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EXECUTIVE SUMMARY

The goal of this research is to present a situational analysis for a multi-brand worldwide hotel group. As a result, Marriott International was chosen as the subject of this investigation. PESTEL, SWOT, McKinsey's 7S, and Porter's 5 Forces are the frameworks that will be used. Before assessing the frameworks, this study will provide a quick introduction to COVID-19 and Marriott International. Finally, this report will offer Marriott ideas that may be advantageous to the organisation. Only trustworthy materials and websites will be used to support the frameworks that are being discussed in this study.

Introduction

This audit report has been written to analyze Marriott International's current and future external and internal environments in response to the COVID-19 pandemic.

"The coronavirus disease 2019 (COVID-19) is an infectious disease caused by the SARS-CoV-2 coronavirus, which mostly affects the respiratory system and causes interstitial pneumonia and acute respiratory distress syndrome, among other symptoms" (Rudrapal et al., 2020). The world's economy ground to a halt almost quickly because of the Covid-19 pandemic (UNWTO, 2020). COVID-19 has had a significant impact on the hotel industry (Hayri et al., 2020) and has posed an unprecedented threat on the hospitality industry.

Attempts to flatten the COVID-19 curve through community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in the temporary closure of many hospitality businesses, as well as a significant drop in demand for businesses that were allowed to operate in the interim (Bartik et al., 2020). Travel restrictions and stay-at-home orders imposed by authorities resulted in a significant drop in hotel occupancy and income (Gursoy et al., 2020). In the hotel industry, customer loyalty and trust, employee dedication, and property excellence are all significant variables (Hayri et al., 2020). COVID-19 has posed significant challenges in all of these areas, including how to maintain property operating standards while adhering to social distancing mandates, how to build customer and employee trust in the safety of properties (especially those with high volumes of daily traffic), and how to keep employees motivated in the face of economic uncertainty (Hayri et al., 2020).

Marriott International isn't immune to the problem. Several Marriott International hotels have been forced to temporarily halt operations, with at least one permanent shutdown confirmed. Because of the vast number of activities undertaken by the company at these special times, it has displayed a strong commitment to both its visitors and employees (Pinedo, 2020).

Marriott was founded in 1927 by J. Willard Marriott and his wife, Alice Sheets Marriott, who operated a root beer stand in Washington, D.C. As a Mormon missionary, Marriott

was certain that what the inhabitants of Washington, D.C. needed during the searing, humid summers was a place to have a refreshing drink (Marriott International, 2020).

The Marriotts later expanded their company to include a restaurant and hotel franchise. Marriott International was created when Marriott Corporation was split into two corporations in 1993, Marriott International and Host Marriott Corporation.

The company's 30 brands and 7,000+ properties in 131 countries and territories provide consumers more possibilities to interact, discover, and broaden their horizons throughout the world, making it the most comprehensive portfolio in the industry (Marriott International, 2020).

Main Findings

PESTEL

The first framework that will be used in this report to analyze the macro environment of Marriott is PESTEL. A PESTEL analysis studies the key external factors that influence an organization. It is a comprehensive fact-gathering activity centered on external elements that may influence an organization's decisions, assisting it in maximizing opportunities and minimizing dangers (Marketing: Pestle...). The word PESTEL stands for political, economic, socio-cultural, technological, legal, and environmental.

Business owners and managers can use the model to uncover macroeconomic factors that should be considered while planning their company's future (Alanzi, 2018).

Technological Factors

Hotels use technology to improve the service they deliver to their clients in a variety of ways. For example, almost all hotels today use social media to engage with their current and potential customers. As a result, they may reduce their advertising costs while still communicating with customers in real time.

Marriott International has taken a number of steps to combat the spread of COVID-19 and safeguard the health of its employees and customers. Customers can, for example, use the Marriott Bonvoy mobile app to check in and key in, as well as request any type of service from the hotel. This is not only handy for customers, but it also lowers staff-to-customer contact (Marriott).

M Live, on the other hand, was founded by Marriott. It acts as a command Social media experts monitor the brand's visibility across several channels from one hub. If a traveler tweets about an excellent experience while staying at a Marriott hotel, a M Live staff member may be able to do something extra to improve the visitor's entire experience. A drink may be offered to the guest in the pool, or the team could throw an impromptu party

in the hotel lobby. It is adapted to the preferences and interests of the guests (SocialTables).

Economic Factors

The economy has an impact on segmentation and targeting approaches in the hospitality business. There are different types of lodgings accessible depending on the economic situations of the people staying at the hotel, including luxury hotels, boutique hotels, and budget hotels (Rahman, 2021).

Marriott International operates luxury hotels such as the Ritz Carlton and the St. Regis. As a result, in order for Marriott International to stay in business, the economic climate must be thriving. This would take into account economic considerations such as job availability and recessions.

COVID-19 has resulted in a modest decrease in employment rates. For example, in the United Kingdom, the employment rate is expected to be 75.4 percent, down 1.1 percentage points from before the coronavirus pandemic (Watson, 2021).

Recessions and other economic difficulties, according to Rahman (2021), have an impact on people's decisions to stay at a certain hotel. In this example, the COVID-19 outbreak had an impact on Marriott International. The number of visitors has reduced drastically, notably during COVID-19's early phases, due to travel and social restrictions established to combat the pandemic's spread. The number of tourists has increased slightly as a result of the relaxation of travel restrictions in most countries.

