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Assignment 2: Report

Introduction

The InterContinental Hotels Group (IHG) is a well-established entity in the international hospitality sector, renowned for its exceptional standards and wide range of brands that cater to the varying interests of travellers (IHG, 2018). This study examines the organisational dynamics of IHG, analysing its structure, culture, objectives, current initiatives for change, and strategic direction. IHG's operations encompass a wide range of well-known brands such as InterContinental, Holiday Inn, and Crowne Plaza, highlighting its global importance. This analysis aims to explore the management practices of IHG by examining its initiatives at both the corporate and unit levels. It strives to provide insights into how IHG effectively addresses industry problems and achieves sustainable growth and guest satisfaction.

Organizational Structure, Culture, and Goals

Structure

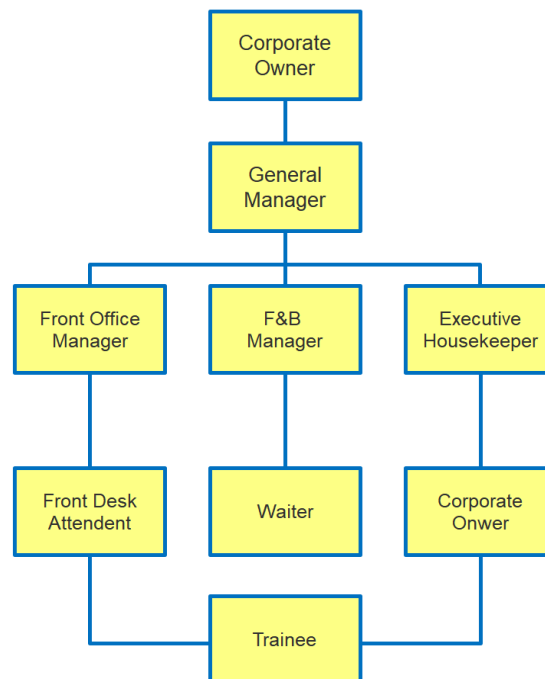


Figure 1: IHG organizational structure (Ziyadeh et al, 2023)

The IHG operates on a decentralised organisational framework that grants authority to individual properties while upholding overall corporate standards and norms (Griffin et al, 2020). This framework allows IHG to utilise the knowledge and ingenuity of local management teams while maintaining uniformity in service excellence and brand image throughout its range of brands, such as InterContinental, Holiday Inn, and Crowne Plaza. IHG maintains a streamlined and flexible organisational structure at the corporate level, which enables quick decision-making and the flexibility to adapt to evolving market conditions.

Culture

The organisational culture of IHG is firmly grounded in its dedication to surpassing customer service standards, fostering innovation, and promoting sustainability. The organisation prioritises the development of impactful guest experiences and cultivates a culture of hospitality throughout its workforce. IHG fosters a culture that promotes collaboration, creativity, and ongoing enhancement, allowing it to maintain a competitive edge in the industry and provide outstanding value to its guests.

Goals

IHG places emphasis on a number of primary objectives with the intention of fostering sustainable expansion and optimising shareholder value (Joseph et al, 2016). One of the fundamental objectives of IHG is to enhance its global footprint and bolster its market presence in significant global markets. The organisation additionally seeks to improve visitor experiences through the implementation of innovative projects and endeavours in digital transformation. Furthermore, IHG demonstrates a strong dedication to enhancing operational efficiency and profitability, all the while upholding its prominent status as a frontrunner in the hospitality sector.

So, the organisational structure, culture, and goals of IHG are in accordance with its overarching mission of providing exceptional hotels that are well regarded by customers. IHG maintains its success in a highly competitive global market by empowering its staff, cultivating a culture of excellence, and actively pursuing strategic initiatives. This approach enables IHG to uphold its dedication to providing great guest service and implementing sustainable business practices.

Recent Change Initiatives and Impact

IHG has undertaken various recent change projects with the objective of adjusting to changing market dynamics, improving guest experiences, and improving operational efficiency. These projects encompass a range of domains, such as the adoption of technology, endeavours towards sustainability, and innovations focused on guest satisfaction (Winnubst, 2017). This section analyses some significant change efforts implemented by IHG and evaluates their effects on the organisation.

