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Hotel: Marriott International

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AI Declaration

On 7th February 2025, I used Grammarly, just to ensure that my work did not get structural things like spelling mistakes and wrong grammar. Interestingly, the tool made no calls for corrections; it only pointed out probable corrections. I manually went through all the responses and decided what to do with each one out of accepting or rejecting them. I declare to the reader that in the research and completion of this assignment, no artificial intelligence tools were employed. Further, I have not used any piece of content created by AI in my work during this program. Additionally, Original drafts, notes and any other material used in creating this assignment are available and will be produced if necessary.

Executive Summary

This report analyses Marriott's recent change initiatives in digital transformation, sustainability efforts, and loyalty program enhancements. The initiatives have positively impacted operational efficiency, customer experience, and brand reputation but are also associated with challenges such as high costs, reduced human interaction, and data privacy concerns. A comparison with Hilton would outline Marriott's competitive strengths and weaknesses. Strategic growth plans would emphasise market expansion, technology investment, and sustainability leadership through an Ansoff Matrix analysis favouring market development in emerging regions. Priority recommendations include developing AI-driven customer services, strengthening employee retention programs, and enhancing initiatives on sustainability. Marriott will have to keep up the pace of innovation to stay competitive as the hospitality industry evolves.

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Introduction

Marriott International is the largest hotel chain throughout the world Globally (Marriott, 2019) (Figure 1). Moreover, it was founded in 1927 by J. Willard and Alice Marriott, with operations all around the world through over 8,500 properties located in 139 countries (Marriott International, 2024). Marriott International has a wide range of brands, including luxury brands such as The Ritz-Carlton and St. Regis, premium hotels such as Marriott and Sheraton, and select service and extended-stay accommodations. With a commitment to excellence, innovation, and customer satisfaction, Marriott International has stood as a hospitality industry leader on a global level, offering personalised experiences for both business and leisure travellers. As shown in (Figure 2), the revenue of hotels increased by the year 2017 by 22 per cent. However, it gradually decreases with the year 20220. Additionally, the revenue margin incurred by the year 2021 with 13 per cent and then gradually increasing which shows a good brand reputation in terms of profitability.



Figure 1: Marriott International Hotel

(Source: Marriott International, 2024)

