

A Comparison of The Marketing Methods of Two Multinational Hotel Chains

Nuri Begum

2015310

Marketing Essentials BMIH4005

Lecturer: Christopher Wilkin

A Comparison of The Marketing Methods of Two Multinational Hotel Chains

Introduction

Marketing is a vital aspect of any business, including the hospitality industry. It includes promoting products and services to the target audience to generate sales and profits (Amini, 2012). Hotel marketing strategies involve a combination of different methods used to reach and engage with the target market, creating brand awareness, and persuading potential customers to book accommodation.

To effectively understand and apply hotel marketing strategies, it is important to have knowledge of the underlying concepts and principles associated with this area of study. This includes an understanding of the marketing mix, which involves the four Ps which are; product, price, place, and promotion (Morgan et al., 2019, p. 12). The product refers to the hotel's services and amenities, while the price is the cost of the hotel's services. Place refers to the hotel's location and distribution channels, while promotion involves the methods used to promote the hotel's services to the target audience (Irbo and Mohammed, 2020).

In addition to the marketing mix, it is important to consider other tools and models that can be used to develop effective hotel marketing strategies (Morgan et al., 2019, p. 17). These include SWOT analysis, which involves assessing the hotel's strengths, weaknesses, opportunities, and threats, and PESTEL analysis, which involves analyzing the political, economic, social, technological, environmental, and legal factors that may affect the hotel's marketing strategies (Nalley and Gregory, 2021).

This essay will compare the marketing methods and strategies of two multinational hotel chains; Crowne Plaza and Travelodge (IHG Hotels and Resorts,

2023, Travelodge, 2022). The focus will be on how these hotels have applied marketing essentials and hotel marketing strategies, such as the marketing mix, SWOT analysis, PESTEL analysis, and stakeholder analysis, to promote their services and products to their target audience (Salvioni, 2016). The analysis will identify similarities and differences in their respective marketing strategies, and provide recommendations to enhance their marketing activities for potential future growth, while also considering any relevant contemporary concerns in the hospitality market.

Current Market Position of the Hotels

Crowne Plaza is a luxury hotel brand owned by InterContinental Hotels Group (IHG), with over 400 hotels located in more than 60 countries worldwide (IHG Hotels and Resorts, 2023). Crowne Plaza hotels are designed for business and leisure travelers who demand high-quality service and amenities, with a focus on providing a productive and comfortable environment for guests to work and relax.

On the other hand, Travelodge is a budget hotel chain with over 500 hotels in the UK, Ireland, Spain and other seven countries (Travelodge, 2022). The brand targets price-sensitive travelers seeking affordable accommodation without compromising on quality. Travelodge's marketing strategy focuses on offering great value for money, with a range of amenities and services tailored to meet the needs of budget-conscious customers.

The reason for choosing Crowne Plaza and Travelodge is that they represent two opposite ends of the hotel industry spectrum, with vastly different marketing strategies and target audiences (Tarigan et al., 2021, p. 6558). By comparing and contrasting

these two brands' approaches to marketing, we can gain insights into the different strategies employed by luxury and budget hotel chains and how they position themselves in the market.

Marketing Strategies

Crown Plaza's marketing strategy is focused on creating personalized experiences for their guests through their "True Hospitality for Good" campaign (IHG Hotels and Resorts, 2023). The campaign focuses on delivering exceptional service to guests by understanding their needs, preferences, and motivations (Sánchez-Casado, Artal-Tur and Tomaseti-Solano, 2019). Crown Plaza has also implemented a loyalty program, "IHG Rewards Club," which offers benefits and rewards to frequent guests.

Travelodge's marketing strategy focuses on value for money, offering budget-conscious travelers a comfortable stay at an affordable price. Travelodge also offers a loyalty program, "Travelodge Business," which offers discounts and benefits to business travelers (Travelodge, 2022). They also have a mobile app that allows customers to book and manage their reservations, as well as access hotel information and deals.

