

**Consultancy Report for Transforming the Operational Issues of
TUI Blue Sylt Hotel**



Innovate UK Consulting Firm

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3. Executive Summary

The problem or issue - The issue considered for analysis in this consultancy report is "TUI Blue Sylt is facing the obstacle of a decreasing number of European travellers due to the issue of the operation within the hotel and Resort situated in ". TUI Group of Hotels and Resorts operates globally and provides its services and experiences to various customers in the global hospitality sector. The issues faced by this German destination hotel due to a major lack of revenues in its home market of Europe are examined in detail in this report. The issue has been presented to Innovate UK Business Connect, based on which TUI Blue Sylt has been provided with appropriate recommendations and strategies that in the future. The frameworks that have been selected for examining this issue in detail include the STEEPLD framework, the SOAR framework, and the TOWS matrix. The implementation of these frameworks has played an important role in developing a clear picture based on the internal and external factors that have affected the operations of TUI Blue Sylt. Further, the consultancy reports provide appropriate future recommendations along with an action plan that can be followed the recommended strategies.

Findings - The analysis of this issue is based on TUI Blue Sylt facing problems of lower revenues due to lower spending levels of German customers within the hospitality sector. The detailed evaluation of this issue based on the available data has depicted that the revenues of TUI Group, including TUI Blue Sylt, went down to around 2.4 billion Pounds in 2020 due to the lack of appropriate spending capacities of the European customers. The concern currently being faced by TUI Blue Sylt in Germany is based on the reduction of around 4.1 million tourists in the country, which is approximately 2.6 percent lower than 2021. The overall analysis of the collected data from several sources, including the company website and other websites, has depicted that the reduced revenues of TUI Blue Sylt have affected its competitive position within the global hospitality sector. Moreover, the analysis has also depicted the changes which have taken place in the reasons behind the lack of spending by European customers in different countries like Germany.

Analysis of the findings - The findings of this report have depicted that the changes in economic conditions of several countries and global uncertainties like the war in Ukraine and the COVID-19 pandemic are two major reasons that have influenced the strategies of hospitality companies. The choices of German consumers and their preferences have also shown major changes due to the pandemic, and this has compelled the firms to think about implementing appropriate changes within the business operations and the quality of services

being offered to the customers. The STEEPLED analysis has depicted several external factors that have affected the spending levels of customers in the German hospitality sector. Moreover, the analysis of these external factors has also depicted that the social, political, and technological environment and the changes have the highest influence on the spending levels of the German customers. The analysis by using the SOAR framework has depicted the internal strengths and the external opportunities of the organisation that can affect the development and implementation of its future strategies. The implementation of TOWS matrix has helped in the development of appropriate strategies for TUI Blue Sylt based on its strengths, weaknesses, opportunities and threats. The future recommendations to be provided by the consultancy firm to the hotel will be based on the internal and external environment factors that have influenced its operations and strategies.

Recommendations provided -This report has outlined the substantial strategy of change management and important operations for identifying the obstacles by TUI Blue Sylt, especially the decline of spending of the consumers because of the constraints of the budget. By taking advantage of the framework of change management like the Balanced Scorecard and 7S model of McKinsey, and the balanced scorecard. Implementation of market repositioning and digital transformation, service enhancement and cultural adaptation can be beneficial for the organisation's market growth. Operational efficiency and cost implementation help the business to streamline the automated check-ins, tracking of AI-based costs and solutions that are energy efficient to decline the expenses without compromising the quality of service.

Approach to Change Management: The consultancy report has stressed that TUI Blue Sylt will properly adopt the 7S model of McKinsey for strategic alignment, and the balanced scorecard will be used to track the metrics of success, including consumer satisfaction, financial performance and employee engagement. Digital integration and global expansion, decentralised management within the U.S. and China, AI-driven data analysis and automation training of leadership for change management, and training of employees on cultural adaptation and digital roles create shared values to expand within the market.

Conclusion: Implementing appropriate approaches will assist TUI to cope with losses of revenue, expand into the global markets, transform the quality of service and optimise the proper costs. TUI will strengthen international competitiveness and position the business for the growth of sustainability in the transforming industry of tourism.

4. Introduction

4.1 About TUI Blue, part of TUI Group

The TUI Group is one of the leading groups of tourism organisations in the world that operates in several countries worldwide. The headquarters of the TUI Group are located in Germany, and shares of the company are also listed in the MDAX index of the Frankfurt Stock Exchange. (Tui Group, 2025). The tourism-based value chain of the organisation has been covered under a single roof, which includes more than 400 resorts and hotels with premium brands like RIU, TUI Robinson and Blue, MS Europa 2, and around 17 cruise ships from MS Europa. TUI Blue is a major part of the TUI Group of Hotels and Resorts operating in Bavaria, Germany. TUI Blue Sylt is located within the captivating landscapes in the northernmost island of Germany and it provides a luxurious view on Sylt island (TUI-BLUE, 2025). The property is known for providing an appropriate essence of the local authenticity of the German Island. The hotel helps the guests to connect with the allure and charm of the nation.



Figure 1: TUI Blue Sylt

(Source: TUI-BLUE, 2025)

4.2 Background of the consultancy firm

Innovate UK Business Connect has been considered by TUI Blue Sylt for gaining appropriate insights based on the strategies to be implemented for solving the current issue. Innovate UK Business Connect is a consultancy firm that provides new opportunities to its partners and helps in accelerating their ambitious ideas for development and appropriate and real solutions (Innovate UK Business Connect, 2025). The major aim of the consultancy firm is based on the development of future recommendations and change management programs that can help in

reducing the concerns being faced by TUI Blue Sylt. TUI Blue Sylt will gain the benefit of increasing profitability levels by using the service provided by the Innovate UK Business Connect.

