

A Comparison of the marketing methods of two multinational hotel chains

Student name: Laura Popescu

Student id Number: 2110392

Marketing Essentials BMIH4005

Dr. Neil Dyer

This Essay has been written to describe a comparison between two multinational hotel chains: Intercontinental Hotel Group and Premier Inn with emphasis on their marketing plans.

Having a look at the names of the companies, it can already be noticed that there are big differences in what they want to represent. Premier Inn presents itself as a higher-tiered inn for travellers, while an *inn* is defined as a countryside pub that includes sleeping rooms. On the other hand, Intercontinental Hotel Group is a mix of brands that share the same ideology and cover various aspects and tiers of hospitality. Intercontinental Hotel Group is the dream of CEO Juan Trippe who wanted to build a hotel at every flight end and connect continents between them. Their philosophies are as well hugely different; each one of them offers different concepts for customers; these are “True Hospitality” by IHG and “rest easy” for Premier Inn.

The first Intercontinental hotel was opened in Brazil in 1946, but the story started in 1888 with Bravery Bass. Kemmons Wilson was the first to franchise, becoming world-famous. On the other hand, Premier Inn’s history is dated back in 1987, first being named “Travel Inn” and after the company, Whitbread acquired some more companies, merged them, and finally created the name “Premier Inn” back in 2007. Today, Premier Inn is a British hotel chain owned by Whitbread and is the UK largest hotel brand having more than 800 hotels across the country (Premier Inn,2021) while Intercontinental Hotel Group has hotel brands grouped in collections by tier globally. (IHG Hotels & Resorts,2021)

It is very well known that Intercontinental Hotel Group has made significant steps on to evolution when they have been the first one who launches the world first reservation system, connecting the travel industry first to take online bookings and then the first app across all devices and they were rewarding their guests with loyalty cards. "It is no longer enough to satisfy your customers. You must delight them." (Kotler). With a historical past not that easily overlooked, IGH knows how to use all kinds of methods to “WOW” the customers and leave them the best memories. (IHG,2021)

Marketing is described as a business philosophy that places the customer at the centre of the hospitality organization. (AMA 2021) Having a good marketing plan, the business grows stronger, and customer satisfaction is never-ending.

Intercontinental Hotel Group is focusing on experimental marketing, especially on the physical aspects starting from the locations of the hotels, which are placed in the most beautiful and attractive locations, rooms, views, and even the staff who is high level trained and all the others areas to attract and retain customers, providing from higher mid-tier to luxury, excellent services, and experiences to guests. Marketing teams are working with all the sectors in the hotels to be able to deliver "True Hospitality". This means that everyone should be feeling welcome and cared for, promising that an ordinary stay will be transformed into a fantastic experience, also letting the guests know that each one is special. Using a highly systematic approach, starting from the first try to book a room until the customer leaves the venue, the hotel IHG tries to make the experience less stressful, enjoyable, and unforgettable. They are using differentiated marketing strategies like rewarding returning customers and offering diverse experiences in the same ecosystem. Having 16 affiliated brands in four collections which are in more than 100 countries across the globe and who are "singing the same song", on over 6000 destinations to be able to offer suitable accommodation for different prices and experiences that cannot be easily forgotten and promoting themselves with videos on social media that lets the viewers speechless, making them want to book a room at least once with them. In the meantime, Premier Inn is focusing on the segmentation of their customers using Marketing mix, with accent on place, price, and people knowing that a customer can find a hotel in a variety of locations including airports, town centres and suburbs at affordable prices for the services that the hotel is offering and making customers feel safe and cosy especially when they are using the "pillow who fits perfectly on them needs" and promoting themselves on tv commercials, having a popular voice that is easily recognizable by the large public, making future customers to trust and book with them. Premier Inn is focusing on the Leisure category of customers, those who are more probably to book one of them room hotels looking for recreation, tourism or and other activities close to their target locations and based on the status of the customer, like ex-client, new or constant one and that category of customers who are more likely to return, offering them the facilities like free breakfast and bike-friendly

rooms, knowing that customers are going to leave reviews on the websites as their experience will make others to book or skip the hotel. Satisfied clients buy again and tell others about their good experiences. (Kotler and Armstrong, p31)