Considerations for Sustainability and Green Messaging

Crown Plaza has made several considerations within their marketing regarding sustainability and green messaging. In 2020, Crown Plaza launched their "True Hospitality for Good" sustainability program, which focuses on reducing their environmental footprint, improving the communities where they operate, and enhancing their guests' well-being (IHG Hotels and Resorts, 2023). As part of the program, Crown

Plaza has committed to reducing their carbon emissions, eliminating single-use plastics, and sourcing more sustainable products (Grimmer and Woolley, 2012).

Similarly, Travelodge has made several considerations within their marketing regarding sustainability and green messaging. In 2021, Travelodge launched their "Go Green" sustainability program, which focuses on reducing their environmental impact and promoting sustainable practices (Travelodge, 2022). As part of the program, Travelodge has committed to reducing their carbon footprint, reducing their waste, and sourcing more sustainable products (Keelson and Johnson, 2021). They also encourage guests to participate in sustainable practices, such as reusing towels and reducing water usage.

Marketing Strategy Comparison Based on Marketing Mix Tool

Crown Plaza focuses on high-end customers and provides premium services and facilities to cater to their needs (IHG Hotels and Resorts, 2023). They offer a range of services such as restaurants, bars, conference rooms, and fitness centres to ensure their guests have an exceptional experience. Travelodge, on the other hand, targets budget-conscious travellers and offers basic services such as comfortable rooms, free Wi-Fi, and 24-hour reception services. Their focus is on providing affordable accommodation to their guests (Travelodge, 2022).

SWOT Analysis Comparison

Crown Plaza has a strong brand image and reputation, with a loyal customer base. However, they may struggle to attract budget-conscious travellers due to their higher prices (IHG Hotels and Resorts, 2023). Travelodge, on the other hand, has a

broad customer base due to their affordable pricing, but their services may be perceived as basic or less desirable (Travelodge, 2022). They have an opportunity to expand their market by offering additional services to attract a wider range of customers. Both hotels face threats from external factors such as changing consumer preferences, increased competition, and economic conditions (Landman, 2010).

PESTEL Analysis Comparison

The PESTEL analysis of Crown Plaza and Travelodge shows that both hotels face various external factors that influence their operations and performance (Frue, 2019). In terms of political factors, both hotels operate in countries with stable political environments. However, Crown Plaza operates in more countries, and thus, it may be exposed to more political risks in certain regions. Both hotels are also affected by economic factors such as changes in exchange rates and inflation rates. Crown Plaza targets the high-end market, and thus, may be more vulnerable to economic downturns (IHG Hotels and Resorts, 2023).

Both hotels also face social factors such as changing consumer preferences, demographics, and lifestyles (Wang, Hu and Zhang, 2020, p. 102). Crown Plaza caters to business and luxury travelers, and it has to constantly adapt to changing consumer preferences and behaviors (Wymer, 2011, p. 30). On the other hand, Travelodge caters to budget-conscious travelers, and it has to ensure that its services and amenities remain affordable and accessible to its target market.

Technological factors also play a significant role in the operations of both hotels. Crown Plaza has invested in technology to improve its operations, such as mobile check-in and keyless room access (Stephen, 2016, p. 17). Travelodge has also

embraced technology, for example, by offering free Wi-Fi and digital check-in (Travelodge, 2022). However, both hotels face the challenge of keeping up with new technologies and maintaining their competitiveness.

Environmental factors also affect the performance of both hotels. Crown Plaza has a sustainability program that aims to reduce its environmental impact, such as reducing energy consumption and waste (Keelson and Johnson, 2021). Travelodge has also implemented various measures to reduce its carbon footprint, such as using LED lighting and eco-friendly cleaning products.

Finally, legal factors such as employment laws, health and safety regulations, and data protection laws affect both hotels. Crown Plaza has to comply with various laws and regulations in the different countries where it operates (Gray, 2012). Travelodge also has to ensure that it complies with relevant laws and regulations to protect its customers and employees.

Stakeholder Analysis Comparison

The stakeholders for Crown Plaza may include high-end customers, investors, employees, and the surrounding community. The stakeholders for Travelodge may include budget-conscious travellers, investors, employees, and the local community (Peres, Muller and Mahajan, 2010, p. 95). Understanding the needs and expectations of these stakeholders can help the hotels develop marketing strategies that meet their needs and interests.