4.3 Analysis of the current issue being faced

The current issue that is being faced by the TUI Blue Sylt is related to the lack of appropriate revenues in the German market due to the reduction in spending levels of consumers. The operation department of TUI Blue Sylt is facing major concerns related to reduced revenues after a decrease in customer visits to the property. As discussed by Plucinska (2025), TUI is currently aiming to attract customers from the United States and China to its hotels based on the services being offered in several destinations. The changes in spending patterns of German customers are considered to be a major issue that has been considered by TUI Blue Sylt while making plans to attract customers from other parts of the world. Although the German market is the home ground for TUI Blue Sylt, the organisation is currently not able to maintain its high revenues in this market. The sluggish rates of bookings faced by TUI Blue Sylt and rising costs have become a huge problem for the organisation currently.

4.4 Frameworks and theories to be used

The frameworks that will be used for examining the issue and the environmental factors influencing this issue include STEEPLED, TOWS matrix and SOAR. The STEEPLED analysis is the strategic planning method that will help in evaluating the external risks by considering aspects like social factors, technological factors, economic factors, environmental factors, political factors, legal factors, ethical factors, and demographic factors (Cips, 2025). TOWS matrix will provide a clear picture based on the internal strengths and weaknesses of the company and the external opportunities and threats based on which future strategies can be developed. SOAR analysis, on the other hand, will provide details based on the strengths and opportunities that will help in fulfilling future aspirations and gaining appropriate results.

5. Analysis

5.1 Description and analysis of the issue

TUI Blue Sylt is currently facing major challenges based on the priorities currently being provided by the customers towards affordable destinations like Tunisia, Bulgaria, and Egypt in comparison to the European countries. The issue of lower revenues is currently being faced by the operations department of TUI Blue Sylt. As discussed by Partridge (2024), smaller budgets of customers have become a major reason behind the changes that have taken place in their destination choices. The travel costs have increased hugely as compared to 2019, due to increasing levels of inflation, and this has affected the revenues of TUI Blue Sylt negatively in the European countries (Partridge, 2024). However, due to the budget, the choices of destinations are low, which has affected organisations like TUI Group due to reduced revenues. As discussed by Whittington *et al.* (2020), the strategies being implemented by multinational corporations within the complex and global marketplaces can affect their overall positions in several industries.

TUI Group, along with TUI Blue Sylt, faced a huge drop in its revenues in 2020 due to the COVID-19 pandemic as its revenues went down to around 2.4 billion Pounds (Partridge, 2020). The organisation had to develop several cost-cutting targets that could play an important role in supporting its future growth in the hospitality sector. As discussed by Partridge (2020), the global COVID-19 pandemic has disrupted the global tourism and travel sector from 2020 as different countries have implemented several emergency measures to reduce the spread of the virus. As discussed by López (2025), the pandemic has led to a reduction in the spending levels of business travellers in Europe, due to which several hotels have faced a reduction in revenues. The spending of European customers, including German customers, on business trips has reduced from 53 billion pounds before 2020 to around 28 billion pounds after the pandemic.

