



ASSIGNMENT 2 - REPORT

Lecturer: Lisa Knight

STRATEGIC MARKETING

BMBM6016

Maya Alya Binti Mustapha Chafik

Student ID: 2118687

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1.0 EXECUTIVE SUMMARY

In this report the marketing objectives were explained in detail in regard to Hilton Hotel. The SOSTAC framework analysis and SMART goals objectives were carried out in order to build a strategic marketing objective that works better with the everchanging times that the hospitality industry must go through. Recommendations were made to alleviate any shortcomings and help improve strategies and goals that were already good.

2.0 INTRODUCTION

Marketing has multiple definitions, and most individuals would explain it as advertising and selling. However, it is much more than that and focusing solely on selling does not guarantee the development of a long-term customer base. Retaining and attracting customers are both involved in marketing. Promising and delivering better value than competitors can attract customers. (Evans & Ballen, 2015 and Corteza, 2017)

When assessing a strategic marketing plan, it helps me to be able to evaluate the current environment a marketing plan is a great tool to assess where the company is positioned and to complete a situation analysis. (CIM Marketing Expert, n.d.) It is important to understand what the available resources are, as well as how is the competitive environment developing. All the data which is collected during the marketing research stage is essential to gain a good understanding of where my business currently sits. (Walthurst Jones, 2018)

The SOSTAC Model was created by a best-selling Marketing author, Paul Smith. It focuses on six of the most crucial business components. (BSA Marketing Expert, n.d.) Each acronym poses simple questions and gives an easy start. It stands for Situation analysis, Objectives, Strategy, Tactics, Action and Control. (Krishnan, 2013)

According to Lawlor (2012), the SMART goals model has been found to be valuable as a tool for businesses. SMART stands for Specific (define exactly what is being pursued), Measurable (can it be tracked numerically), Attainable (can it be achieved), Realistic (doable from a business point of view), and lastly Timely (can it be done within a certain amount of time).

3.0 MAIN FINDINGS

3.1 Strategic Marketing Objective

Marketing objectives are measurable goals that outline what the end results of your marketing strategy should be. Their main purpose is to guide your marketing efforts toward set milestones. The most effective objectives should also align with your business plan and complement your overarching business goals. (Podium, 2022) Objectives are typically S.M.A.R.T. goals, meaning that they are specific, measurable, attainable, relevant, and time bound.

Chosen Strategic Objective: The international marketing team will increase Hilton's customer acquisition by 30% in the next 3 to 5 years through the launching of middle-class services.

According to Ogbeiwi (2017) and University of California (2017), SMART goals are statements of the important results you are working to accomplish. They are designed in a way to foster clear and mutual understanding of what constitutes expected levels of performance and successful professional development. SMART goals are meant to address all major job responsibilities and intended to focus attention and resources on what is most important so that the company can be successful in achieving priorities

. The following is a SMART analysis of Hilton's strategic marketing objective mentioned above:

Specific – The marketing objective is to have Hilton's international marketing team increase revenue by 40% in the next 3 to 5 years through the acquisition of customers by launching middle-class services.

Measurable – To measure the success of this objective, the marketing department will look at revenue/profit of bookings by new customers. These customers will belong to the middle-class instead of the higher-class which traditionally frequents Hilton Hotels worldwide.

Attainable – The objective will be attainable through means of partnership with a Mid-List hotel chain that can assist in creating a pleasurable experience at mid-range prices while still holding the prestige of the Hilton brand.

Relevant – This objective aligns with broader goals due to it being beneficial to Hilton in terms of bringing in an entire new segment of customers and along with much needed additional revenue to elevate the financial hardships that befell the global hospitality industry, including Hilton, during

and after the COVID-19 pandemic and lockdowns. This is due to people these days wanting to have more staycations due to restrictions and financial reasons. These people are mostly families and younger generations who belong to the middle class.

Time-bound – The timeframe for the accomplishment of this strategic marketing objective is within 3 to 5 years during the endemic.

3.2 SOSTAC Analysis

Situation Analysis

To find out Hilton's situation, a SWOT analysis is carried out and is as follows:

Strengths: Hilton has a diverse property portfolio, which allows the firm to grow since it has adequate equipment and innovative technologies. As a result, it may easily outperform competitors with a smaller property portfolio. Hilton has a solid business background and extensive leadership expertise. Hilton Honors, the company's award-winning guest loyalty program, is another example of a successful loyalty program. Turner and Hartman (2018) Furthermore, Hilton enjoys strong brand equity as a result of corporate responsibility. It has been named Fortune's finest company to work for.

Weaknesses: Hilton is overly reliant on the US market. It also has a modest presence in the Asia Pacific region, where it might gain additional clients. Furthermore, the corporation has a massive amount of debt to pay out.

Opportunities: Hilton is known to be a firm with the potential to develop abroad. (Huckestein & Duboff, 1999) With a presence in 106 countries worldwide, Hilton has the potential to expand into new markets (Hilton Worldwide, 2018). Furthermore, the corporation can grow a segment that is affordable to the middle-income group. Hilton Worldwide is recognized for its high product prices, therefore expanding to include the middle class can help the firm grow even more.

Threats: Because the corporation encompasses the whole globe, it is vulnerable to terrorist assaults and political unrest. The Company may suffer losses if the macroeconomic environment deteriorates. A change in the customer's likes and preferences also has an impact on the company since they must meet the consumers' expectations. (Hilton Worldwide, 2018)

Objectives

This objective will increase revenue of the Hilton Hotels by 40% in 3 to 5 years. It will also increase customer acquisition. Sales are the most significant transaction that leads to profit and revenue generation. Hilton Hotel thus aims at growing its sales to greater heights by expanding its services to as many countries as possible. Hilton Worldwide makes their advertisement online as a digital marketing tool to help increase sales. (SiteMinder, 2022) Since the Company's products and services cannot be sold online, online marketing delivers leads which will convert to sales. Hilton Hotel aims at continuing to provide exceptional guest experiences all over the world by selling their products and services which meet the customers' expectations thus earning profits.

