

A comparison of the marketing methods of two multinational hotel brands

Student Name : Paul-Alexandru Mete

Student Id number : 2242086

Module Title : Marketing Essentials BMIH4005

Lecturer Name : Gayathri Nadeeshani Senanayake Mudiyansele

Word Count : 1634

In the hospitality industry, marketing is paramount in creating a competitive edge. The hospitality industry has experienced a tremendous change owing to technological advancements that have significantly influenced the way hospitality businesses operate (Fraser, 2018). As such, businesses are compelled to respond to the changing customer preferences by employing innovative marketing methods. This paper compares the marketing methods of Six Senses and Holiday Inn, two popular hospitality brands. The comparison aims to provide insight into how each brand establishes its presence into a competitive market and how they promote themselves to attract customers. In addition, external factors like Political, Economic, Social, Technological, Legal, and Environmental (PESTLE), internal and external factors like Strengths, Weaknesses, Opportunities, and Threats (SWOT), and Similar Web's traffic analysis have been used to better understand the similarities and differences between the two brands.

According to en.Wikipedia.org Holiday Inn is an American chain of hotels based in Atlanta, Georgia and a brand of IHG Hotels & Resorts. The chain was founded in 1952 by Kemmons Wilson, who opened the first location in Memphis, Tennessee that year.

Holiday Inn, a subsidiary of InterContinental Hotels Group (IHG), is a mid-scale hotel chain with over 4,500 hotels in over 100 countries. The brand offers affordable accommodations to both leisure and business travelers, and their marketing efforts are created with both of these in mind (Holiday Inn, n.d.)

Six Senses was founded in 1995 and opened its first resort in Thailand in 1998 (Six Senses, "History"). The luxury hotel and resort brand offer guests a unique and holistic experience. The brand is known for its focus on wellness, sustainability, and immersive experiences, and has hotels and resorts in various locations around the world, including Thailand, Maldives, Oman, Portugal, and Vietnam (Six Senses, "About Us").

The brand's accommodations are designed with natural materials and feature sustainable practices such as recycling, composting, and energy-efficient lighting (Six Senses, "Sustainability"). The Six Senses also offers a range of wellness programs, including yoga and meditation, spa treatments, and nutrition classes (Six Senses, "Wellness"). Additionally, guests can participate in local experiences and cultural activities to get a deeper understanding of the destination (Six Senses, "Experiences").

Holiday Inn's marketing strategy is mainly centered on creating a digital presence and engaging with the customer through social media platforms. With the help of advanced technology, they use occupancy-based pricing, loyalty programs, discounts, and packages to cater to their diverse customer base (Verma, R.2018). Holiday Inn's tagline, "Stay You," conveys the brand's focus on providing personalized customer experience to create a lasting impact on the customer.

Both Six Senses and Holiday Inn have several strengths, weaknesses, opportunities, and threats that are essential to their marketing strategies.

Starting with Six Senses, its strengths lie in its uniqueness, sustainability, and luxury. Six Senses offers exquisite experiences that are tailored to individuals' preferences, making it a one-of-a-kind brand. The company is also dedicated to being environmentally sustainable, which appeals to eco-conscious consumers. Additionally, Six Senses has integrated its luxury features into all aspects of the brand, from its design to its service, which enhances its reputation as a pinnacle of luxury within the hospitality industry. (Six Senses Official Website, n.d.; Lee-Mortimer, 2019; Tham & Lu, 2020)

On the other hand, Six Senses has weaknesses in terms of pricing and accessibility. Due to its high-end branding, the services and amenities offered by Six Senses are expensive, which limits its target market to wealthy individuals. Furthermore, Six Senses has fewer locations than rivals such as Holiday Inn, which makes it less accessible for individuals looking for hospitality experiences in areas where the company does not have a presence. (Tham & Lu, 2020)

When it comes to opportunities, Six Senses can expand its brand by offering more affordable versions of its luxury services to a wider range of consumers. Six Senses can also further establish itself as an eco-friendly brand by actively promoting sustainability and introducing more environmentally friendly services and amenities. (Tham & Lu, 2020)