Conclusion

Hotel marketing strategies play a crucial role in the success of any hospitality business. The comparison between Crown Plaza and Travelodge's marketing strategies has highlighted that while both hotels have different target audiences and price points, they have implemented effective strategies tailored to their respective markets (Jatt, 2012). The analysis has shown that Crown Plaza focuses on personalized experiences and offers premium services to high-end customers, while Travelodge offers basic services at an affordable price to price-sensitive travellers (Travelodge, 2022). Both hotels have implemented sustainability programs and offer loyalty programs to encourage repeat business. It is important for hotels to consider external factors such as changing consumer preferences, competition, and economic conditions when developing marketing strategies (Karthikeyan and P Rajan Chinna, 2019). By using tools such as the marketing mix, SWOT analysis, and PESTEL analysis, hotels can develop effective marketing strategies to promote their services to their target audience and remain competitive in the market.

References

- Amini, A. (2012). *Effectiveness of Marketing Strategies and Corporate Image on Brand Equity as a Sustainable Competitive Advantage*. [online] [www.semanticscholar.org](https://www.semanticscholar.org/paper/Effectiveness-of-Marketing-Strategies-and-Corporate-Amini/79a5aa6a19c1470de3c08350e1639ca2025e831b). Available at: <https://www.semanticscholar.org/paper/Effectiveness-of-Marketing-Strategies-and-Corporate-Amini/79a5aa6a19c1470de3c08350e1639ca2025e831b> [Accessed 14 Feb. 2023].
- Frue, K. (2019). *PESTLE Analysis for Hotel Industry*. [online] PESTLE Analysis. Available at: <https://pestleanalysis.com/pestle-analysis-for-hotel-industry/>.
- Gray, T. (2012). *ScholarsArchive@JWU ScholarsArchive@JWU MBA Student Scholarship Graduate Studies Spring 4-23-2020 Event Management: Defining Digital Marketing Trends Event Management: Defining Digital Marketing Trends*. [online] Available at: https://scholarsarchive.jwu.edu/cgi/viewcontent.cgi?article=1070&context=mba_students [Accessed 14 Feb. 2023].
- Grimmer, M. and Woolley, M. (2012). Green marketing messages and consumers' purchase intentions: Promoting personal versus environmental benefits. *Journal of Marketing Communications*, 20(4), pp.231–250. doi:<https://doi.org/10.1080/13527266.2012.684065>.
- Harris, L. (2020). He, H., & Harris, L. (2020). *The Impact of COVID-19 Pandemic on Corporate Social Responsibility and Marketing Philosophy*. *Journal of Business Research*, 116, 176-182. - References - Scientific Research Publishing. [online] www.scirp.org. Available at:

[https://www.scirp.org/\(S\(czeh2tfqw2orz553k1w0r45\)\)/reference/referencespapers.aspx?referenceid=2906179](https://www.scirp.org/(S(czeh2tfqw2orz553k1w0r45))/reference/referencespapers.aspx?referenceid=2906179) [Accessed 14 Feb. 2023].

IHG Hotels and Resorts (2023). *Crowne Plaza® Hotels & Resorts by IHG | Book Business Accommodations Worldwide*. [online] IHG. Available at:
<https://www.ihg.com/crowneplaza/hotels/us/en/reservation>.

Irbo, M.M. and Mohammed, A.A. (2020). Social media, business capabilities and performance: A review of literature. *African Journal of Business Management*, [online] 14(9), pp.271– 277. doi:<https://doi.org/10.5897/AJBM2019.8825>.

Jatt, D. (2012). SOCIAL MEDIA MARKETING: STRATEGIES & ITS IMPACT VIVEK BAJPAI*; DR. SANJAY PANDEY**; MRS. SHWETA SHRIWAS.
www.academia.edu, [online] 2(4). Available at:

https://www.academia.edu/24507437/SOCIAL_MEDIA_MARKETING_STRATEGIES_and_ITS_IMPACT_VIVEK_BAJPAI_DR_SANJAY_PANDEY_MRS_SHWETA_SHRIWAS.

