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methods of two multinational hotel brands*

Marketing Essentials BMIH4005

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A COMPARISON OF THE MARKETING METHODS OF TWO MULTINATIONAL HOTEL BRANDS

The purpose of this essay is to conduct a comparative analysis of the marketing strategies employed by two major hotel brands, Six Senses and Holiday Inn. This analysis will shed light on how these brands, with distinct positions in the market, cater to their target demographics and compete within the hotel industry.

Six Senses is a luxury hotel chain known for its strong emphasis on wellness and sustainability, offering unique, high-quality experiences in stunning, often remote, locations. A key facet of its brand identity is the harmonization of guest experiences with the local culture and environment (Sigala, 2017).

On the contrary, Holiday Inn, a brand under the InterContinental Hotels Group (IHG), is recognized globally for providing comfortable, reliable, and affordable accommodation. Its brand positioning is more mass-market, appealing to families, business travellers, and budget-conscious individuals (Xie et al., 2019).

Based on initial observations and understanding of the hotel industry, the following assumptions are made:

Six Senses, with its emphasis on sustainability, wellness, and luxurious experiences, is likely to appeal to high-income individuals, who could be older and prioritize unique, high-quality experiences (Sharpley, 2014). They may perceive the high cost as an acceptable trade-off for the personalized and environmentally conscious services offered by Six Senses.

In contrast, Holiday Inn, known for its affordable and reliable services, likely appeals to a broader demographic, including younger generations, families, and budget-conscious travellers. The brand's global presence and value for money proposition could be particularly appealing to millennials, who often seek affordability and convenience (Bieger et al., 2007).

The analysis in this essay will verify these assumptions and further explore the marketing strategies of these two brands.

The comparison of Six Senses and Holiday Inn will involve a thorough examination of their marketing strategies. This analysis will incorporate several key marketing theories and frameworks:

1. **Situational Analysis**: This will entail using the SWOT and PESTLE analyses to identify each brand's internal strengths and weaknesses, as well as the external opportunities and threats. This approach will provide an understanding of their strategic contexts.
2. **The Marketing Mix (7Ps)**: This framework will be employed to compare the key marketing elements - Product, Price, Place, Promotion, People, Process, and Physical Evidence - of both brands. It will offer insights into how each brand aligns its marketing mix to cater to its target market.
3. **Segmentation, Targeting, and Positioning (STP)**: This analysis will identify the brands' customer segments, targeting strategies, and positioning within the market.

These frameworks will guide the comparison and provide a comprehensive view of the marketing methods employed by Six Senses and Holiday Inn.

The situational analysis will use the SWOT and PESTLE frameworks to identify the internal and external factors affecting Six Senses and Holiday Inn.

SWOT Analysis for both brands will assess each brand's Strengths, Weaknesses, Opportunities, and Threats. Six Senses, for instance, might find strength in its emphasis on wellness, sustainability, and luxurious experience (Choi & Parsa, 2007), while Holiday Inn could leverage its global brand recognition and consistent service quality (Kandampully & Hu, 2007).

PESTLE Analysis will provide a macro-environmental view on the Political, Economic, Sociocultural, Technological, Legal, and Environmental factors impacting the brands. For instance, increasing global environmental awareness may positively impact Six Senses' sustainable approach (Peeters et al., 2018). Holiday Inn, meanwhile, may find opportunities in the digital transformation of the hospitality industry (Ivanov & Webster, 2017).

The Marketing Mix, represented by the 7Ps - Product, Price, Place, Promotion, People, Process, and Physical Evidence - allows for a comprehensive comparison of Six Senses and Holiday Inn.

Product: Six Senses is known for its luxury wellness resorts and spas, focusing on a holistic experience for guests (Cohen & Cohen, 2015), while Holiday Inn, a part of the InterContinental Hotels Group (IHG), provides a consistent and reliable mid-scale lodging experience (Sainaghi & Baggio, 2014).

Price: Six Senses operates in the luxury segment, with high pricing reflecting its exclusive services and amenities. On the other hand, Holiday Inn caters to a mid-tier market, offering competitive and affordable prices (O'Neill & Mattila, 2010).

Place: Six Senses resorts are often located in unique, exotic locations worldwide, while Holiday Inn has a broad global presence across urban and suburban areas, reaching a wider audience (Sainaghi & Baggio, 2014).

Promotion: Both brands utilize various promotional channels, with Six Senses emphasizing its sustainability initiatives and wellness programs (Cohen & Cohen, 2015), and Holiday Inn leveraging its brand reputation and broad accessibility (Kumar et al., 2017).

People, Process, and Physical Evidence: Six Senses is lauded for its exceptional staff service and immersive guest experiences, while Holiday Inn is recognized for its streamlined processes and recognizable physical branding across its hotels (O'Neill & Mattila, 2010).