IHG has recently implemented a notable change project centred around digital transformation, with the aim of improving guest experiences and optimising operational efficiency. The organisation has allocated resources towards the implementation of cutting-edge technological solutions, including mobile check-in/check-out systems, digital concierge services, and personalised guest communication platforms. The primary objective of these projects is to offer guests a smooth and convenient experience, while also allowing IHG to gather useful data insights for the purpose of personalising services and enhancing operational efficiency. The digital transformation projects undertaken by IHG have had a significant impact, resulting in notable enhancements in guest happiness, loyalty, and operational performance. IHG has improved convenience and flexibility by allowing visitors to check-in and access hotel services digitally. This has led to greater guest satisfaction levels and boosted brand loyalty. In addition, the implementation of digital solutions has facilitated the optimisation of operational

procedures, resulting in cost reduction and improved productivity among hotel personnel. Furthermore, IHG has undertaken sustainability measures alongside its digital transformation efforts, aiming to mitigate its environmental impact and foster responsible tourist behaviours (Jones & Comfort, 2019). The corporation has established ambitious sustainability objectives, encompassing the reduction of carbon emissions, waste minimization, and water resource conservation across its global assets. In addition to environmental protection, IHG's sustainability endeavours encompass social responsibility activities, which encompass community engagement and the promotion of local economies. The sustainability measures implemented by IHG have had a dual impact, encompassing both environmental responsibility and brand distinction. IHG has exhibited its dedication to corporate social responsibility and environmental sustainability by placing sustainability as a top priority, so bolstering its standing as a conscientious and principled corporate entity (Omotayo, 2015). Additionally, sustainability activities are well-received by consumers that prioritise environmental concerns, resulting in heightened brand loyalty and a preference for IHG's sustainable brands.

In addition, IHG has introduced several guest-focused advancements to meet evolving customer demands and improve the overall guest experience. An example of such an endeavour is the "Room for All" programme, which provides guests with customised room arrangements according to their preferences, including choices for bedding, room arrangement, and amenities. The primary objective of this effort is to enhance the range of options and adaptability available to guests, hence leading to increased levels of satisfaction and fostering repeat patronage for IHG. Positive outcomes have been observed as a result of guest-centric initiatives, such as the "Room for All" programme, which has contributed to heightened levels of visitor satisfaction and loyalty. IHG has enhanced its competitive standing and distinguished its brands in the market by providing customised experiences that cater to individual tastes (Voegeli, 2021). In addition, the implementation of guest-centric innovations has resulted in favourable word-of-mouth and online evaluations, thereby facilitating organic expansion and fostering brand advocacy for IHG.

So, the recent transformation initiatives implemented by IHG have exerted a substantial influence on the organisation, resulting in enhanced guest pleasure, increased loyalty, and improved operational efficiency. Through the adoption of digital transformation, sustainability, and guest-centric innovation, IHG consistently engages in innovation and adaptation to

effectively address the evolving demands and expectations of its clientele, all the while upholding its prominent status as a frontrunner in the worldwide hospitality sector.

Strategic Direction for IHG

InterContinental Hotels Group (IHG) is widely recognised as a leading entity in the global hospitality sector, distinguished by its extensive range of brands and unwavering dedication to providing outstanding guest experiences (Prahalad & Doz, 2017). This section explores IHG's strategic strategy, analysing its main objectives, market positioning, and efforts to promote sustainable growth and innovation.

Market analysis and positioning

The International Hotel Group (IHG) operates within a fiercely competitive market that is marked by dynamic consumer tastes, rapid technical progress, and fluctuating industry trends. IHG, a prominent player in the hotel industry, formulates its strategic course based on its profound comprehension of market dynamics, competitive environment, and new prospects (Grant, 2021).

The market positioning of IHG is based on its wide range of brands, which are designed to meet the specific needs and tastes of different sectors of travellers. IHG's brand portfolio encompasses a wide range of market categories and demographics, including luxury brands like InterContinental and midscale options like Holiday Inn. The implementation of a varied strategy to branding serves to bolster IHG's ability to withstand market volatility and successfully respond to evolving consumer preferences.

Strategic Goals and Objectives

IHG's strategic direction is centred around its fundamental aims and objectives, which serve as a compass for the company's decision-making and allocation of resources. The primary strategic objectives for IHG encompass:

Global Expansion: IHG tries to enhance its worldwide footprint and fortify its presence in pivotal markets across the globe. The organisation actively seeks out strategic avenues for growth by means of organic expansion, brand collaborations, and acquisitions, with a particular emphasis on markets characterised by substantial growth prospects and a robust demand for hospitality services.