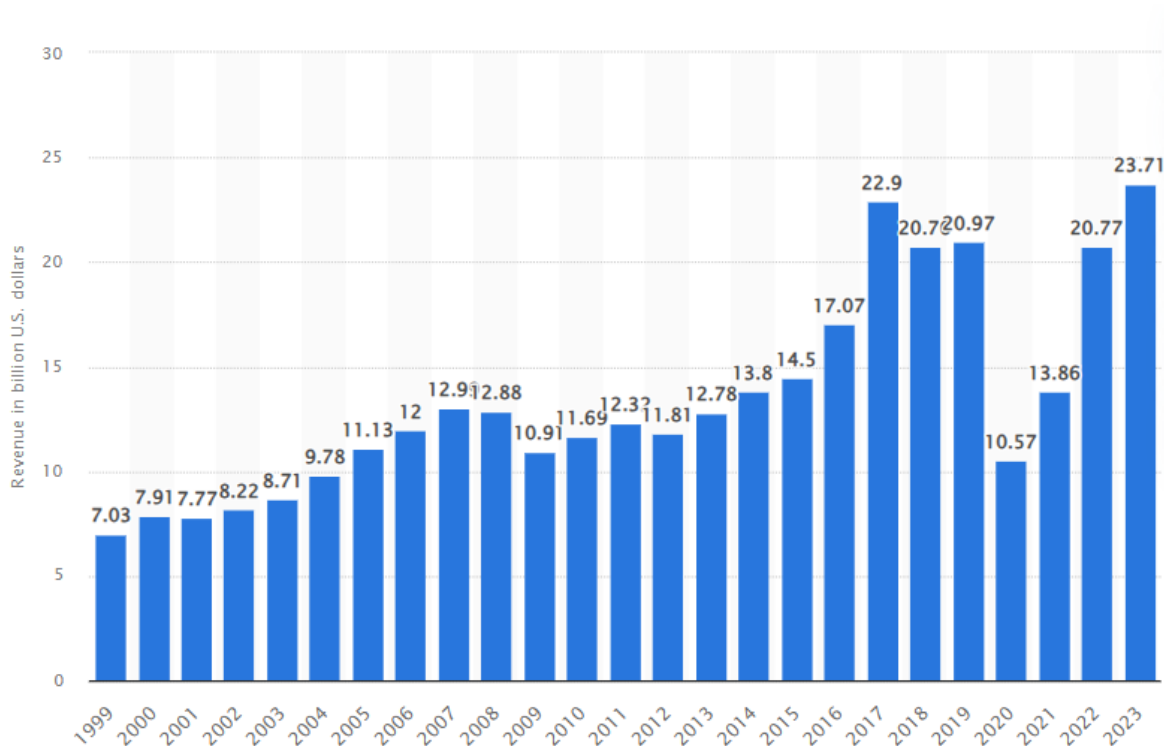


Figure 2: Revenue of Marriott from 1999 to 2023

(Source: Statista, 2024)

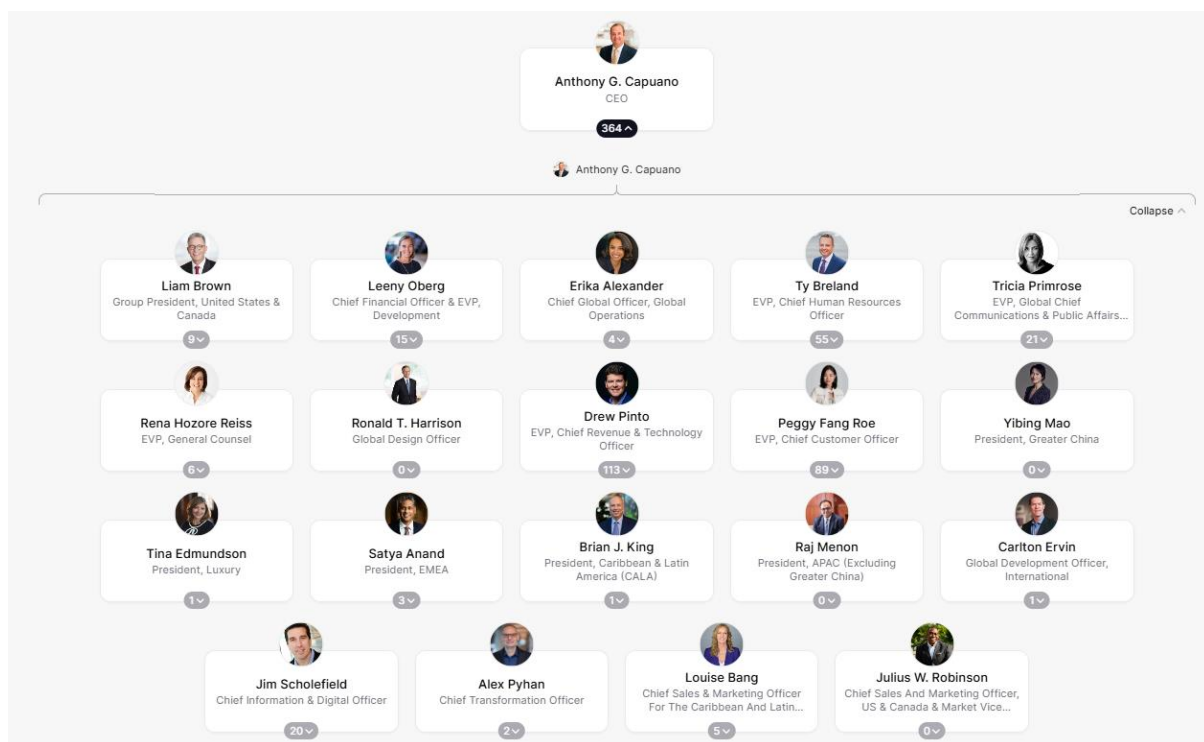
The objective of this report is to perform an extensive evaluation of Marriott International at both the corporate and individual hotel levels. The aim of this report is to identify about the Marriott's strategy direction, such as key long-term goals and how Marriott keeps on maintaining competitive strategies to sustain its leadership in the markets. Therefore, this report provides appropriate management and organisational behaviour's theories will be applied to develop the evaluation.