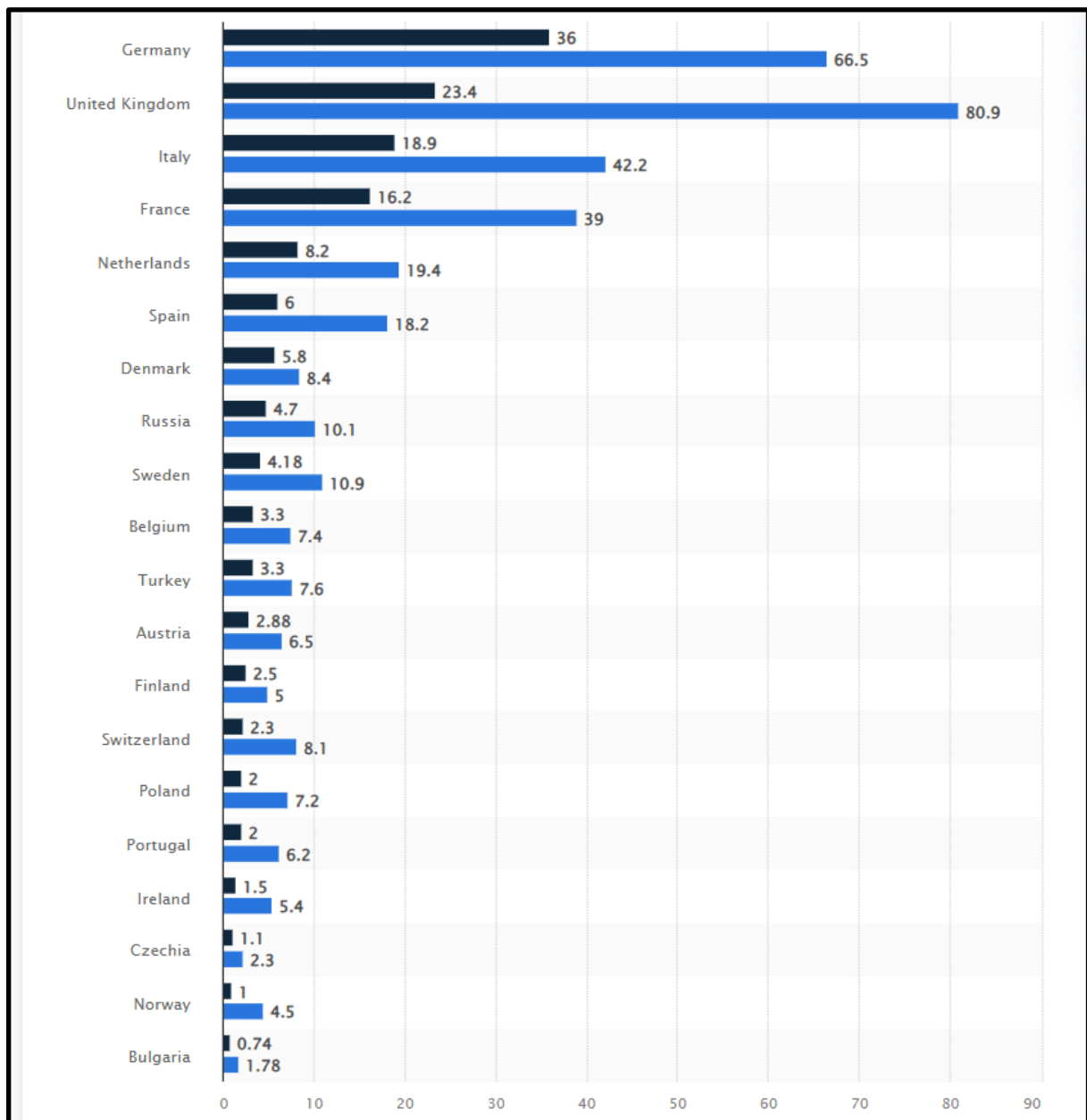


Figure 2 - Changes in European traveller spending

(Source: López, 2025)

The German tourists have depicted major changes in the expenditure levels on activities like outbound leisure, vacation trips, and recreation. Tourism activities have increased in other countries as compared to the European countries, due to which TUI Group has faced issues related to reduced revenues in the European market, including Germany (Statista, 2025a). The presence of visitors and people choosing overnight stays has depicted a reduction of around 2.6 percent from 2022, which amounts to 4.1 million tourists (Hills, 2023). More than 11,500 hotels and accommodation providers in Bavaria depicted a major decrease in revenues due to the after-effects of the pandemic. The number of international tourists and domestic tourists was

considered to be quite low in Bavaria in 2022, which led to major issues based on revenue losses. As discussed by McKinsey (2021), the German tourism market has dropped by around 38 percent within 2019 to 2020. Although the domestic expenditures in the German market have been quite resilient as compared to the other European countries, the decline of international tourists has a major negative influence on the hospitality industry of the country. The appropriate recovery of the German tourism market and reaching the pre-pandemic levels was predicted to be possible within 2026.

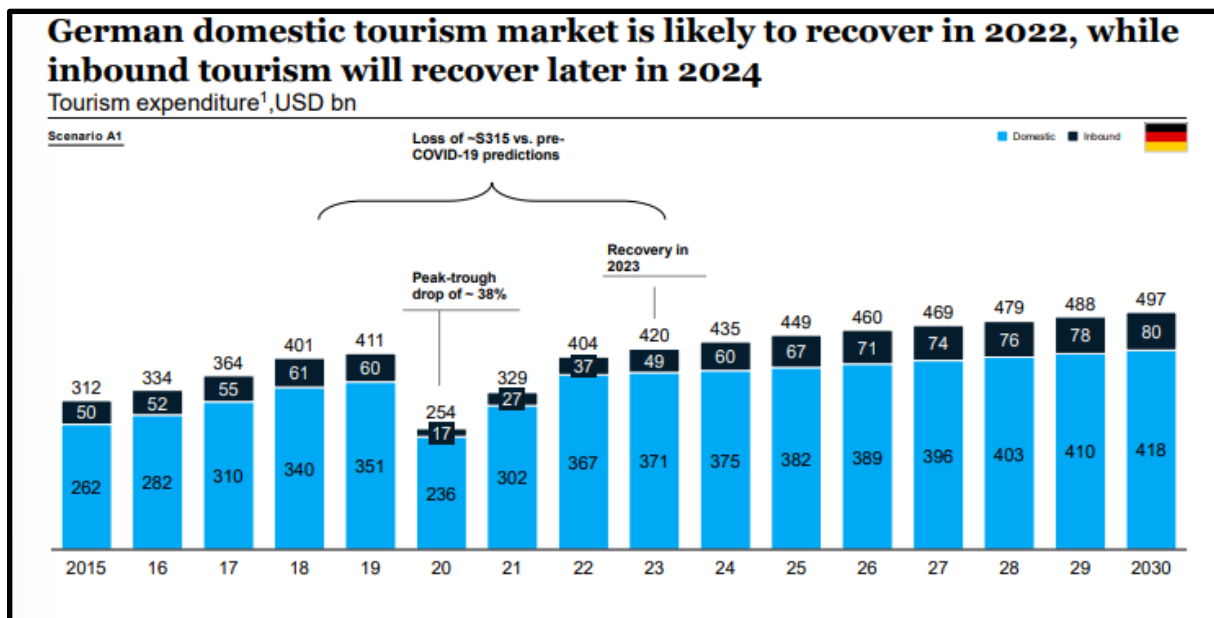


Figure 3 - German tourism after COVID-19

(Source: McKinsey, 2021)

The economic conditions of several countries have a huge impact on the income and spending levels of individuals, which in turn affects travel activities. As discussed by Gozgor, Seetaram and Lau (2021), global uncertainties have hugely influenced the demand and supply of travel experiences and services being offered by several organisations to customers. Changes in global policies have also proved to be a major reason behind the negative influence faced by hotels and hospitality organisations in different European countries. According to Plucinska and Laudani (2025), TUI Blue Sylt has gained the position of the biggest travel operator in Europe, which operates many hotels and resorts in various European countries. Although the TUI Blue Sylt had depicted major struggles in 2022 and 2023 due to the reduced revenues, the property has started gaining some benefits based on the resurgence of the packaged holidays.

