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Contents

Introduction	3
Business Concept Proposal and Justification	4
Value Propositions:	4
Customer Segments:	4
Channels:	5
Customer Relationships:	5
Revenue Streams:	5
Key Resources:	6
Key Activities:	6
Key Partnerships:	7
Cost Structure	7
Competitive Analysis and Justification	8
Reflective Essay: Insights into Entrepreneurial and Managerial Potential	9
Description	9
Feelings	9
Evaluation	10
Analysis	10
Conclusion	11
Action Plan	11
Conclusion	11

Introduction

The hospitality business is a fundamental pillar of the global economy, including a diverse range of services such as accommodation, food and drink, event organization, amusement centers, travel and sightseeing (Morrison, 2022). Hilton Worldwide Holdings Inc. is a key player in the expansive and ever-changing hospitality business, influencing industry norms, guest satisfaction, and operational procedures. Hilton, a prominent leader in the international hotel industry, has continually established standards for quality, customer satisfaction, and innovation.

This article presents a new and innovative business idea for the hospitality industry, specifically targeting the Hilton brand. The goal is to use and enhance Hilton's established reputation at a time when both customers and regulatory agencies place high importance on innovation and sustainability. The concept envisions a new chain of Hilton properties that redefine the essence of eco-luxury hospitality, integrating cutting-edge sustainable practices with Hilton's trademark excellence in guest services. This initiative is not just an expansion, but a transformative step designed to meet the evolving demands of the modern traveler and the urgent needs of our planet.

Innovation and sustainability are no longer ancillary elements but are at the forefront of strategic planning within the hospitality industry. They drive competitive advantage, operational efficiency, and customer loyalty. Hilton's commitment to these imperatives entails beyond conventional notions of luxury by providing experiences that are not only extraordinary but also ecologically sustainable and socially advantageous (Low, 2012). This strategy is in line with the increasing awareness and desire of consumers for travel alternatives that are environmentally friendly and sustainable, which reflects a wider trend towards responsible consumerism in the global economy. The proposed business concept will explore how Hilton can further embed sustainability into its core operations, from energy-efficient buildings and waste reduction measures to sourcing local and sustainable food and materials. By doing so, Hilton can not only enhance its operational sustainability but also create a new paradigm for luxury hospitality that is in harmony with the environment.

Business Concept Proposal and Justification

Value Propositions:

At the heart of Hilton Worldwide's business model lies a commitment to providing guests with an unparalleled hospitality experience that seamlessly integrates luxury with sustainability. Beyond the comfort and elegance synonymous with the Hilton brand, the company is pioneering a unique experience that appeals to the environmentally conscious traveler without compromising on the opulence that guests have come to expect.

In the saturated market of global hospitality, Hilton stands out through its bold initiatives like the "Travel with Purpose" program, which embeds sustainable practices into every aspect of the guest experience. From energy-efficient buildings that incorporate smart technology to reduce consumption to locally-sourced, organic cuisine that delights the palate while supporting local agriculture—Hilton is redefining what it means to travel sustainably. Their dedication to eco-friendliness extends to meticulous waste management systems, water conservation efforts, and partnerships with renewable energy providers, ensuring that each stay contributes to a healthier planet.

Hilton Worldwide Holdings Inc. has faced various challenges, including the impact of COVID-19 on its operations and revenue. The company's revenue has been significantly affected, with an estimated 56% to 58% decrease due to the pandemic (Unfoldedwriters.com, 2021). Additionally, the pent-up travel demand that initially boosted the company's profit outlook may face a slowdown in the second half of the year (Reuters.com, 2024). To address these challenges, Hilton may need to focus on adapting its operations to the changing demands of the market, implementing robust safety procedures, and closely monitoring the evolving travel trends.

Customer Segments:

Hilton's target customer base is diverse, ranging from eco-conscious travelers and business clients to luxury-seekers. The company's sustainable luxury niche particularly appeals to the growing demographic of travelers who are unwilling to sacrifice their comfort for their eco-principles. This segment finds Hilton's approach attractive because it aligns with their values while offering the high standards of service they demand. The demand for Hilton's solutions is significant, considering the company's worldwide reach and the amount of individuals now or

potentially requiring them. Hilton has a vast network of over 7,300 hotels and more than 1.1 million rooms in 123 countries and territories (Markets.ft.com, 2024) . This extensive presence allows Hilton to effectively cater to the travel requirements of millions of individuals worldwide. Furthermore, the company's strategic alliances with many organizations, such as airlines, vehicle rental providers, and commercial partners, enhance its scope and prospective clientele.