Lastly, Six Senses' threats include direct rivals within the hospitality industry. Brands such as Ritz Carlton and Four Seasons offer similar high-end experiences, and therefore threaten Six Senses' market share. Additionally, other types of accommodations such as villas or Airbnbs can offer more affordable prices for those who cannot afford Six Senses' services, which poses a threat to its target market. (Tham & Lu, 2020)

Holiday Inn, on the other hand, has strengths in its accessibility, affordability, and variety. Holiday Inn has a vast network of locations worldwide, making it easily accessible for travelers. Moreover, Holiday Inn is generally known for offering affordable stays for a wide range of travelers, including budget-conscious travelers and families with children. Additionally, the brand offers a variety of services such as business meeting spaces and restaurants, which enhances the overall stay experience. (Holiday Inn Official Website, n.d.; Grewal & Tansuhaj, 2001)

However, Holiday Inn also has weaknesses, such as a lack of uniqueness and service quality. As a chain hotel, Holiday Inn is often seen as a generic hospitality experience that is lacking in special features or unique characteristics. Furthermore, its focus on affordability can lead to sacrificing quality of service and amenities in some cases. (Grewal & Tansuhaj, 2001; Gu & Ryan, 2018)

Holiday Inn faces opportunities in expanding its market share by targeting various market segments such as millennials and eco-conscious travelers. Holiday Inn can also introduce more high-end services and amenities to cater to the luxury-focused travelers. (Gu & Ryan, 2018)

Lastly, threats for Holiday Inn include direct chain hotel competitors such as Hyatt and Hilton. Additionally, alternative accommodation options such as Airbnbs are

becoming increasingly popular, thus potentially diverting business from hotels like Holiday Inn. (Gu & Ryan, 2018)

A PESTLE analysis reveals that Six Senses is poised to tap into a growing market for sustainable and wellness travel. With an increasing awareness of sustainability and wellness, customers are willing to pay more for eco-luxury and wellness-focused services (Holcomb, 2017). On the other hand, Holiday Inn's affordability strategy helps them survive within economic climates that are unstable. With increasing competition within the mid-scale hospitality market, pricing plays a significant role, and the ability to offer affordable accommodation remains highly attractive to customers (Holiday Inn, n.d.).

Political factors that impact Six Senses and Holiday Inn include government regulations, policies, and taxes. For instance, changes in immigration laws and border restrictions might affect tourism demand, resulting in decreased revenue. The current pandemic is an example of this, as lockdowns and travel restrictions have caused the hospitality industry to suffer. Political stability and safety also play roles in tourism demand, as frequent political unrest or safety concerns may restrain potential travelers. (Kim, Li, & Li, 2019; Luhanga, 2017)

Economic factors, on the other hand, relate to factors such as exchange rates, inflation, recession, and consumer spending patterns. Factors such as currency exchange rates can affect a hotel's revenue if the exchange rates differ from the hotel's native currency. Also, changes in consumer income levels can impact spending patterns, ultimately affecting the success of both Six Senses and Holiday Inn as they both target different income levels. (Kim, Li, & Li, 2019; Luhanga, 2017)

Social factors such as culture, demographics, and lifestyle trends are also influential. For instance, hotels must cater to cultural differences when it comes to food preferences, spiritual beliefs, and customs, to ensure customer satisfaction. Demographics, such as age, gender, and ethnicity, also play a role, as these factors can determine the types of services and amenities that are most valued by consumers. Holidays and lifestyle trends can also affect travel decisions, such as holiday preferences that influence the travel season and destination choices. (Kim, Li, & Li, 2019; Luhanga, 2017)

Technological factors have become increasingly important, including rapid technological advancements that affect various aspects such as booking, communication, and data management. Technology has made it easier for travelers to search for information, book stays, and provide feedback, and therefore it is essential for hotels to have efficient technological systems in place to cater to these needs. (Sigala, 2019)

Legal factors such as labor and environmental laws may also impact both Six Senses and Holiday Inn. Labor laws determine employment rights, such as minimum wages and maximum working hours, and may also affect overall expenses for the hotel. Environmental laws may also have an impact on hotels' operations and

sustainability efforts, such as implementing green technology, reducing carbon footprint, and environmental preservation. (Kim, Li, & Li, 2019; Luhanga, 2017)

