



Hilton Worldwide Holdings Inc.

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INTRODUCTION:

The current economic climate is highly unusual. The biggest challenge, which starts last year but continues to affect the global economy, is the worldwide pandemic of Covid-19.

The Covid crisis has caused a significant slump into a global economy and would take approximately a decade to recover. However, there are some positive news, this year (2021), global economic growth expected to be 4% higher than the last year. The optimistic forecast is also inspired by the implementation of the new vaccine against Covid.

Global trading was also highly affected by the pandemic. Many countries were forced to close their borders, which seriously affected the supply of goods and services.

Hospitality and tourism significantly were suffered business from these measures. Many venues and hotels were with closed doors for more than a year in some countries.

Although, the global financial system remains historical losses with low levels of growth and risen government debt. Thereupon, we observe decreasing in substantial currencies like Euro, U.S. Dollars, and Pounds. (World Bank Group, 2021)

Hilton Worldwide Holdings Inc.

The company is founded in May 1919 by Conard Hilton. This is an American hospitality company operating in more than 19 countries across the world. The company is the owner of 6,400 properties worldwide. Under the Hilton's name are 18 different brands including Conrad Hotels & Resorts, Canopy by Hilton, Curio - A Collection by Hilton, Hilton Hotels & Resorts, DoubleTree by Hilton, Embassy Suites Hotels, Hilton Garden Inn, Hampton by Hilton, Homewood Suites by Hilton, Home2 Suites by Hilton, Hilton Grand Vacations, LXR Hotels and Resorts by Hilton, Waldorf Astoria Hotels & Resorts, Signia by Hilton, Tru by Hilton, Tapestry Collection by Hilton, Tempo by Hilton, and Motto by Hilton.

To reach the maximum number of customers, Hilton has implemented various segmentation strategy. They are trying to achieve all social classes by offering exclusive luxury brands (LXR Hotels & Resort) to more accessible brands (Coral by Hilton and Lady Hilton). (Hilton, 2021)

Global economic Factors.

Because of the business that Hilton is in, some economic factors impact the structure of the organisation. As a multinational company Hilton, strategize its operations appropriately depending on the host country. Considering factors such as type of economic system in the country of operation, how stable this economy is, governmental regulations, exchange rates and stability of the host country currency, infrastructure, competitive advantages of the host countries and service sector, education level and skills of the workforce, labour rate and productivity in the economy, business cycle stage, economic growth rate, income of the population, unemployment rate, inflation rate, interest rate. (Fern Fort University)

Globalization.

The process by which businesses or other organizations gain international influence or begin operating on a global scale.

Some people compare the appearance of globalization with the "Big Bang".

The first sign of globalization is the silk trading between Asia and Europe. This first global interaction in the 5th centuries puts the beginning of the global market, which we all know now.

Globalization 7th-15th centuries. That is happened thanks to the Islamic religion spreading. The Islamic people were focused on trading mainly with spices.

The pick of globalization is the 15th-18th centuries. That is the time of the Great Discoveries. America has been discovered, and explorers connect East with West.

19th centuries. This was the era of the Industrial Revolution. It started with the establishments of the British Empire.

Thanks to its industrialization and building trains and railways, Britain's could satisfy the demands of goods worldwide.

After the two World Wars, international trading has been put on hold. Many people have died, many countries go into recession, followed by the Big Depression in the U.S.

Globalization 4.0

This is the global market today, with dominants countries- China and U.S.

In addition to the thousands of benefits globalizations brings to us, and there is also a wrong side. Due to the massive globalization, we observe significant climate changes, water shortage, and increasing population from a global perspective. (World Economic Forum,2019)

Globalization helps increasing interdependence of world economy, thought easy cross-border trade, flow of international capital and wider market for new technologies. Technology is one of the most important and fast-growing force impacting globalization. In addition to that many countries could improve their GDP rate. (Economic & Social Affairs ,2000)

To understand the current global environment in which Hilton Holdings operates we going to use **PESTLE analysis**. This would give information about the Political, Economic, Social, Technological, Environmental and Legal factors which could have an impact on the organisation. As a multinational company, Hilton should closely analyse certain domestic for the host country factors, which possible can affect the profitability. (Fern Fort University)

- Political:
 - Political stability of the host country.
 - Risk of potential war.
 - Corruption level.
 - Bureaucracy and governmental paternalism.
 - Legal requirements.
 - Trade market and regulations.
 - Anti-trust law.
 - Tax rates.
 - Wage regulations and labour law.
 - Duration of the workweek.
 - Employee benefits.