Channels:

Hilton connects with its customers through a multi-channel strategy that includes sophisticated online booking platforms, partnerships with leading travel agencies, and a strong presence in direct marketing initiatives (Nozdreva & Churakova,2021). The customer journey is mapped out with precision from the moment of awareness, often sparked by targeted advertisements or word-of-mouth referrals, leading to interest spurred by Hilton's sustainable luxury branding (Atherton,2023). Consideration is supported by compelling content showcasing Hilton's eco-initiatives, leading to the decision phase facilitated by an easy-to-use booking system. The post-purchase experience is enriched through personalized follow-ups and loyalty rewards, ensuring the journey is memorable from start to finish.

Customer Relationships:

The relationship Hilton fosters with its customers is multifaceted. Personalized services, facilitated by advanced CRM systems, ensure that each guest's preferences and needs are anticipated and met. The Hilton Honors loyalty program enhances this personalized relationship, offering rewards that reflect the guest's eco-friendly choices, such as bonus points for declining daily room cleaning. Automated services, including mobile check-ins and smart room controls, offer convenience while reinforcing Hilton's commitment to modernity and sustainability. Community-building is fostered through Hilton's active engagement in local initiatives, inviting guests to participate in events that contribute to the local economy and environment.

Revenue Streams:

Hilton's revenue streams are diversified, with room sales forming the backbone of the company's income (Annual report,2022). However, the brand has expanded its offerings to

include exclusive eco-friendly services and packages, such as green meetings and sustainable event planning (Ottman,2017). Additional revenue is generated through upscale restaurants that highlight local, organic ingredients, as well as through spa services that use eco-certified products.

The pricing strategy is dynamic, catering to various market segments while incorporating incentives for sustainable choices. For example, discounts are offered to guests who opt for electric vehicle rentals over traditional car services, subtly encouraging eco-friendly decisions (Nected.ai, 2024).

Key Resources:

The cornerstone resources of Hilton's business are its strategically located properties, a well-trained staff committed to service excellence, and cutting-edge technology that enhances the guest experience while promoting sustainability. These resources are pivotal in delivering the value proposition, with staff trained not only in customer service but also in the principles of sustainable hospitality (Legrand et al,2022). Technology is leveraged to minimize the environmental impact of operations, from energy management systems to digital room keys that reduce plastic waste.

Key Activities:

Hilton's key activities include the meticulous operation of its hotels, innovative marketing, and the delivery of exceptional service. These activities are carried out with a focus on sustainability; for instance, housekeeping routines are designed to conserve water and energy, and marketing campaigns highlight the brand's commitment to the environment. By aligning its operations with its eco-friendly values, Hilton not only appeals to its target market but also sets new standards in the industry.

Among Hilton Worldwide Holdings Inc.'s primary business operations are:

- ✓ Hilton's principal business activity is the operation of hotels and resorts, which includes managing properties, selling franchises, and owning and leasing properties.
- ✓ The company's sales and marketing reach is extended and its services are enhanced via partnership collaborations with numerous organizations across several industries. These

organizations include commercial partners, strategic and alliance partners, and joint venture partners..

Key Partnerships:

Hilton's partnerships are carefully selected to align with its sustainability goals. These include collaborations with local suppliers to reduce the carbon footprint of its supply chain, as well as alliances with environmental organizations to support conservation efforts. Such partnerships not only enhance Hilton's environmental credentials but also provide guests with an authentically local and eco-friendly experience.

Hilton Worldwide Holdings Inc. has formed key partnerships with various organizations to enhance its value propositions and reach new customers. These partnerships include:

- Hilton collaborates closely with franchisees to enhance the global presence of its brand (Cleverism.com, 2017). These relationships include franchisees managing hotels that use the Hilton name, allowing the corporation to enter other areas and serve a wider range of customers.
- Hilton has formed alliances with many airlines, enabling consumers to accrue and use Hilton Honors points (Magaji, 2023). This partnership improves the loyalty program and provides passengers with more chances to accumulate points by staying at Hilton hotels and traveling with affiliated airlines.
- Hilton forms partnerships with credit card firms to offer special perks and improve its loyalty program (Magaji, 2023). Customers may enhance their devotion to the Hilton brand by using co-branded credit cards to accumulate more points and access numerous advantages.