SWOT

A SWOT analysis is a list of the benefits, drawbacks, opportunities, and threats that your firm faces. A SWOT analysis' main purpose is to help businesses gain a comprehensive grasp of all the factors that go into making a business decision (Schooley, S.,2021). The hazards to the company will be the only aspect of the study that will be looked at.

Threats

In 2020 and 2021, the covid-19 epidemic occurred, plunging the global economy into a deep recession. Thousands of people were laid off as a result of the pandemic, which occurred both during and after the outbreak. The lockdown, business closures, and social isolation are all still in place. The longer researchers take to develop a vaccine, the more difficult it will be to recover from the outbreak (Simon, 2020). Marriott is a part of the high-end hospitality business. The epidemic had the greatest impact on the company. As a result, Marriott's brand reputation has suffered, and its brand value has dropped by more than half, to \$2.4 billion. From second to fifth place in terms of brand value, the company has slipped three points. The Hilton hotel, a competitor of Marriot, suffered the smallest decline in sales and brand value during this time (Hospitality Net, 2021). The chain hotel brand's annual sales and net profitability have likewise decreased as a result of this.

Marriott faces competition as well. Marriott's primary competitors include Novotel and Hilton. They have the resources and the brand name to grow the company's market share. As a result, the hotel and resort brand should stand out and boost customer loyalty programs.

It is a luxury brand that provides high-quality lodging and caretaking services to customers from all over the world. In a large property, consumers are often wealthy. Because of this, five-star properties are frequently placed on red alert. Inappropriate occurrences are more likely to occur in these areas. Many high-end hotels have been targeted by criminals in the past, as history shows. Marriott should invest in its security systems in order to provide a safe environment for its visitors.

PORTER

Porter's Five Forces of Competitive Position Analysis was developed by Harvard Business School's Michael E Porter in 1979 as a basic framework for examining and evaluating a business organization's competitive strength and position. This theory is based on the notion that five forces determine the competition intensity and attractiveness of a market (CGMA, 2013). Newcomers, substitutes, consumer bargaining power, supplier bargaining power, and competitive rivalry are the five factors at work. Porter's five forces might help you figure out who in a business situation has the greatest influence. This is useful for determining the strength of an organization's current competitive position as well as the strength of a position that the company might want to pursue in the future (CGMA, 2013).

This paper, on the other hand, will focus solely on the dangers of competitive rivalry.

Competitive Rivalry

Marriott is up against a lot of competition in this industry. Marriott's competitors are Hilton, Carlsen, Hyatt, and Four Seasons hotels and resorts. These hotels are all in the same price range and provide similar services. They compete by moving to additional firms and becoming regular customers, as well as by offering significant discounts and deals.

The hotel industry has also taken a hit as a result of the Covid outbreak, which has increased competition among hotel chains. Marriott International, on the other hand, has more than 400,000 hotel rooms in the pipeline worldwide and is the world's leading hotel in terms of sales.

MCKINSEY'S 7S FRAMEWORK ANALYSIS ON MARRIOTT INTERNATIONAL

Managers and enterprises can use the McKinsey 7s model to analyse organisational performance (Harvey, 2020). According to the McKinsey 7s model, organisations must focus on and align seven essential areas in order to accomplish successful change management and consistent performance increases over time (Harvey, 2020). The seven components include strategy, organisation, processes, common values and style, as well as employees and abilities. For the purposes of this study, just the skills component will be addressed.

SKILLS

Employees at Marriott International are highly qualified and capable, which reflects the company's success. Employees are hired based on their skills and personality traits. All employment criteria have been met, according to Marriott International, and employees have the requisite abilities to carry out their obligations in accordance with the company's values and culture, as well as its business objectives and overall strategy (Pinedo, 2020). Employees are often given further training and seminars, both domestically and internationally (Pinedo, 2020).

As part of the company's commitment to investing in its people, Marriott International has just begun investing in the personal and professional development of its 2500-strong team (Hogan, 2022). As a result of the pandemic's impact on labour and skill shortages, many in the hotel sector have struggled to attract and retain top staff. This programme, called FlexFutures, and its activities are aimed at changing that (Hogan, 2022).

RECOMMENDATIONS

To begin with, Marriott International's hotel portfolio should be broadened to include rooms for middle-income customers. This course of action is designed to enhance sales and revenue by broadening the organization's target market. Marriott International would have a strong opportunity to apply this plan as the number of tourists grows because the majority of countries have abolished travel restrictions. In addition, because Marriott International is a well-known hotel chain, middle-class customers will now be able to stay at a Marriott hotel for a reasonable price.

It was also recommended that the corporation increase its social media marketing efforts. This is because most firms, including Marriott International, employ social media for marketing as a result of the COVID-19 epidemic. This is a wise course of action, as social media is the busiest place in the globe today, particularly during COVID-19, when everyone is at home and constantly on their phones. The most popular social media platforms are now Facebook and YouTube (Lua, 2022).

CONCLUSION

Finally, this report's situational analysis incorporates PESTEL, SWOT, McKinsey's 7S Framework, and Porter's 5 Forces. By conducting this analysis, Marriott International will be able to become aware of the situation and respond accordingly. The present recession, which is COVID-19, is the most significant economic concern facing Marriott in this study.

It's also clear that by launching the Marriott Bonvoy app and M Live, they made advantage of technology. It is vital in the hotel sector to keep up with technological advancements since it is a rapidly changing, contemporary industry that demands new technology to save time and perform more effectively. The use of technology in Marriott Hotels allows them to react better to the highly competitive market climate.

Marriott International could also strengthen its social media marketing and provide rooms that are affordable to middle-class clientele.

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