- Hospitality safety regulations.
- Economic: (I have discussed this point above.)
- Social:
 - Demographic situation.
 - Class structure.
 - Education level and skills of the workforce.
 - Population attitudes and cultural specifications.
 - Leisure interest.
- Technological:
 - Technological development.
 - Value chain structure in the hospitality sector.
- Environmental:
 - Water.
 - Climate changes.
 - Air and water quality.
 - Recycling level.
 - Waste regulations in the hospitality sector.
 - “Green” politics
 - Level of sustainable energy.
- Legal:
 - Anti-trust law.
 - Discrimination law.
 - Intellectual property and copyright laws.
 - Consumer protection law.
 - Employment law.
 - Health and Safety law.
 - Data protection law.

Hospitality is one of the biggest labour sectors, around 192,2 million people worldwide are in this business. And this only because hospitality goes beyond globalisation and takes the best of it.

Thanks to the huge human resources which the global market provides, there is no need that cannot be satisfied. Each member of the team, no matter what culture or religion, he/she is, can contribute to the success of the business.

Another benefit of globalisation is the technology market and developments. Hilton Holdings launched its program “Customer 360”, which is a global data-based platform, it is keeping

information about hotel customers. Information regarding their needs, preferences etc. (Nancy Deek,2012)

Main body:

Marketing strategy of Hilton.

"A brand's value proposition is the set of benefits or values it promises to deliver to consumers to satisfy their needs."(Kotler, Armstrong,2017,p.35)

The marketing strategy will base on positioning the Hilton hotel as a place that provides excellent service. The strategy will concentrate on developing and maintaining strong customer relationships to retain their loyalty. Customer relationship initiatives will assist the hotel in understanding its clients' needs and expectations.

Hilton put a large focus on their existing customers, by offering to them different loyalty programs. Most of these programs are personalized for specific clients.

Hilton has built a strong and stable name, through the years in the hospitality industry. According to Forbes, Hilton is 54th of the top 100 on the Brands List.

The most famous loyalty program which Hilton offers to its customers is **Hilton Honors**.

Being a member of this loyalty program could give a lot of benefits to the holders of it.

Hilton Honors collaborating with American Express. This allows paying and collecting points for Hilton Hotels. Using the card, the holder could win a free night in any of the hotel brands, everywhere on the globe.

Another promotion which all Hilton Honors member can use is their partnership with Live Nation, the biggest entertainment company. This promotion gives access to thickets and exclusive events. (Hilton Annual Report,2019)

7P's Marketing Mix Analysis:

- **Product:**

Hilton offering rooms/ apartments or houses for a certain period. Hilton captures the upper, business, and middle class by supplying luxury resorts or airport hotels.

- **Place:**

Hilton brands are operating on 6 continents, 119 countries.

- **Price.**

For their luxury brands like Hilton Hotels & Resorts, the price for one night can reach up to £ 5000, depend on the destination. For a more affordable class hotel like Tru Hotel by Hilton, the price can reach up to £100, depend on the destination and season.

- **Promotion:**

Hilton has used all available social media channels (YouTube, Facebook, Instagram etc) for its digital marketing. Also runs Hilton Honors program. Promotion through famous chefs and their restaurants is also something very common for Hilton.

- **People:**

The employer for more than 400k people around the world.

Awarded several times for excellent work culture and managing people.

Offers a wide range of benefits for its employees.

Announced for one of the best employer company in the world.

- **Process:**

Hilton's guests can use a website to book a room from their portfolio of brands. The website is very accessible, customers can switch among 12 different languages.

Hilton also provides an app for mobile phones, allows you to select your room, floor and use your phone as a room key. Through the app hotel's guests could also check-in and check-out.

- **Physical evidence:**

As an evidence, we could count all tangible and intangible.

Tangible such as the hotel room, bathroom etc.

Intangible such as customer service and emotional satisfaction.

Segmentation, Targeting and Positioning.

It is a process that assists an organisation in facing customers' needs and demands. Segmentation can be geographic, demographic, behaviour and psychological.

- Segmentation: Hilton captures mainly the middle and senior age group.
- Targeting: From an income perspective, their market is a middle and upper scale of the social classes. Target market for Hilton Holdings is UAE and Asia. UAE is a great place for investments and Hiltons' intentions are to increase the number of its hotels there. Asia is extraordinary place with a lot of opportunities for profit. Hilton continues to invest money and expand its services in China and Singapore.
- Hilton position itself as one of the biggest hospitality chains in the world. With a strong and stable reputation and millions of loyal customers.

