeing (Gürlek & Kılıç, 2022). With the help of the company's Green Engage platform, hotels may track and regulate their use of energy, water, and waste while promoting ecologically conscious behaviours. Through projects including

educational programmes, workshops for developing skills, and cooperation with nonprofit organisations, IHG actively participates in the communities where it operates. IHG also makes investments in the training and engagement of its staff members, helping establish an inclusive, diverse, and empowered culture. The company's CSR initiatives go beyond its properties, helping local economies and promoting responsible sourcing. By effortlessly incorporating CSR concepts into its operations, IHG not only improves the perception of its brand but also helps to create a more sustainable and socially responsible hospitality sector, meeting the demands of both stakeholders and conscientious customers.

Conclusion

The key finding of this analysis is that effective strategic management is essential for gaining and preserving a competitive edge, even in the face of likely problems. The study's findings shed light on the core purposes of InterContinental Hotels Group or IHG and its organisational structure. Meticulous analyses, including PESTLE, industry life cycle, and Porter's Five Forces studies, which also indicate possible hurdles and growth possibilities, offer a thorough picture of IHG's internal and external dynamics. In addition to highlighting IHG's opportunities and strengths, VRIO and SWOT analyses also highlight any weaknesses or prospective threats. These perceptions offer a roadmap for developing strategies that increase competitive advantage and support long-term growth. Significantly, the report emphasises the need for a strong green strategy and a strong CSR framework to not only gain but also maintain a competitive advantage in the changing environment. The company can confidently traverse the competitive landscape and forge a route towards long-term success by adapting to obstacles, capitalising on strengths, and embracing responsible practises, according to IHG's clear strategic orientation.

Recommendations

- IHG Can implement a robust CRM or Customer Management System to enhance their guest satisfaction and build long-term relationships. The relationship marketing theory can be implemented that emphasizes building strong relationships with customers by fostering loyalty and retention (Vinerean & Opreana, 2021).

- They can embrace sustainable practices. This is supported by the triple bottom line theory suggesting businesses should consider not only financial profit but also social and environmental impact (Sargani *et al.* 2020).
- IHG can also invest in digital technology and innovative cultures by encouraging employees to contribute creative ideas. Technology Acceptance Model explains How Technology can be adopted and used to meet customer needs (Min, So & Jeong, 2021).

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