Karthikeyan, A. and P Rajan Chinna (2019). *Social Media Marketing and its Impact*. [online] ResearchGate. Available at:

https://www.researchgate.net/publication/333996629_Social_Media_Marketing_and_its_Impact.

Keelson, S.A. and Johnson, J.A. (2021). Students Awareness of Green Consumer Behaviour and Sustainable Environment in Ghana: Using OpenBugs. *Journal of Management Research*, 13(2). doi:<https://doi.org/10.5296/jmr.v13i2.18423>.

Landman, P. (2010). *Evaluate the Value Proposition of your Competitors*. [online] Hotel Management Company - Hospitality Group - Xotels Ltd. Available at:

[https://www.xotels.com/en/revenue-management/revenue-management-book/competitor-](https://www.xotels.com/en/revenue-management/revenue-management-book/competitor-analysis) analysis.

Morgan, N.A., Whitler, K.A., Feng, H. and Chari, S. (2019). Research in marketing strategy. *Journal of the Academy of Marketing Science*, [online] 47(1), pp.4–29.

Available at: <https://eprints.whiterose.ac.uk/136066/>.

Nalley, M. and Gregory, A. (2021). case study A Case for Change, Market Segmentation and Brand Management. *A Case for Change, Market Segmentation and Brand Management*, [online] 60(2). Available at:

[https://www.chrie.org/assets/docs/JHTC-case-notes/JHTC-](https://www.chrie.org/assets/docs/JHTC-case-notes/JHTC-vol-9/JHTC_9_2_Nalley_Case.pdf) vol-9/JHTC_9_2_Nalley_Case.pdf [Accessed 14 Feb. 2023].

Peres, R., Muller, E. and Mahajan, V. (2010). Innovation diffusion and new product growth models: A critical review and research directions. *International Journal of Research in Marketing*, 27(2), pp.91–106.

doi:<https://doi.org/10.1016/j.ijresmar.2009.12.012>.

Salvioni, D. (2016). Hotel Chains and the Sharing Economy in Global Tourism.

SYMPHONYA Emerging Issues in Management, [online] 1(1).

doi:<https://doi.org/10.4468/2016.1.04salvioni>.

Sánchez-Casado, N., Artal-Tur, A. and Tomaseti-Solano, E. (2019). Social Media, Customers' Experience, and Hotel Loyalty Programs. *Tourism Analysis*, 24(1), pp.27–

41. doi:<https://doi.org/10.3727/108354219x15458295631918>.

Stephen, A.T. (2016). The role of digital and social media marketing in consumer behavior. *Current Opinion in Psychology*, 10(10), pp.17–21.

Talón-Ballester, P., González-Serrano, L., Soguero-Ruiz, C., Muñoz-Romero, S. and Rojo-Álvarez, J.L. (2018). Using big data from Customer Relationship Management information systems to determine the client profile in the hotel sector. *Tourism Management*, 68(1), pp.187–197.

doi:<https://doi.org/10.1016/j.tourman.2018.03.017>.

Tarigan, S.A., Juliana, J., Linda, T., Theng, B.P. and Harnjo, E. (2021). Identification of Tourism Product Marketing Strategy Plans to Foreign Markets Efforts to Increase Income in the Era of Regional Autonomy. *Budapest International Research and Critics Institute- Journal (BIRCI-Journal)*, [online] 4(3), pp.6540–6549.

doi:<https://doi.org/10.33258/birci.v4i3.2468>.

Travelodge (2022). *Travelodge | Great value hotels throughout the UK & Ireland*.

[online] Travelodge. Available at: <https://www.travelodge.co.uk/>.

Wang, C., Hu, R. and Zhang, T. (Christina) (2020). Corporate social responsibility in international hotel chains and its effects on local employees: Scale development and empirical testing in China. *International Journal of Hospitality Management*, 90(3), p.102. doi:<https://doi.org/10.1016/j.ijhm.2020.102598>.

Wymer, W. (2011). Developing more effective social marketing strategies. *Journal of Social Marketing*, 1(1), pp.17–31.

doi:<https://doi.org/10.1108/20426761111104400>.