Each of these stages is made to evaluate a certain market. Segmentation, targeting, and position strategies are depending on the company mission and vision for creating customer value.

Hilton emphasizes its extraordinary service. Investing a large capital for keeping its facilities up to date with all available new technologies and luxury interior and exterior. An example of this is the implementation of VR training for its employees. The aim of this is to create even better teamwork, allowing workers to get knowledge from a variety of the hotel departments. (Hilton Annual Report, 2019)

Hilton standards for excellent service are quite the same in each Hilton hotel, in every point of the world. All departments are involved in the process of providing a great experience for the hotel guests.

However, considering the domestic culture and religion, Hilton adapts its service to the current environment. For example, all Hilton hotels in the territory of UAE does not serve or offer pork in their restaurants.

Hilton Holdings is focused on creating value rather than make just a profit.

Hilton also supports the domestic community via different causes and campaigns. In fact, the company has created Hilton Effect Foundation. This program works with young people from the community to improve the environment of the host country, career development and education.

Advertising and marketing Campaign:

Last year (2020), Hilton announced its first global marketing campaign “To New Memories” since how the Covid pandemic has started in 2019. The marketing project is based on customers’ feedback and surveys. In the campaign can participate every person who ever had any experience or a memory, related with travel, holiday and Hilton. People can send their pictures or videos of themselves and after that, these pictures could be seen in TV adverts or pop-up ads on different social channels.

In a collaboration with Detol and Lysol, Hilton has created the, Hilton CleanStay”, program which aim is to set a standard for hotel cleaning and safety environment.

Every Hilton brand has its magazine. There could find information such as hotel’s promotions, giveaway, innovations, the future of the brand etc.

Standard service. Cultural and language differences.

Standard service. Cultural and language differences. Hilton services and company values are standardized all around the world.

Hospitality- we’re passionate about delivering an exceptional guest experience. Integrity- we do the right thing, all the time. Leadership- we’re leaders in our industry and in our community. Teamwork- we’re team players in everything we do. Ownership- we’re the owners of our actions and decisions. Now- we operate with a sense of urgency and discipline. (Hilton, 2021)

However, there are some differences like specific culture, language, and territory specifications, which every multinational business should take in account.

From a language point of view, the hotel management is very organized. Depending on the host country, most of the staff is from the community. This makes the interaction very easy. Even if the General Manager is from the U.S. for instance, the person under this position is from the host country. In another hand, the hotel information is very accessible, because hotel information could be found in several different languages. The presence of the app facilitates access to information and saves inconvenience.

Things with the culture are a bit more complicated. Hilton respects all cultures and religions. In addition to that, they work hard on a non-discrimination environment through its Hilton Effect Foundation.

An example of some adaptation that Hilton hotels have made to operate in a particular country could be Hilton Hotel & Resort in Dubai. In fact, all hotel from the Hilton chain has a policy for strict alcohol sale and they do no serve pork meet in their restaurants. Hilton also takes care to celebrate some domestic traditions. An example is the Holy Month of Ramadan on 20th April 2019, when all the hotel staff has share sweets among themselves and share with the hotel guests. (Hilton Dubai, 2019)

Using cultural research before entering a certain market could bring many advantages for an organisation. When some business wants to operate in a place like China, Japan and other Asian territories, knowledge of local habits, language and traditions are mandatory. Countries like these listed above are with a rich and colourful history. To create a stable and

profitable business in a long-term perspective, the business should know as much as possible about the domestic environment.

Porter's 5 Forces Analysis.

Using this framework, Hilton Holdings could look at the hospitality industry. To analyse its positions and the competitor positions. Also, it is helpful to predict future trends in the industry and the global market.

- **Threats of a new entrance.**

Hilton Holdings could significantly reduce the potential entrance of new competitors in the market by implementing and developing new products and services.

Investing capital for different marketing research. Hilton has settled a standard for customer service and hospitality experience all over the world, and to protect its position from the new businesses, has always to know what is in the market and beyond. The new entrance is more unlikely to be in a dynamic and competitive industry such as luxurious hospitality.