Organisation Structure, Culture, and Goals

Corporate and Hotel-Level Organisational Structure

Marriott International follows a hybrid structure, which incorporates elements of centralisation and decentralisation (Eschenbrenner et al., 2023). While strategic decisions, branding, and financial planning at the corporate level are centralised under an executive leadership team consisting of the CEO, CFO, and other key department heads, the individual hotel operations are decentralised (Figure 3). Moreover the left to regional managers and general managers to make location-specific decisions to enhance service quality and customer satisfaction.

The hotel level at the Marriott has a structured hierarchy with a General Manager at its head, responsible for general performance (Ponting, 2020). Various functions such as front office, housekeeping, food and beverage, and finance are headed by departmental heads (Douglas et al., 2024). The operational staff includes receptionists, chefs, and the different people in charge of housekeeping who run daily activities to maintain service standards. Marriott's decentralised system at the hotel level generates more flexibility in adjusting to local market demands while maintaining corporate oversight to ensure that there is no deviation from the brand and strategic issues (Wesley et al., 2024).



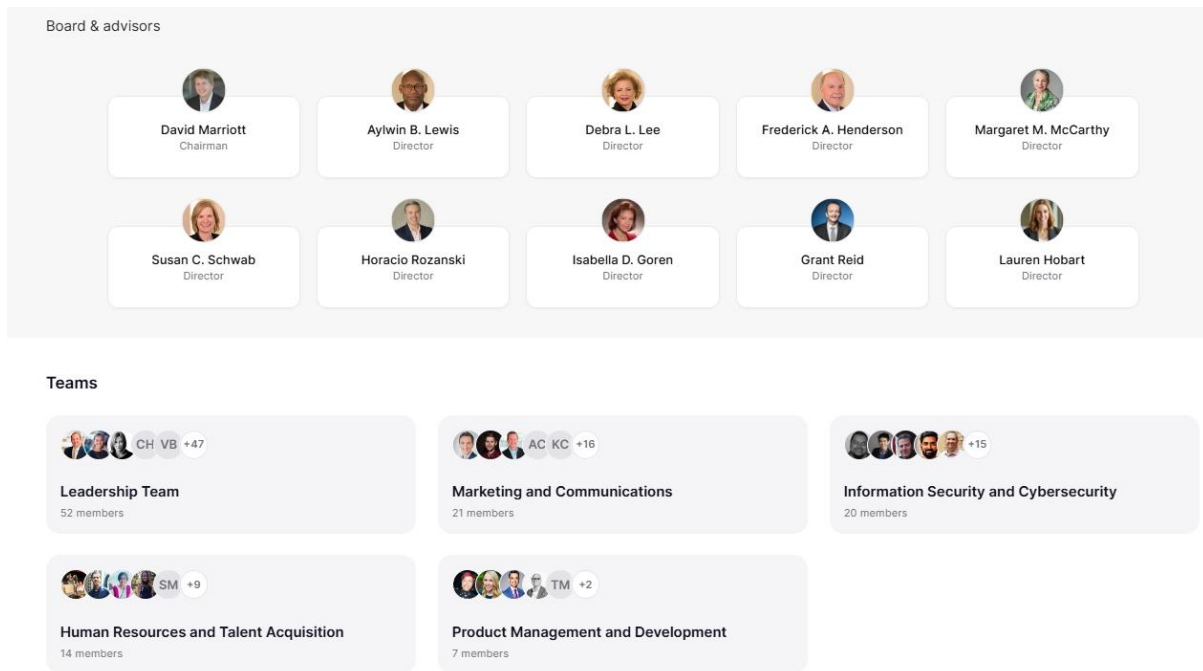


Figure 3: Organisational structure of Marriott hotel

(Source: Marriott hotel, 2024)

Corporate Culture and its Influence on Operations

Marriott International's mission, vision, and core values frame its corporate culture, pushing it to operational performance and involvement with the workers (Marriott International, 2024). Its mission "To enhance the lives of our customers by creating and enabling unsurpassed vacation and leisure experiences" reaches for superb customer service, a core commitment to the guest experience (Marriott, 2019). Marriott's people-first leadership fosters employee well-being, career growth, and inclusivity, and thus drives high retention, very strong engagement, and superior service quality. This commitment has placed Marriott among the best workplaces in hospitality, strengthening its global brand reputation (Eschenbrenner et al., 2023).