However, the organisation is still facing major issues related to an increase in revenues due to a lack of enough package bookings.

5.2 STEEPLED analysis

Social factors	• The pandemic has led to major changes in the global travel sector, as travel activities fell by 75 percent in 2020 (Tufft <i>et al.</i>, 2024). • The markets of Eastern Europe have seen an increase in outbound tourism, and emerging countries like India and Southeast Asia have gained more travellers (Tufft <i>et al.</i>, 2024). • Travellers have started providing more importance to craft offerings and enhanced local experiences that can be improved by TUI Blue Sylt.
Technological factors	• Digitalisation has increased the opportunities for travel and tourism companies based on the innovative business models being implemented by them (The European Commission, 2025). • Technologies can help tourism companies to customise the experiences of travellers in a property like TUI Blue Sylt.
Economic factors	• The travel and tourism sector has a major economic impact on the economy, and the economic condition after COVID-19 has led to reduced revenues of travel companies and hotels. • Lower numbers of international visitors around 14.4 percent lower than in 2019 have affected hotel groups like TUI Blue Sylt negatively (World Travel & Tourism Council, 2025).
Environmental factors	• Tourism leads to around 8 percent of the global carbon emissions.

- The carbon footprint of the travel sector has led to the development of several policies in European countries to maintain appropriate sustainability (Sustainable Travel, 2025).

Carbon Footprint of Global Tourism

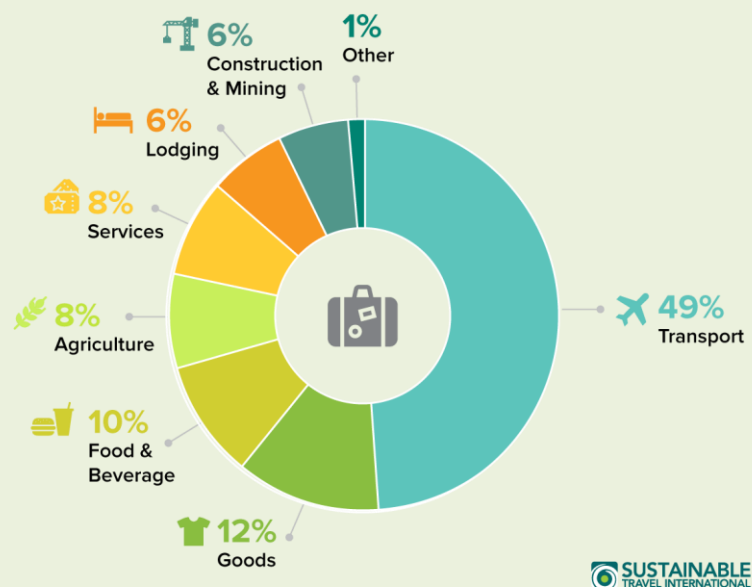


Figure 4 - Global footprint of the travel sector

(Source: Sustainable Travel, 2025)

Political factors

- European hoteliers consider government support an important factor that helps maintain revenues and reduce costs (Hilton, 2024).
- The programs related to investment support implemented by governments can support the improved growth of the travel and tourism sector (Travelandclimate, 2024).

Legal factors

- The implementation of supportive government policies can positively affect the growth of the European tourism sector positively (UNWTO, 2025).
- The measures related to the facilitation of visas and travel are significant policies leading to an increase in tourists.

Ethical factors	- Responsible tourism has become hugely important for influencing the destination and organisation choices of consumers (ETC, 2022). - The global economic crisis has increased the anxiety of travellers as the influence of the Ukraine war and COVID-19 has been quite huge.
Demographic factors	- Baby boomers are considered to be a demographic group that makes higher spending in comparison to other groups. - The population of baby boomers is quite large in France, the UK, and Germany, which has a positive influence on hotels in the European market (CBI, 2024).

Table 1 – STEEPLED analysis

5.3 SOAR analysis

SOAR analysis framework can be implemented for conducting a detailed analysis of the strengths and opportunities of the company along with its aspirations and results.

Strengths	Aspirations
- A major strength of TUI Blue Sylt of Hotels and Resorts is based on the vast portfolio of its services offered in the German market, along with the local experiences (TUI-BLUE). - The innovative services combined with the appropriate wellness experiences offered by TUI Blue Sylt is a major strength of the organisation (TUI-BLUE).	- Digital transformation in hotels can lead to appropriate improvement of its revenues, leading to the formation of disruptive business models (Nikopoulou <i>et al.</i>, 2023). - TUI Blue Sylt can use the appropriate digital transformation strategies for offering the vast portfolio of its services and promoting the huge number of brands that operate under its name. As discussed by Cheng <i>et al.</i> (2023), digital transformation has

	gained higher importance after the COVID-19 pandemic, due to which travel and tourism companies provide more importance to changes in their business models. • The TUI Blue Sylt can implement appropriate changes in its business model in the future to ensure that proper digital transformation can reduce its costs and increase its revenues.
Opportunities • TUI Blue Sylt has the opportunity of enhancing its revenues by making changes in the experiences provided to the customers. As discussed by Ali <i>et al.</i> (2021), service quality in hotels can help enhance customer satisfaction within hospitality organisations. • TUI Blue can attract more customers to its hotels and resorts by offering better packages that prove to be cheaper for them and can match their changed spending patterns.	Results • The TUI Blue Sylt can aim at the reduction of its utility costs by around 20 percent. • The organisation can increase its revenues by around 25 percent. • The TUI Group can enhance customer satisfaction levels by around 15 percent. • The emerging technologies can help hotels and hospitality firms enhance customer satisfaction (Bilgihan and Ricci, 2024). TUI Blue can use modern technologies to increase its revenues and customer base.