Enhanced Guest Experiences: IHG has a strong dedication to providing outstanding guest experiences across its various brands, utilising advanced technology, innovative approaches, and tailored services to surpass guest expectations (Ginter et al, 2018). IHG aims to enhance

its competitive position in the market by comprehending and proactively addressing guest demands, thereby fostering guest pleasure, loyalty, and advocacy.

Operational Excellence: The prioritisation of operational efficiency and excellence by IHG is aimed at driving profitability and maximising shareholder value. The organisation prioritises the optimisation of its operational processes, utilising technology and data analytics to augment productivity, minimise expenses, and optimise asset performance throughout its portfolio.

Sustainability and Social Responsibility: IHG is committed to advancing sustainability and social responsibility throughout all aspects of its operations and value chain. The organisation establishes ambitious sustainability objectives, encompassing the reduction of carbon emissions, waste minimization, and the provision of help to local communities (Winnubst, 2017). The dedication of IHG to sustainability not only corresponds with its corporate principles but also bolsters its brand image and ability to withstand environmental hazards.

Strategic Initiatives and Implementation

IHG has put in place a number of important projects targeted at fostering growth, innovation, and operational excellence in order to meet its strategic goals:

Brand Portfolio Optimisation: In order to stay in line with consumer preferences and market trends, IHG continuously assesses its portfolio of brands. The organisation conducts periodic evaluations of its range of brands, revitalises its established brands, and presents novel ideas in order to leverage rising prospects and adapt to changing consumer demands.

Digital Transformation: To improve visitor experiences, optimise business processes, and spur innovation, IHG has embraced digital transformation (Griffin et al, 2020). For smooth and customised experiences across all touchpoints, the company invests in cutting-edge technological solutions including mobile apps, digital check-in/check-out, and personalised guest communication platforms.

Growth in New Markets: IHG aggressively looks for chances to grow internationally, especially in regions with strong economic growth, such the Middle East and Asia-Pacific. The company, which serves both business and leisure travellers, expands into new areas and establishes a presence in important cities and destinations by utilising its well-known brand and franchising model.

Sustainability Initiatives: Throughout its activities, IHG is dedicated to promoting environmental stewardship and sustainability. The corporation has put in place a number of environmental measures, such as trash reduction plans, community participation projects, and

energy-efficient building designs. Through its sustainability initiatives, IHG not only lessens its impact on the environment but also boosts profitability and distinguishes its brand.

Challenges and Future Outlook

In spite of its strategic efforts and excellent market position, IHG confronts a number of obstacles and risks that could affect its future course. Among them are:

Industry disruption: The hospitality sector is vulnerable to influences such as rapidly advancing technology, shifting customer tastes, and unsettling market dynamics. In order to effectively handle industry disruptions and capitalise on future opportunities, IHG needs to maintain its agility and adaptability.

Competitive Pressure: There are many local and international competitors fighting for market share and loyal customers in the extremely competitive market in which IHG operates (Omotayo, 2015). To keep a competitive edge and long-term growth, the company needs to successfully differentiate its brands and offers.

Regulatory Environment: varied jurisdictions have varied regulatory requirements and compliance obligations that apply to IHG's operations. IHG's operations and profitability could be impacted by changes in laws, taxes, or government policies, necessitating proactive risk management and strategic planning.

Notwithstanding these obstacles, IHG's strategy trajectory is centred on fostering sustainable expansion, fostering innovation, and generating value for its stakeholders (Punnett & Senaji, 2022). Through the utilisation of its robust brand portfolio, unwavering dedication to guest happiness, and strategic endeavours, IHG is strategically positioned to effectively negotiate the dynamic terrain of the hospitality sector and establish itself as a frontrunner in the worldwide market.

Conclusion

To summarise, the evaluation of InterContinental Hotels Group (IHG) demonstrates a strong strategic approach that is in line with market trends and the objectives of the organisation. IHG effectively manages competitive environments by strategically managing a diverse range of brands, with a strong emphasis on enhancing guest experiences, achieving operational excellence, and promoting sustainability. The recent change initiatives implemented by IHG highlight the company's ability to adapt and innovate, resulting in increased guest pleasure and improved operational efficiency. In the future, IHG's dedication to strategic objectives and

endeavours situates it for continuous expansion and prominence in the worldwide hospitality sector, cultivating guest allegiance, shareholder worth, and organisational robustness.

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