Using Schein's Organisational Culture Model, Marriott's culture is multifaceted and operates at three levels (Alankarage et al., 2024). Additionally, Artifacts of their culture include a strong brand identity, structured service processes, and leadership involvement (Khalid et al., 2020). Espoused values describe Marriott's commitments to sustainability, diversity, and ethical business practice. The assumption is rooted in the core values of an organisation delivering quality at work as well as accountability

towards relations between the employees and the guests. Therefore, this may lead to the retention of good workers and increase productivity.

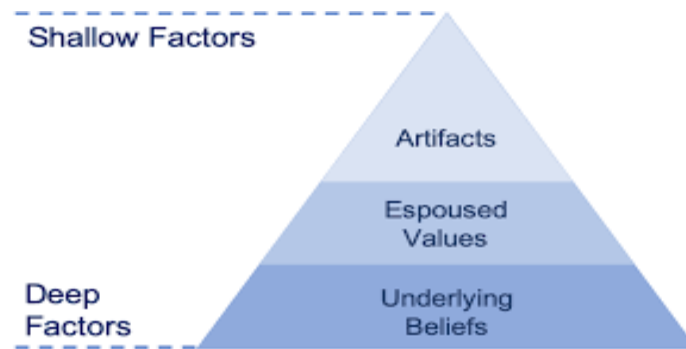


Figure 4: Schein's Model

(Source: Alankarage et al., 2024)

Goals at Corporate and Individual Hotel Levels

The goal expansion at the corporate level of Marriott International will continue to be a goal for profitability via diversified service offerings and innovative business models (Hassanien and Dale, 2019). Moreover, these also dominate the long-term strategy of Marriott within sustainability initiated through eco-friendly operations; carbon footprint reduction; and socially responsible tourism practices (Sanvitale, 2020). At the level of the individual hotel, the corporate objectives get integrated into customer satisfaction in terms of services, loyalty programs, and all other personalised experiences (Hassanien and Dale, 2019). The operational level's processes are streamlined but add value to the pricing and rates of occupancy through revenue management. It helps Marriott gain a competitive edge in the hospitality sector (Vinod, 2022).

Recent Change Initiatives

Identification of Recent Initiatives

Marriott International has undertaken various significant change initiatives that promote efficiency, sustainability, and the betterment of the guest experience (Marriott, 2019). Moreover, AI-based customer service, mobile check-in, and automated processes facilitate business operations (Štilić et al., 2023). Moreover, Marriott Bonvoy, an advanced loyalty program, has been further built upon personalising the

engagement with customers. In addition, the initiative would be Marriott's commitment to sustainable operation, the launch of green hotel design and waste-reduction programs along energy-efficient systems. Moreover, activities include guest carbon footprint tracking and sustainable supply source implementation (Sanvitale, 2020). Consequently, Marriott's strategies have been on recovery strategies such as health and safety protocols, hybrid workspaces, and flexible booking policies to adapt to changing travel patterns.

Impact of Change Initiatives

The impact of the change initiative includes ease of interaction with guests, reduced crowding at the front desk and fast services with the help of AI-based customer care contributed to improvements in operational efficiency related to digital transformation (Li et al., 2021). However, over-reliance on automation only decreases human interaction essential attribute of the luxury hospitality experience encompassing personalised servicing (Sanvitale, 2020). With Marriott's smart room technologies; AI gives an excellent experience through voice commands and IoT-powered temperature control in climate and efficiency for energy management systems. In contrast, it makes less comfortable operations with greater implementation costs (Hassanien and Dale, 2019). On contradictory, the issues can be in terms of cyber threats, which may be ascribed to the risks of technology, therefore necessitating regular gradation and servicing for reliability reasons (Li et al., 2021).