Table 2 – SOAR analysis

5.4 TOWS matrix analysis

TOWS	Strengths (Internal)	Weakness (Internal)
	• Vast portfolio of	• Lack of revenues in

	different services. • Presence of an appropriate combination of innovative technologies with the best local experiences.	the European market. • TUI Blue Sylt depicted major losses during the years 2020 and 2021, leading to an adverse impact on its revenues (Statista, 2025b). • As discussed by Furxhi (2021), the resistance of employees is a negative factor that leads to the failure of changes. TUI Blue Sylt has faced the issue of employee resistance while implementing changes.
Opportunities (External) • TUI Blue Sylt has the opportunity to implement appropriate digital transformation that can lead to the improvement of its revenues. • As discussed by Papaioannou <i>et al.</i> (2021), the culture of	S/O (Strengths/Opportunities) • The strength of the vast types of experiences and services can be used by TUI Blue to use the digital transformation opportunity and attract new customers.	W/O (Weaknesses/Opportunities) • The weakness of low revenues can be faced by TUI Blue Sylt by using digital technologies to enhance its competitive advantage.

a hospitality organisation helps in enhancing employee commitments, due to which TUI Blue Sylt can aim at enhancing its cultural adaptability.		
Threats (External) • TUI Blue Sylt faces major competition from organisations like the Hilton Group and Accor SA (Globaldata, 2025). • According to Bazargani and Kiliç (2021), competitiveness has a major influence on the performance levels of organisations in the tourism sector, which increases the threats being faced by TUI Blue Sylt.	S/T (Strengths/Threats) • The local experiences provided by TUI Blue Sylt can be used to face the competition provided by large groups like Hilton and Accor.	W/T (Weaknesses/Threats) • Weaknesses related to the lack of customers in the German market can be mitigated by reducing the resistance of employees towards changes related to enhancing competitiveness.

Table 3 – TOWS matrix analysis

6. Recommendation and Change Management

6.1 Recommendation

Digital Transformation and Market Repositioning

TUI BLUE Sylt needs to embrace market repositioning and digital transformation to resolve problems like the decline in spending from the consumers in Germany.

Digital Transformation

The prime example of a successful online transformation in the hospitality industry is Marriott International. The Bonvoy loyalty program of Marriott surpassed over 173 million members in the year 2022 and contributed to 50% of the bookings of the brand (Marriott International, 2025). Similarly, TUI Blue Oceanis can develop a customised mobile app integrating suggestions that are AI-powered with multilingual chatbot assistance and seamless booking to cope with the needs of diverse global travellers. Based on the report of McKinsey in 2023, customised digital interactions enhance conversion rates by 20 to 30% in the sector of travel (McKinsey & Company, 2025). Additionally, the resort needs to integrate dynamic algorithms of pricing, as focused on the revenue management system of Hilton that boosted the bookings directly by 20% in 2021. This strategy ensures optimised strategies of pricing based on fluctuations in demand and regional behaviours of spending.

Market Repositioning

The new expansion of the market requires a localised approach to marketing. Accor Hotels mostly operates in over 110 countries and properly repositioned itself by tailoring proper services to travellers, resulting in an increase of 25% in Chinese tourist stays in 2022 (Kartit and Mandia, 2022). TUI Blue Oceanis can adopt similar approaches by partnering with WeChat Pay, Alipay and Ctrip to streamline the processes of payment and boost visibility in China. Additionally, targeting the luxury market of the U.S. like the Four Seasons can increase bookings by 15% and will assist in offsetting losses in Europe (Four Seasons, 2024). TUI can enhance the appeal of the brand by launching campaigns in the region with social media ads and influencers. Implementing the online strategies will transform the engagement of the consumers, boost direct bookings and reposition TUI as the premier global hotel.

Cultural Adaptation and Service Enhancement

TUI Blue Oceanis need to implement service enhancement approaches and implement adoption culturally to attract U.S. and Chinese travellers. This involves coping experiences of guests, amenities and staff training to meet the proper expectations of global consumers.

Cultural Adaptation

A successful example is the Hilton Hotels, which launched the ‘Huanying’ or Welcome programme to accommodate Chinese guests. This initiative is mostly available in 647 properties of Hilton across the Asia Pacific region, including traditional options of Chinese breakfast, Mandarin-speaking staff and concierge services of WeChat, increasing guest stays (Bapna, 2023). TUI Blue Sylt needs to implement similar adoptions by properly hiring Cantonese and Mandarin-speaking employees to offer American and Asian cuisine. The method can also include interactions with the guests, as focused in the East-West program of Marriott, which focused on a 20% increase in the satisfaction of guests among the travellers of Asia (Mayfield, 2023). This can decrease TUI's dependency on European travellers.

Service Enhancement

Beyond adaptations of culture, upgrading the quality of service is important. Four Seasons Hotels excels in customised services with the application of mobile helping guests to customise their stay through concierge services, enhancing consumer loyalty (Four Seasons, 2020). TUI Blue Oceanis needs to adopt a customised approach to guest experience, incorporating chatbots that are AI-driven and personalised preferences of the room to appeal to high-spending tourists of the U.S. Additionally, aligning services with the preferences of luxury, such as premium in-room technology and spa experiences, will mostly attract travellers of high-end. TUI can transform its reputation by integrating the advanced personalisation of guests and culturally adapted services to boost rates of occupancy and assist in mitigating the decline of revenue from the travellers of Europe.