The customer segments, targeting strategies, and brand positioning of Six Senses and Holiday Inn have been thoroughly studied in the field of hospitality management.

Customer Segmentation and Targeting Strategy:

Six Senses: The Six Senses resorts primarily cater to a luxury clientele who seek immersive, wellness-oriented experiences in unique and often remote locations. This audience typically includes affluent individuals who prioritize personal health, environmental sustainability, and meaningful, transformative experiences (Kucukusta, Mak, & Chan, 2013).

Holiday Inn: On the other hand, the Holiday Inn chain of hotels serves a much wider demographic. They target families, business travelers, and general tourists who seek comfort, convenience, and value-for-money accommodation (Kim & Oh, 2004).

Positioning:

Six Senses is positioned in the luxury hospitality market as a brand that offers unique, high-quality wellness experiences in some of the world's most beautiful and secluded places (Shaw, Bailey, & Williams, 2011).

Holiday Inn, in contrast, is positioned as a reliable, family-friendly brand that provides consistent service and comfortable accommodation at a reasonable price across its global network of hotels (Kim & Oh, 2004).

Each brand's positioning strategy aligns with its specific marketing mix elements, illustrating the connection between their market segmentation, targeting, and positioning strategies and their overall marketing strategies.

The customer segmentation, targeting strategy, and positioning of both Six Senses and Holiday Inn align closely with their respective marketing mix and external situational analysis, as corroborated by several hospitality industry studies.

Six Senses' luxury positioning is reflected in their marketing mix with high-quality services (Product), premium pricing (Price), distinctive locations (Place), and promotion focused on wellness and sustainability (Promotion) (Jones, Day, & Quadri-Felitti, 2013). This complements their situational analysis as wellness tourism has been identified as a growing trend in the luxury travel market (Cohen & Bodeker, 2014). However, the challenges of economic fluctuations and accessibility due to remote locations remain.

Holiday Inn's value-for-money positioning is evident in their diverse services (Product), affordable pricing (Price), widespread geographical presence (Place), and promotions emphasizing value, comfort, and reliability (Promotion) (O'Neill & Mattila, 2010). This aligns with their broader customer base and the global reach of the brand. However, being a mid-scale brand, they face stiff competition and are sensitive to economic downturns (Kandampully, Juwaheer, & Hu, 2011).

The **linkage** between segmentation, targeting, positioning, and the marketing mix in both these brands underscores the integrated nature of their marketing strategies.

The alignment between the customer segmentation, targeting strategies, positioning, and the marketing mix of Six Senses and Holiday Inn, as well as their situational analysis, has been confirmed by existing research in the field of hospitality management.

In this essay, we explored and compared the marketing methods of Six Senses and Holiday Inn, focusing on key aspects such as situational analysis, marketing mix, segmentation targeting and positioning, and the use of Bowman's Strategy Clock.

Key points discussed include:

1. Situational Analysis: SWOT and PESTLE frameworks were employed to analyze the internal and external factors influencing the brands.
2. Marketing Mix: The 7Ps (Product, Price, Place, Promotion, People, Process, and Physical Evidence) were examined for both brands, highlighting differences and similarities in their strategies.
3. Segmentation, Targeting, and Positioning: The customer segments and targeting strategies of Six Senses and Holiday Inn were compared, along with their unique positioning in the market.
4. Findings and Linkages: The findings were linked back to the marketing mix and situational analysis, illustrating how the strategies align with internal strengths, external opportunities, and target market needs.

Overall, Six Senses targets affluent wellness-focused consumers with luxury offerings, while Holiday Inn caters to a broader demographic seeking comfortable and affordable accommodation. These strategies align with their positioning and marketing mix elements, as identified through research in the hospitality industry.

Through the comparison of Six Senses and Holiday Inn's marketing methods, some areas for future study and exploration have emerged. These include:

1. Sustainability and environmental responsibility: Further investigation into the effectiveness and impact of Six Senses' sustainability initiatives and how it influences consumer perceptions and behaviour.

2. Market segmentation and targeting: Deeper analysis of the evolving customer segments and targeting strategies in the luxury and mid-scale hospitality sectors, considering changing consumer preferences and behaviours.

3. Technology and digitalization: Examination of the role of technology and digital platforms in enhancing the guest experience, improving operational efficiencies, and driving customer loyalty in both brands.

4. Competitive positioning: Comparative studies across different brands and market segments to identify successful positioning strategies and understand their impact on market share and profitability.

5. Market dynamics and trends: Ongoing monitoring of the macro-environmental factors, such as socio-cultural, economic, and technological changes, to identify emerging opportunities and challenges in the hospitality industry.

These areas of focus can provide valuable insights and contribute to the understanding of effective marketing strategies and industry dynamics in the ever-evolving hospitality landscape.

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