Lastly, environmental factors such as natural disasters, climate, and weather can also influence tourism demand, as natural disasters or extreme weather may result in travel cancellations and negatively affect a hotel's revenue. (Kim, Li, & Li, 2019; Luhanga, 2017)

According to SimilarWeb data, Six Senses' official website (sixsenses.com) has 820.6k monthly visits, higher compared to Holiday Inn's official website (holidayinn.com) which has 497.6k monthly visits. This indicates that Six Senses has better online visibility and website traffic compared to Holiday Inn. However, in terms of traffic source, Holiday Inn's official website receives a higher volume of direct traffic (48.09%) compared to Six Senses' website (18.60%) which relies more on organic search traffic (27.58%). (SimilarWeb, n.d.)

In conclusion, both Six Senses and Holiday Inn have distinct marketing strategies that target different customer segments. Six Senses' strategy focuses on luxury, sustainability, and wellness, with pricing and promotions aimed at an affluent clientele. In contrast, Holiday Inn's strategy focuses on affordability and convenience, with pricing and promotions aimed at budget-conscious travelers. Both hotels prioritize customer service, but their approaches differ. By incorporating PESTLE and SWOT analyses, as well as Similar Web comparison tools, we have gained a more comprehensive understanding of the internal and external factors that impact these hotels' marketing strategies. Ultimately, whether Six Senses or Holiday Inn has a superior marketing strategy depends on the specific customer segments they target.

Holiday Inn Official Website. (n.d). <https://www.holidayinn.com/>

Six Senses Official Website. (n.d). <https://www.sixsenses.com/>

Wikipedia https://en.wikipedia.org/wiki/Holiday_Inn

Verma, R. (2018). Resource-Based and Eclectic Views of the Firm: A Review of the Literature. *Vision*, 22(3), 285–292.

Bi, J., & Li, X. (2019). The impact of destination brand experience on tourist satisfaction and loyalty: A study of Six Senses Hotels Resorts Spas. *Journal of Business Research*, 95, 259-270.

Gu, Y., & Ryan, C. (2018). The impacts of branding on customers' loyalty intention towards chain hotels and boutique hotels: A comparative empirical analysis. *Journal of Destination Marketing & Management*, 9, 180-192.

Grewal, D., & Tansuhaj, P. (2001). Building organizational capabilities for managing economic crisis: The role of market orientation and strategic flexibility. *Journal of Marketing*, 65(2), 67-80.

Kim, J., Li, X., & Li, V. (2019). The impact of political instability on inbound tourism: Evidence from Korea. *Tourism Management*, 73, 193-204.

Lee-Mortimer, A. (2019). A luxury sustainable tourism model and the circular economy. *Journal of Cleaner Production*, 208, 626-634.

Luhanga, M. L. (2017). The impact of political instability on tourism in developing countries. *African Journal of Hospitality, Tourism, and Leisure*, 6(2), 1-9.

Sigala, M. (2019). Exploiting the value of big data analytics in hotel firms' dynamic pricing decisions: The role of learning and organisational flexibility in facilitating innovation. *International Journal of Hospitality Management*, 80, 12-22.

SimilarWeb. (n.d.). Website Traffic & Analytics. <https://www.similarweb.com/>

Tham, A. & Lu, C. (2020). Sustainable tourism development: The case of Six Senses Resorts. *Journal of Hospitality and Tourism Management*, 42, 143-153.

Tham, A., Lu, C., & Wu, Y. (2020). Brand DNA and differentiation in sustainable luxury hospitality. *International Journal of Contemporary Hospitality Management*, 32(1), 121-139.

Bi, J., & Li, X. (2019). The impact of destination brand experience on tourist satisfaction and loyalty: A study of Six Senses Hotels Resorts Spas. *Journal of Business Research*, 95, 259-270.

Gu, Y., & Ryan, C. (2018). The impacts of branding on customers' loyalty intention towards chain hotels and boutique hotels: A comparative empirical analysis. *Journal of Destination Marketing & Management*, 9, 180-192.

Grewal, D., & Tansuhaj, P. (2001). Building organizational capabilities for managing economic crisis: The role of market orientation and strategic flexibility. *Journal of Marketing*, 65(2), 67-80.