Cost Optimisation and Operational Efficiency

TUI Blue Oceanis need to focus on the optimisation of costs while maintaining the quality of service to identify the declining spending of European consumers. Implementing TQM or Total Quality Management and lean management principles can transform efficiency and reduce unnecessary expenses.

Digital Integration and Automation (Risk Mitigation and Lean Management)

Lean management stresses eliminating waste and enhancing the efficiency of workflow (Detyna and Detyna, 2022). For example, Marriott International implemented AI chatbots and self-check-in kiosks, reducing labour costs by 30% while transforming the convenience of guests. The resort can integrate keyless entry of rooms, mobile check-ins and AI-powered service for consumers, cutting the costs of labour while focusing on the operations (Sahota, 2024). The considerations of risk include threats of cybersecurity and failures of systems that can be declined through regular audits of security and cloud backups.

Waste and Energy Management (Risk Reduction and Sustainability Cost Model)

Implementing sustainable measures of cost-savings aligns with the approach of the Triple Bottom Line, which consists of the Plant, People and Profit approach (Chiangphan and Vongsaroj, 2023). Blue Oceanis may face the issue of high investment. This can be mitigated through the rollout and by taking advantage of green financing (Subramaniam *et al.*, 2025). For example, Accor Hotel accomplished annual savings through smart climate controls, sensor-based lighting and systems of waste management (Accor, 2025). TUI Blue can adopt smart thermostats, sensor-based lighting and systems of waste management, leading to utility cost savings of 20 to 25%.

Outsourcing and Workforce Optimisation (TQM or Total Quality Management and Risk Management Framework)

TQM focuses on continuous improvement. IHG and Hilton declined labour costs by 15 to 20% by implementing scheduling that is predictive and cross-training employees. TUI can adopt proper strategies, including non-core outsourcing services like maintenance and housekeeping. For example, considering the risks include service inconsistency that can be coped with the gradual rollout and taking advantage of green financing. For example, Hilton and IHG reduced labour costs by 15 to 20% by implementing scheduling through proper prediction and cross-training employees (Jiang, 2023). TUI can adopt the same approaches, including the non-core services that are outsourced, like maintenance and housekeeping.

6.2 Change Management Model Implementation and Proper Management

The McKinsey 7-S Model

The McKinsey 7S framework provides a structured strategy to implement proper change by creating alignment between seven prominent organisational elements (CFI, 2025). These include Structure, Strategy, System, Staff, Style, Skills and Shared values. The adaptation of TUI to the declining spending of European customers requires a properly integrated strategy using the model:

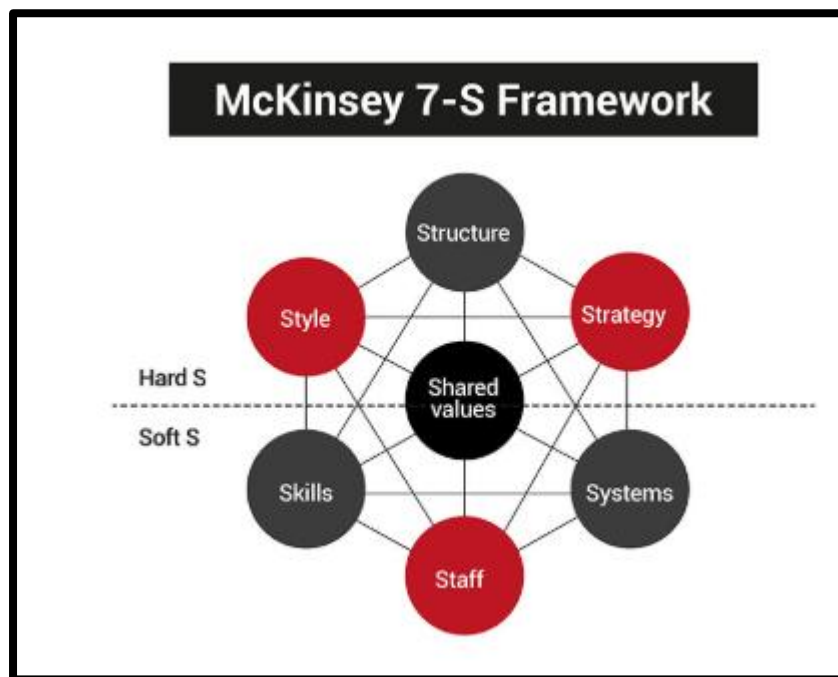


Figure 4: McKinsey 7-S Framework

(Source: The Strategy Institute, 2024)

i) Strategy (Defining the Proper Change Agenda): TUI Blue Sylt needs to shift the focus from travellers of Europe who are budget-conscious to attracting U.S. and Chinese tourists while optimising proper operations. The implementation can be possible with an investment in digital platforms. Destination-specific campaigns and AI-driven personalisation can help attract new tourists (Sustacha *et al.*, 2023). Conduct sessions of strategic planning involving important stakeholders to define proper objectives, evaluate the conditions of the market and recognise opportunities for improvement and growth. Regular adjustments and review of the strategy to respond to internal and external changes properly ensure relevancy and effectiveness.

ii) Structure (Realigning Organisational Roles): The decentralised model of regional management assists in tailoring the proper delivery service. Organisations can establish operational teams and localised marketing in the U.S. and China. This can attract the region-based consumers of the new market (Delovieres *et al.*, 2025). Communicating changes structurally to clear the benefits to employees, providing proper training and monitoring the effectiveness of the new structure.