They started to extend themselves out of the UK, making an agreement with Emirates Group and opening hotels in the United Arab Emirates and later, opening hotels in Germany in 2016 in Frankfurt, Hamburg, and Munich. Using mass marketing as a marketing strategy, Premier Inn, as it is, a single brand, tries not to change their appearance too much, being easily recognized for their room's interiors, buildings and even the staff's hotel uniforms. "The aim of selling is to satisfy a customer's need; the aim of marketing is to figure out his need"(Philip Kotler)

Using a good marketing strategy, Premier Inn was the first significant budget company that invested in television advertising. Over the years, they used a hospitality market mix and offered the customers quality services, having clean and comfortable rooms, food, and beverage services. "Everybody knows that at Premier Inn customers can get a very deserved all-inclusive breakfast at prices that can be affordable to every pocket." Targeting the customers and taking advantage of their new wishes, trying to stand out and be noticed, they opened ZIP by Premier Inn, which is a new kind of hotel where a customer gets what he needs: a comfortable bed, a shower, a drink, a snack, and a plug by the bed for a charger all packed into 8.5 square meters at a very low price. (Premier Inn,2021) In the other hand, Intercontinental Hotel Group is using a differentiated marketing using different segmentation strategies, having varied brands in various locations to better satisfy the clients. This helped them to increase the sales, get noticed and remembered as a brand that has championed real guests needs. (IHG Hotels & Resorts,2021). The owner of the UK biggest hotel brand Premier Inn is Whitbread, who owns other brands, as well, as Beefeater Brewers Fayre, Thyme, and others. Premier Inn rewards affiliates who market their business on their websites paying for each customer bought and 1% commission across all bookings. At the same time, Intercontinental Hotel Group PLC is IHG's holding company, and they are operating hotels in 3 diverse ways: as a franchisor, a manager and on an owned and leased basis. They are focused on the mainstream, upscale and luxury segments of the hotel industry. They also work with IHG Owners Association who represents the interests of more than 2500 hotel owners and operators worldwide.

It is well known that everybody must contribute to save the planet as much as they can. Premier Inn has a green message to share, saying that “We’re a force for Good”. Takes care to donate the surplus food, sourcing responsible cotton for all the comfortable bedding, and ensuring that customers can still enjoy their own bikes as they provide dedicated storage spaces in rooms. At the same time, Intercontinental Hotel Group are using over 200 Green Solutions supporting them to manage and report the use of energy, carbon, water, and waste, and decrease the overall utility costs and environmental impact.

At the beginning of 2020, the Coronavirus pandemic situation had a significant impact on the hospitality industry making most of the hotels close their doors, notwithstanding, Premier Inn has put in place social distancing, had used hygiene and anti-viral sanitizing sprays, cleaning all the areas inside the hotels, and they made sure that housekeeping and all the other employers are professionally trained provided with suitable PP. Introduced signs and one-way routes in the restaurants and even paper menus, which are replaced after each use. During the first lockdown, they have kept 39 hotels open to provide accommodation for NHS staff and other front-line key workers and they refunded all the money to the customers who had to cancel their bookings, and they donated over 200 tons of food to charities after the restaurants closed. Concomitantly Intercontinental hotels use the “IHG clean promise” to ensure that the customers will meet the standards of cleanness. Overseen by their Global Cleanliness Board which works with industry-leading experts like Cleveland Clinic, Ecolab and Diversey; IGH are reassuring the guests that on every step of the stay, the trainings, the equipment, and the communication of the staff meets their standards. Other procedures for everybody’s safety were to have a visible verification of sanitized items, highly reducing the number of touchable items from the venues and using innovative technology for laundry protocols. They have also required mandatory face coverings for guests. (IHG Hotels & Resorts,2021)

Even if our two big names share the Hospitality sector, they have different beliefs, different strategies and separate ways of action that makes each one of them special.

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