Cost Structure

The cost structure of Hilton includes operational costs such as property leases, salaries, and benefits for staff, marketing and sales expenses, technology and system development, and maintenance. Investments in sustainability and community initiatives also form part of the cost structure.

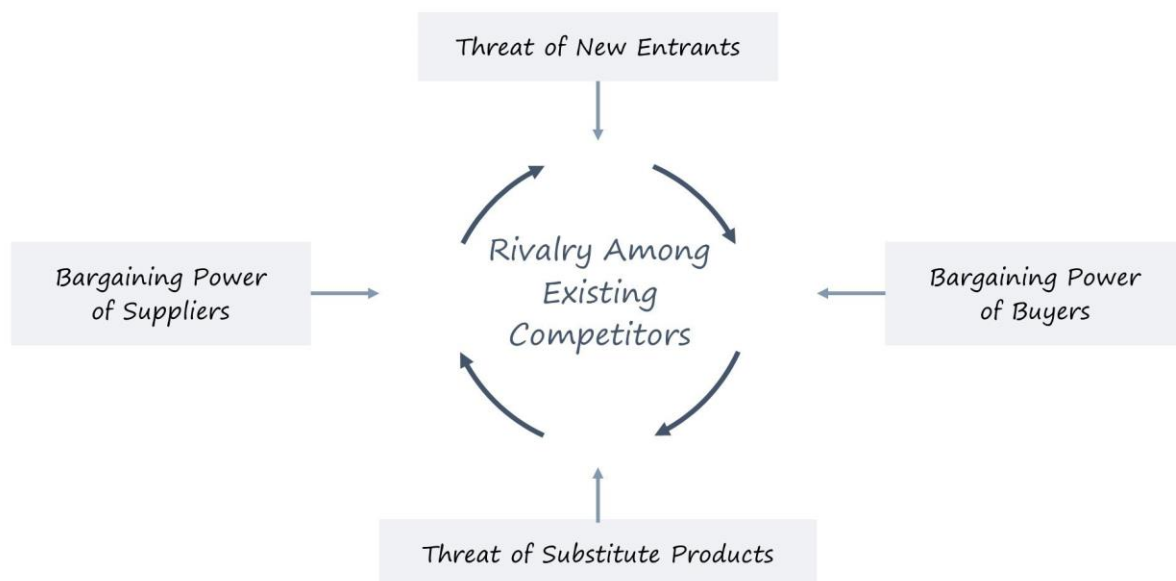
Competitive Analysis and Justification

Utilizing Porter's Five Forces model to analyze the competitive landscape for Hilton's new eco-luxury hospitality concept reveals distinct insights into market positioning and strategic decisions.

Industry Rivalry is intense in the hospitality sector, with major players like Marriott, Hyatt, and InterContinental Hotels competing on luxury, sustainability, and customer experience. Hilton's concept aims to differentiate itself by integrating unparalleled eco-friendly practices with luxury, addressing a niche yet growing market segment that values sustainability as much as comfort and quality.

Threat of New Entrants is moderated by the high capital requirements and brand reputation in the luxury segment, where Hilton's established brand can leverage its history and global presence to mitigate this threat.

 Wall Street Prep



“<Porter's Five Forces model > (Source: wallstreetprep.com,2023)”

Bargaining Power of Suppliers could be a challenge, particularly for sustainable materials and products. However, by fostering close relationships with local suppliers and focusing on sustainable supply chains, Hilton can enhance its value proposition and secure competitive pricing.

Bargaining Power of Customers is increasing, with guests demanding more personalized and environmentally responsible travel options. Hilton's business concept directly addresses these preferences, offering a unique value proposition that not only meets but anticipates customer desires for sustainable luxury.

This analysis justifies Hilton's strategic direction, positioning the new concept not just as another luxury hotel chain but as a leader in sustainable hospitality. By aligning with contemporary consumer trends and leveraging Hilton's competitive strengths, this concept is poised to carve out a unique position in the market, offering compelling evidence of its potential success and sustainability in the competitive landscape.