iii) Systems (Digital Innovation and Process Automation): TUI Blue Sylt needs to integrate CRM, process automation and systems of AI-driven bookings. Automate routine, introduce proper new technologies and streamline proper workflows to transform productivity (Alrawadieh *et al.*, 2021). Provide proper training on new systems, establish the mechanisms

for proper support and continuously analyse the system performance to recognise improvement areas.

iv) Style (Leadership Adaptation to Incline Change): Leadership style crucially affects the success of the initiatives for organisational change. The organisation needs to include transformational leadership to motivate all the staff. This leadership style can nurture a culture related to innovation and openness (Elshaer *et al.*, 2022; Ugochukwu, 2024). Managing the change of leadership can be possible with offerings of programs related to leadership development, providing models and regular feedback to reinforce the new approach of leadership.

v) Staff (Workforce Training and Realignment): Aligning the employees with a new organisational strategy is important. Attracting tourists from different cultures needs proper evaluation of recent skills, recognising gaps, providing proper training and hiring new talent to fill all these gaps (Stockman and Wall, 2025). Implementing systems of performance management offers opportunities for continuous learning, and identifying and rewarding contributions to the transformation process can be aligned with the new strategy of cultural training of workforces. Based on the feedback of the visiting guests, the property needs well-trained staff who can inform higher authority about the condition of the room and try to provide on-time room and restaurant service. Properly trained chefs are also required to enhance the food quality of the property.

Vi) Skills (Upskilling for Diversification of Market): Developing proper skills assists organisations in adapting to the transforming demands of the market. Recognising the continuous culture of learning, providing proper resources for the development of skills and aligning with strategic goals and skill development can be beneficial for the strategic goals.

vii) Shared Values (Aligning with Market Strategy and Culture): A strong culture mostly supports the agenda of change. The organisation can implement the core values that reflect the desired culture and properly incorporate the reward systems and performance evaluation.

Balanced Scorecard: Measuring Performance and Change

The BSC or balanced scorecard is the performance metric of strategic management that the organisation can properly use to enhance operations of international business and external outcomes (Tarver, 2024). It is the process for organisations to focus on the procedures that can be combined with proper financial goals.

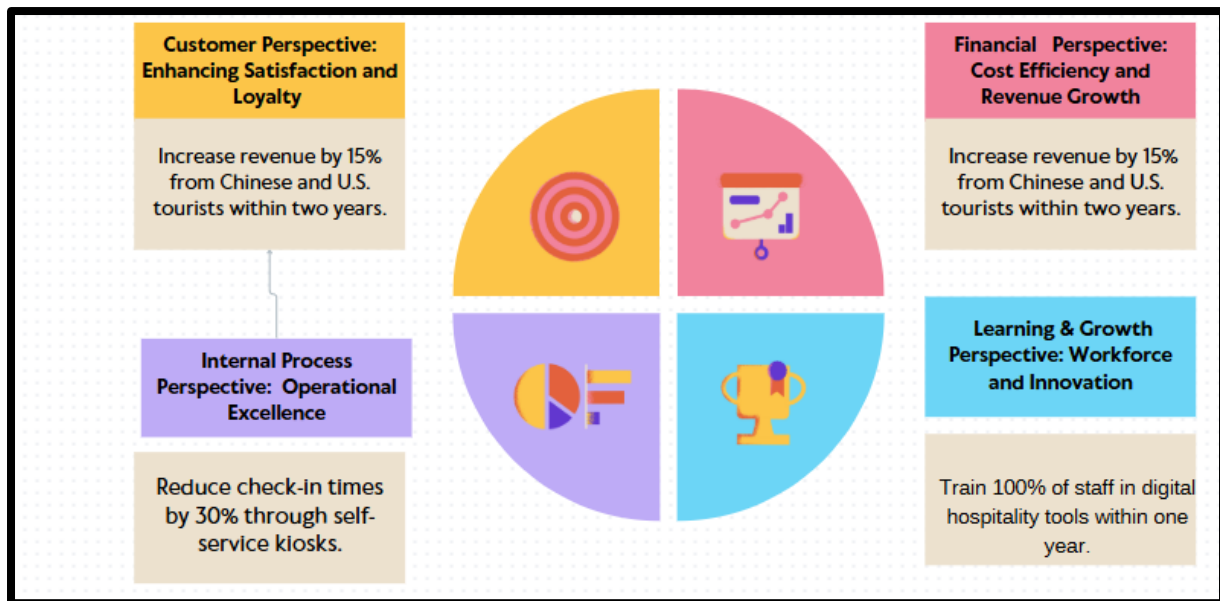


Figure 5: Balanced Score Card for TUI Group

The financial perspective measures revenue growth and cost efficiency. TUI need to track the cost savings, profitability from automation and ROI on the campaigns of marketing. An example of KPI from a financial perspective is increasing the revenue by 15% from the U.S. and Chinese tourists within 2 years. The consumer perspective can enhance loyalty and satisfaction. TUI Blue Oceanis need to personalise the services and enhance the experience of guests. The organisation has a target to accomplish a score of customer satisfaction of 90% in the targeted markets. The perspective of the internal process can be aligned with operational excellence (Stringam and Gender, 2021). TUI Blue Oceanis needs to optimise the automation of workflow, AI-driven suggestions and digital check-ins. The indicator of key performance here is the check-in times by 30% through proper self-service kiosks (Demydyuk, and Carlback, 2024). The perspective of learning and growth can be justified with innovation and the workforce. TUI need to invest in leadership development, employee training and AI integration. The KPI indicator here provides all the employee training related to AI integration, leadership development and employee training.