- **Power of buyers.**

Buyers are always looking for the best product or service at the best possible low price. In a long term, this could bring financial challenges for Hilton business. To prevent this situation, Hilton has taken the following actions: Reaching wider spectra of customers from all social classes. , Innovating and improving the existing marketing activities and advertising programs.

- **Power of suppliers.**

Most of the hospitality venues are having the same supply company. This can increase the overdependence on them and could affect the prices of raw materials. To prevent this Hilton can take certain actions like Looking for more and different suppliers. , Developing supply subsidiaries whose business and profit depend on Hilton operations.

- **Threats of competitors.**

When the market is oversaturated with businesses providing similar services, the profitability is necessarily affected. It is important for businesses to stand for their values and promises. If the company is service oriented rather than just sale its product, this creates value and significance of this service and bring the people back to your service., Predict the next trends and customer's needs. This would give an advantage against the competitors.

- **Competitor's rivalry.**

Hilton and its service are in a very competitive and dynamic industry, this has an impact on the company operations, strategies, and profits. For beating its competitors Hilton work in several directions: To create a sustainable differentiation; Analysing the existing competitors and their achievements from time to time; Union with its top competitors for expanding the market and increase the profits.

Hilton Worldwide Holdings Inc. and the competitors.

Top competitors.

Marriott International.

The brand with 65,000 properties in 127 countries all over the world. Revenue for 2020 approximately 10.60 billion dollars. (Marriott,2021)

Hyatt Hotels Corporation.

One of the most recognizable premium brands, with 700 properties in 50 countries worldwide. Revenue for 2020- 2.07 billion dollars. (Hyatt,2021)

The Peninsula Corporation.

Brand owned by Hong Kong and Shanghai-based company. Globally is operating in 10 of the top megapolises on 3 different continents. Revenue for 2020- 120 million dollars. (The Peninsula, 2021)

Ritz Carlton.

The brand with 91 properties in 30 countries. Revenue for 2020- 4.31 billion dollars. (Ritz,2021)

Overall, last year due to the crisis with COVID-19, the hospitality industry has been significantly impacted. Decreasing in the annual revenues and income of almost all names listed above is between 50-60 percentage.

Competition for customers.

As a hotel chain, Hilton provides basic services such as sleep and food. But their service is not only that, but they also must ensure for the quality of their product with the company brand name, reputation, and hundredths years of experience. However, sometimes the competitors may implement or develop new technology or product, which is more attractive for the mass of customers.

Competition for managers and franchise contract.

Hilton through analysis makes a conclusion before entering into a franchise agreement. The analysis contains information about certain factors such as the amount of the needed investment, availability of suitable properties, economic environment, and information about the existing competitors in the same territory.

Cybersecurity.

Unfortunately, cyberattacks are something very common nowadays. And Hilton shares about the hacker attack problems. They have invested a lot of efforts and capital to protect their customers' information, but still, they cannot always protect themselves from attacks. The information which Hilton keep for their customers is mainly basic information, but sometimes for specific needs they may keep the information related to personal data such as a home address, telephone number or credit card details.

Hilton takes participation and supports in all available data protection commissions and legal requirements. They have signed the European Union's General Data Protection from 2018, which implement new stringent requirements regarding handling personal information. (United States Securities and Exchange Commission,2018)

Conclusion.

In the paperwork above, can be found information about Hilton Worldwide Holding. Its marketing mix, segmentation, targeting and positioning. There are used frameworks for analysis like 7P's elements of the marketing mix, Porter's Five Forces for evaluating the industry environment and PESTLE analysis.

As a multination company, Hilton has achieved over the years a strong position in this industry, good relationship with the competitors, excellent customer values and significant income.

As an advantage of this organisations, we could count the strong customer loyalty which this brand has, it is awarded as the best workplace for woman, one of the best employer company in the world.

As a disadvantage, could count the prices, it is not very accessible for the mass part of the population. Also, the brand portfolio contains 18 different hotels, this could be an obstacle for a potential competitor for entering the same market.

Hilton supports the domestic environment and works for reducing its carbon footprint. They have established a program for 10 years, which is main aim is to reduce their waste by up to 50% by 2030.

From a marketing point of view, Hilton Hotels are very active. Hilton is one of the most followed hospitality brands on Twitter with almost 317k followers. Hilton Hotels are often advertised in the movies, short ads, or music videoclips.

Their marketing mix and strategies are directed in many different directions. They have used all available social platforms for advertising.

The work team is having different training programs, which the only aim is to improve Hilton service and their customer experience.

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