Marriott gains a good brand image; and attracts eco-conscious travellers, and corporate clients that save them costs in the long run (Sanvitale, 2020). A transition to greener operations comes with significant investment and supply chain changes, although these may place short-term pressure on the wallet. Moreover, enhancements of Marriott Bonvoy loyalty programs through AI, to personalise the guest experience and rewards, have led to higher retention of customers as well as revenue growth. Relative to other major UK hotel chains, Hilton is relatively at par with industry performances in digital transformation. In contrast, IHG has also innovated the use of AI in its loyalty programs, which are also more developed toward tracking carbon footprints (Morrison, 2022). Therefore, the overall strategy in sustainability by IHG places it in a better position than Hilton (Li et al., 2021). On the other hand, luxury hotels in the UK, such as The Ritz London and Claridge's, have an increased reliance

on high-touch and personalised service, with low automation. Their focus will remain on traditional hospitality over digital convenience. In (Figure 5), shows that Marriott has higher generating sales as compared to its rivals including MGM, Las Vegas, Hyatt and Hilton Hotel.

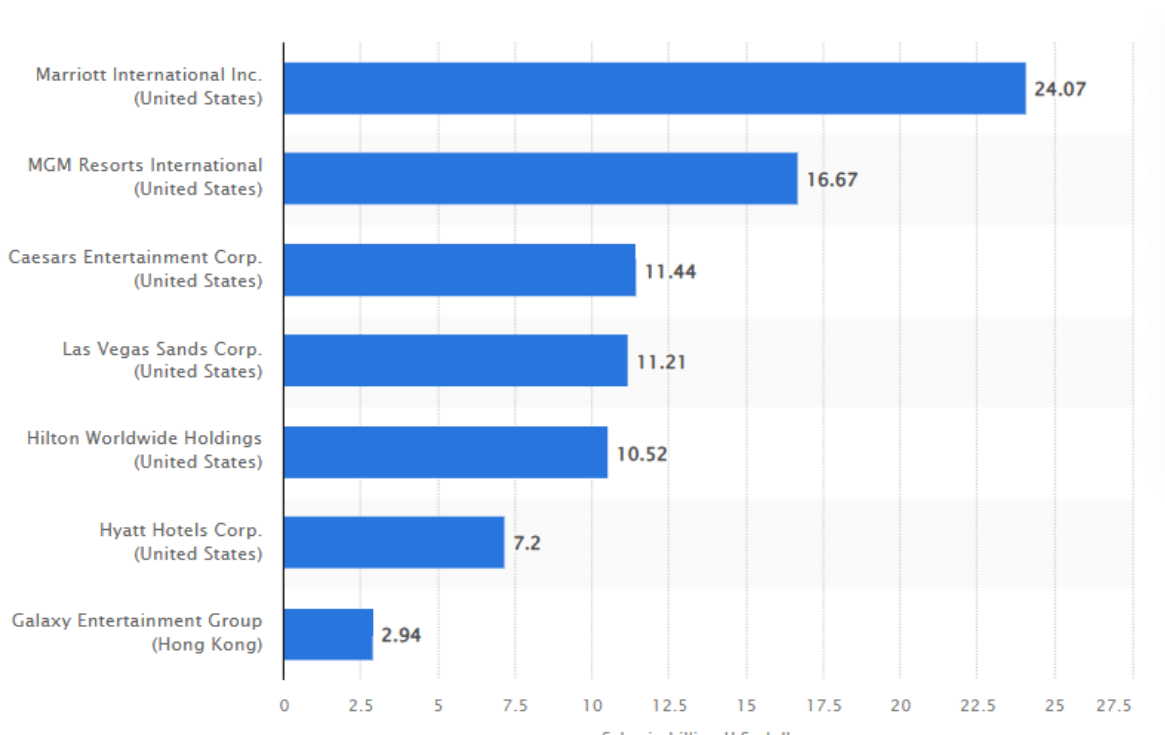


Figure 5: Leading hotel and resort companies worldwide in 2023, by sales

(Source: Statista, 2024)

Evaluation of Change Management Approaches

Lewin's Change Model is the three-stage framework for implementing organisational change including Unfreeze, Change, and Refreeze (Burnes, 2020). The Unfreeze stage involves an organisation identifying the need for change and preparing employees to overcome resistance. The Change stage requires new strategies, technologies, or processes that require strong leadership and communication (Burnes, 2020). Therefore, the Refreeze stage involves reinforcing changes through policies, training, and cultural adjustments for long-term stability. Marriott carries out this model by unfreezing obsolete practices, embracing digital transformation and sustainability initiatives, and consolidating positive changes into structured policies to align employees and ensure effective operation in an increasingly competitive hospitality industry (Jones, 2019).