6.3 Measuring Success and Reviewing Proper Impact

Measuring the success of the initiatives of change management is important for evaluating the effectiveness and ensuring proper alignment with the goals of the organisation. In the industry of hospitality, multiple KPIs or key performance indicators are mostly used to analyse the significance of change.

i) Occupancy Rates

This metric mostly indicates the percentage of the room availability that is occupied within a specific time. The increase in the rates of occupancy after the change recommends successful approaches to retaining and attracting guests. For instance, IHG or InterContinental Hotels Group reported global revenue based on the growth of available rooms by 1.5% in the 3rd quarter of 2024. The hotel group mostly showcased the positive occupancy rate or positive revenue of available rooms of 7.1%, 1.2% and 2.2%, respectively (Hotel Management Network, 2024). TUI need to understand the room percentage availability or occupancy rate to successfully attract the guests.

ii) ADR or Average Daily Rate

ADR mostly measures the average revenue earned per occupied room each day. The rise within ADR mostly indicates the effective strategies of pricing and transformed the overall perceived value of the offerings of hotels (Hargrave and Boyle, 2020). For example, Hilton Worldwide reported an increase of 3% in the revenue of business-based available rooms in 2024's fourth quarter, focused on large clients of the corporation, especially in the banking and technology sectors (Jain, 2025).

iii) Gross Operating Profit Per Available Room (GOPRAR)

GOPRAR accounts for expenses of operation, offering proper insights into the profitability. The increase in GOPRAR mostly reflects operational efficiency and cost management (HNR Hotel News, 2025). For instance, Marriott International mostly implement AI-driven chatbots and self-check-in Kiosks, reducing the costs of front desk labour by 30% while enhancing the convenience of guests (Sword, 2024). TUI Blue Sylt need to implement this KPI indicator to boost operations after targeting new consumers.

7. Action Plan

No .	Problem	Solution	Desired Outcome	Time Scale	Completion Date	Planned Budget
1	Declining spending from consumers of Europe because of the	Reposition the focus of the market by attracting tourists of high-spending	Increased rates of occupancy and revenue by diversifying	6 months	01/09/2025	£500,000

	constraints of budget.	from the U.S. and China through destination-specific marketing and AI-driven customisation.	the base of consumers.			
2	Inefficient systems of digital booking causing drop-off of consumers.	Implement systems of AI-powered booking, check-ins, self-service and multilingual chatbots.	Transformed consumer experience, decreased waiting times, and increased the bookings directly.	4 Months	01/07/2025	£300,000
3	Lack of adoption culturally for travellers who are non-European.	Introduce multilingual training of staff, and adopt culturally influenced menus for diverse segments of consumers.	Enhanced satisfaction of consumers and repeat all the bookings from global travellers.	5 Months	01.08/2025	£250,000
4	High costs of operation	Deploy energy management	Declined costs of	6 months	01/09/2025	£400,000

	because of inefficient management of resources	through AI and optimise levels of staffing based on the forecasting of demand.	operation and enhanced sustainability.			
5	Resistance to transformation from employees regarding the online transformation.	Conduct programs of employee training on integration of AI and automation of customer service.	Higher adaptability of employees enhanced efficiency and reduced errors of service.	3 months	01/06/2025	£150,000
6	Lack of standardised tracking of performance to measure the effectiveness of change	Implement the approach of a Balanced Scorecard to evaluate customer, financial, internal process and growth and learning metrics.	Decision-making data-driven and continuous improvement	4 Months	01/07/2025	£200,000

Table 4: Action Plan

8. Conclusion

The consultancy report has provided a substantial analysis of the obstacles faced by TUI Blue Sylt, especially the decline in spending by European consumers because of budget constraints. It recognised multiple strategic suggestions to cope with these problems, focusing on market repositioning, digital transformation, cost optimisation, cultural adaptation and operational efficiency. TUI Blue Sylt can benefit from its competitive position and ensure business sustainability for the long term by taking advantage of these approaches.

The analysis of STEEPLE helps to analyse the external risks by elucidating the technological, social, economic, political, legal, ethical, demographic and environmental factors. These insights help to understand the trends of the global market and the behaviour of consumers that affect the business of TUI Blue Sylt. The TOWS matrix recognised weaknesses and internal strengths as well as external threats and prospects, generating the foundation for proper decision-making. The SOAR analysis stresses how important strengths and prospects can assist the resort in the aspirations of the future and objectives of the business.

The important recommendations were marketing repositioning and digital transformation, which stresses adopting customisation which are AI-driven, automated systems of booking and targeting customers with high spending from the U.S. and China. This strategy will diversify the streams of revenue, enhance the engagement of consumers and transform the overall profitability. Successful examples of real-life AI-driven customisation approaches include automated systems of booking and targeting consumers with high spending from the U.S. and China. Furthermore, operational efficiency and cost optimisation were identified through AI-based management of resources, sustainable practices of energy and dynamic pricing. Multinational chains such as IHG have properly implemented similar measures of cost-saving, demonstrating proper feasibility.

The McKinsey 7S model has been applied to ensure proper implementation and alignment across structure, strategy, staff, leadership style, skills and shared values. Additionally, the Balanced Scorecard approach was mostly proposed to measure the strategies of success, monitoring the performance of finance, the experience of the consumer, growth and internal processes. The action plan focuses on the report and provides the structural strategy for executing the suggestions, dealing with proper obstacles, timeframes, solutions and budget considerations. These approaches are properly tailored to the business model of TUI Blue Sylt, ensuring they are achievable and practical for revenue.

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