The 5Ss Digital Marketing Framework was used to evaluate Hilton's objectives:

Speak – Getting closer to customers through participation and dialogue will help create a good relationship between the Hilton Hotels and its customers. With the Millennial mindset, Hilton aims at using digital channels to make significant sales and communicate to engage the audience using digital marketing tools.

Serve – Excellent service delivery will help the company maximize their sales. Since it serves a wide range of customers all over the globe, the Company's website and social customer service help customers get answers to their questions. Hilton Company aims at ensuring that they provide quality services.

Save – Minimizing costs and saving will help in the development of the Hilton Company. Saving will help the company maximize profits. The use of online marketing through the company's website will help reduce service costs and to also save on traditional media such as posts and prints.

Sizzle – Putting a sizzle in digital marketing will help increase sales by building the brand online. Hilton Company makes a positive brand experience for the audience and the company itself. Hilton aims at raising the level of satisfaction and advocacy.

Strategy

According to SiteMinder (n.d.), building partnerships is a good strategy for increasing sales in the hotel industry. There ought to be several other businesses and attractions with whom you may develop a mutually beneficial collaboration. Co-marketing with restaurants, specialist stores can

Similarly, in order to achieve this marketing objective, Hilton can create a strategy in which they start a partnership with reputable and well-established Mid-List Hotel(s). This will work in ways where a new option will be available for families and younger generation who wish to have a pleasant stay in a hotel/resort within their middle-class budget. In this way, Hilton is also competing on the same level as its substitution threat, Airbnb while still maintaining its more luxurious and premium side of the business. They can now conquer two different market segments with significant profit from both areas.

Tactics

A marketing mix consist of 4Ps. The Marketing Mix is a name used to explain the mixture of strategies used by a firm to attain its objectives by promoting its products or services efficiently to a specific target customer group. (Shaik et al., 2018) It is defined as a controllable group of variables that the organization can use to effect on the buyer's response to product or service. (Thabit & Raewf. 2018 and Constantinides, 2006)

According to MBA Skool Team (2017), the Hilton Marketing Mix consists of:

Product – Hilton group provides the variety of hospitality services across the world through its hotel chains. Luxury hotels chains, focused services like Hilton Garden Inn, executive services like extended stay suites and vacation hotels are a part of its marketing mix product & service strategy. Hilton's target segments are the business segment with convention and leisure segments as well.

Place – Hilton presence is worldwide with 103 countries with more than 5100 properties. The group has shown the considerable growth with time. Starting from the US, Hilton has focused on western countries as the group targets exclusive segment of the society. With time the group is focusing on new emerging markets like India and China.

Price – The cost of different types of hotels by Hilton group serves for the specific purpose. Just like Hilton Resorts are situated at beach/lakeside for the different experience than airport hotels. With this, all exclusive hotels, group has always maintained exclusive price segment.

Promotion – The Hilton group is the well-known brand in the hospitality industry for a long time. The group have extensively focused on the exclusive services and customer satisfaction. The target customers are business customers all over the globe. The group have collaborated with many business firms, multi-national companies, institutes and various groups of their booking on priority.

Actions

A different and modern website will be created for these new middle-class hotel chains. This will set Hilton apart from other competitors. Hilton Company will use social media to market its product and services thus reaching a wide range of customers which will help the company maintain its market share. To help advertise the Company on Facebook, creating a Facebook website or account will help generate awareness of Hilton's products and services. Posting pictures of the accommodation offered by the company, and other products will attract more young people. Similarly, posts on Instagram and Twitter will attract more young people.

Control

It is vital to keep watch and ensure that the objectives, strategies, and tactics are useful and thus everything is under control. Hilton can assess its performance quarterly by conducting an audit. The company has auditors who can frequently be evaluating the organization's progress, to help determine whether there is an increase in the revenue once the strategy of launching middle class service options was implemented. Sales revenue is also used by the Hilton Company to assess whether there is an increase in sales. An increase in sales indicates that there is progress towards the set objectives and customer satisfaction. If the marketing efforts are working, then the sales results will be increasing.

4.0 RECOMMENDATIONS

Based on the report above, a recommendation for the future of Hilton in terms of strategies and decision making is to keep diversifying itself. The hotel should continue increasing its scope of products and services in order to thrive in this uncertain climate, especially with a pandemic. Whenever it is not the season for vacations in their traditional luxurious hotels and resorts, having a backup subsidiary which caters to a more middle-class experience will keep profit flowing, thus ensuring that there is no cut in revenue flow at any time of the year, during all seasons. This will also boost its brand name once people start recommending and talking about this new affordable yet classy service to their friends and families. Also, Hilton could use new alternatives to advertisement such as applications and online hubs where younger generations frequent. The cost of advertisement will be cheaper and with the everlasting development of the internet, their reach will be wider. Otherwise, Hilton could change from pricing based on seasons to a more regular and flexible, day-to-day pricing policy to encourage the acquisition of different target customers while also boosting revenue during low seasons.

5.0 CONCLUSION

In conclusion, there are multiple ways in which the hotel industry can plan and strategize in order to overcome challenges in this uncertain climate. This report has helped me understand the importance of strategies that are relevant, realistic and attainable to a businesses' situation. The use of different frameworks, models and ideologies were enlightening and are helpful in understanding the true context of Strategic Marketing. It has shown that being thorough and detailed in planning for a specific goal or objective is the only efficient way to bring it into reality and make it last for the future of the organization and its industry.

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