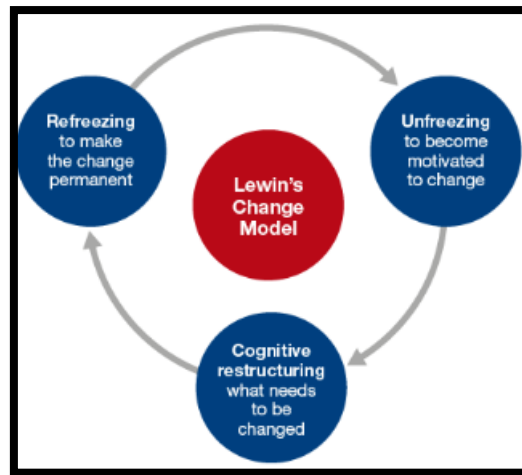


Figure 6: Lewin's model

(Source: Burnes, 2020)

Strategic Direction

SMART Objectives

1. Marriott will decrease usage of single-use plastics by 15% across all properties within the next two months and take energy-efficient lighting to 30% of its total hotels y (Thirupathi et al., 2019).
2. In the next three months, Marriott Bonvoy will roll out AI-powered personalised rewards. It aims to increase customer engagement by 10% through targeted offers.
3. Installation of AI-powered in-room assistants in 50% of Marriott's premium hotel rooms within six months in a move to promote convenience for guests and save energy (Thirupathi et al., 2019).
4. Food Waste Reduction: In the next four months, Marriott is going to apply AI-based inventory tracking in 50% of its hotel restaurants and reduce wastage by 20%.

Long-term Strategic Objectives

1. Marriott plans to enter five new international markets within the next five years, taking a balanced franchise and company-owned model to fully exploit operational efficiencies and brand visibility (Jones, 2019).

2. By 2028, Marriott will fully adopt mobile check-in for 100% of its properties; integrate AI-powered customer service to all the luxury properties and enhanced smart room technology to 80% (Thirupathi et al., 2019).
3. Sustainability and CSR Achieve carbon neutrality by 2030; be on track to certify all new properties with Green Globes; reduce food waste by 50% using AI-powered systems.

Strategies for Growth and Competitive Advantage

Marriott's growth strategy relies more on differentiation, through its Bonvoy loyalty program, offering AI-personalised experiences and exclusive rewards (Khan et al., 2020). AI-driven personalisation may alienate traditional customers who value human interaction over automated services (Thirupathi et al., 2019). Moreover, it allows Marriott to target affluent travellers but also the over-segmentation risk, which makes the brand difficult to approach for mid-range customers (Thirupathi et al., 2019). The economic downturn also comes with the risk of decreased demand for luxury stays, which influences profitability (Khan et al., 2020). Marriott's digital-first strategy puts it ahead of its competitors, including Hilton and IHG, with its AI-driven guest services. Moreover, building on Marriott's existing strategy from the Ansoff Matrix model, it has been trying to expand Asian and African bases in a quest for further growth possibilities with tourism rates increasing (Zugay and Zakaria, 2023). Moreover, with high growth possibilities, the entry also opens companies up to possible problems in the spheres of political unrest, bureaucratic legislation, and currency fluctuations.

Recommendations

Marriott should further invest in personalising digital offerings and AI-based services that simplify customer interaction. Their employee development process should be supported by additional leadership training and differentiated benefit packages to develop and retain exceptional people (Dachner et al., 2021). Sustainability needs to be ensured with more stringently adopted initiatives such as sustainable sourcing, and waste management policies (Dachner et al., 2021). The best practices from industry leaders must be adopted, such as Hilton's green initiatives or Accor's talent development programs, to maintain competitive advantage.

Conclusion

Conclusively, this report was based on Marriott's strong structure, customer-oriented culture, and strategic planning. Moreover, its digital transformation, sustainability efforts, and further improvements in loyalty programs have cemented its stand in the marketplace. However, high implementation costs and data protection issues are just a few things that need improvement. The initiatives of Marriot, though valuable for insights, mean continuous innovation and adaptability will be the hallmark of the hospitality industry. To maintain sustainable growth, Marriott has to balance innovation with personal touch, to create an ideal guest experience while reaffirming its sustainability agenda and employees' development.

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