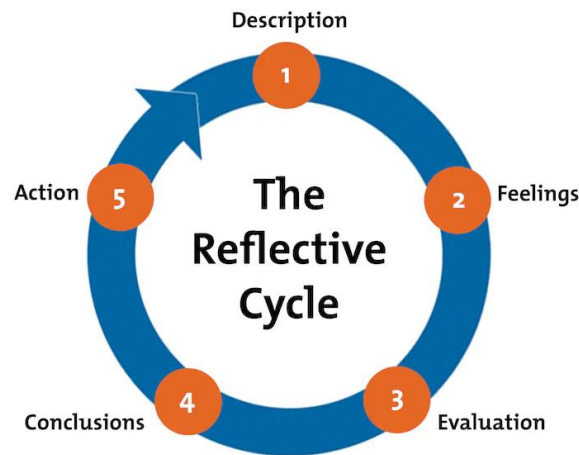
Reflective Essay: Insights into Entrepreneurial and Managerial Potential

Description

During a recent in-class exercise, I engaged with a series of questionnaires designed to unearth my entrepreneurial and managerial propensities. These tests aimed to measure various dimensions of my business acumen, including risk tolerance, leadership capabilities, innovation inclination, and decision-making styles. The results presented a multifaceted view of my potential as an entrepreneur and manager, highlighting strengths in creative problem-solving and strategic thinking while also pinpointing areas for improvement such as risk management and team leadership.

Feelings

Initially, the revelation of my entrepreneurial strengths was invigorating. Discovering that I have a natural inclination towards innovation and strategic planning filled me with a sense of purpose and direction. However, the recognition of my shortcomings, particularly in risk assessment and leadership, was initially disconcerting. It spurred a mix of emotions, from disappointment to a determined resolve to address these gaps. Reflecting on these feelings, I realized that embracing my weaknesses is as crucial as recognizing my strengths for my developmental journey.



“<Gibbs' Reflective Cycle> (Source: mindtools.com, n.d)”

Evaluation

The evaluation of my test results revealed a compelling dichotomy between my innovative capabilities and my approach to risk and leadership. My strong innovative drive and strategic foresight are evidently my forte, suggesting that I can identify opportunities and envision long-term goals effectively. However, the hesitance in risk-taking and the need to develop more robust leadership skills could hinder my ability to fully realize these visions. This juxtaposition underscores the importance of a balanced approach to entrepreneurship and management, where innovation is complemented by calculated risk-taking and influential leadership.

Analysis

Utilizing academic models like the Entrepreneurial Orientation (EO) framework, I can contextualize my strengths and weaknesses within the dimensions of innovativeness, proactiveness, and risk-taking. My inclination towards innovation aligns with the EO's emphasis on innovativeness as a critical component of entrepreneurial success. Conversely, my cautious approach to risk highlights a deviation from the EO's risk-taking dimension, suggesting a potential barrier to seizing opportunities. The Leadership Trait Theory also provides insights, indicating that while strategic vision is a leadership strength, effective leadership also requires the ability to inspire and motivate teams, an area I need to develop.

Conclusion

The reflective process, guided by the Gibbs cycle, has illuminated both the promising aspects of my entrepreneurial and managerial profile and the areas requiring focused improvement. Understanding that entrepreneurship and leadership demand a harmonious blend of innovation, risk management, and team leadership has been an invaluable insight. It's clear that for me to evolve into a more effective entrepreneur and leader, nurturing my innovative strengths while addressing my risk aversion and leadership skills is essential.

Action Plan

To address these insights, my action plan includes:

1. Engaging in professional development workshops focused on risk management and leadership skills.
2. Seeking mentorship from experienced entrepreneurs to gain insights into effective risk-taking and team leadership.

Conclusion

This assignment has examined Hilton's pioneering eco-luxury hotel concept, scrutinizing its value propositions, client categories, channels, connections, revenue streams, key resources, activities, partnerships, cost structure, and competitive environment. Furthermore, it explored a contemplative essay on the possibilities for entrepreneurship and management, pinpointing strengths and places that may be improved. This thorough evaluation emphasizes Hilton's capacity to redefine sustainable luxury within the hospitality sector, while emphasizing the significance of possessing a balanced combination of entrepreneurial and management talents for individual development.

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