



Marriott International - Marriott's Response to the COVID Crisis

Marketing Management - LCMB7001

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1. Introduction

The global COVID-19 pandemic has presented unprecedented challenges to the travel and hospitality industry, with Marriott International being no exception. As the crisis unfolded, Marriott implemented a range of marketing theories and strategies to navigate the turbulent landscape and mitigate the impact on its operations. This critical analysis aims to evaluate the effectiveness of Marriott's marketing initiatives during the COVID-19 crisis, considering their alignment with established marketing theories and their overall impact on Marriott's brand and business performance.

The COVID-19 crisis required Marriott to make strategic decisions that balanced the priority of keeping people safe with the need to sustain its operations. The case study highlights various actions undertaken by Marriott, including cost-cutting measures, temporary closures of food and beverage outlets, suspension of brand standard audits and renovations, reduction in marketing investments, and leveraging digital transformation strategies. These initiatives were implemented to ensure business continuity, preserve cash reserves, maintain brand recognition, and enhance customer experiences.

To assess the effectiveness of Marriott's marketing strategies, we will evaluate their alignment with marketing theories such as brand management, customer relationship management, crisis communication, and digital transformation. The impact of these strategies will be analyzed in terms of financial performance, brand reputation, customer loyalty, and market positioning.

Furthermore, this analysis will explore the implications of Marriott's marketing decisions during the crisis. It will consider the potential consequences of cost-cutting measures on employee morale, the competitive landscape resulting from market consolidation, and the long-term recovery prospects for the hotel industry. Additionally, the evaluation will shed light on the challenges and opportunities faced by Marriott in maintaining its position as a leading player in a highly competitive market.

By critically analyzing Marriott's marketing theories and strategies during the COVID-19 crisis, we aim to provide insights into the effectiveness of these approaches and their implications for Marriott International. The findings will contribute to a comprehensive understanding of how marketing practices can be adapted to navigate unforeseen crises, offering valuable lessons and recommendations for the travel and hospitality industry as it strives to recover and thrive in a post-pandemic world.

2. Resource Allocation towards Marketing Activities

The concept and importance of marketing during the COVID-19 crisis cannot be overstated, as it served as a strategic tool to ensure brand visibility, engage with customers, and adapt to the changing market dynamics. Marketing during the COVID-19 crisis involved the strategic management of activities that aimed to identify, anticipate, and satisfy customer needs, while also addressing the unique circumstances created by the pandemic. It involved developing and implementing strategies to maintain brand awareness, engage with customers, and adapt to the changing market conditions.

Marriott International made deliberate resource allocations towards marketing activities to effectively address the crisis. These resource allocations encompassed various areas:

Firstly, Marriott embarked on a digital transformation journey, investing resources in developing and upgrading its mobile app to provide personalized mobile experiences. This allowed customers to engage with the brand, make reservations, and access services seamlessly, even during the pandemic. The company also embraced social media as part of its marketing strategy, employing real-time marketing command centers and interactive platforms to engage with customers, promote brand awareness, and gather feedback.

Secondly, crisis communication became paramount for Marriott. Resources were dedicated to disseminating important information about safety protocols, changes in services, and health guidelines. The company used multiple channels, such as social media, email marketing, and website updates, to maintain open lines of communication with customers, employees, and stakeholders. By proactively addressing concerns and providing timely updates, Marriott succeeded in nurturing customer relationships and instilling confidence.

Market research and analysis received considerable resource allocation to understand the evolving consumer behaviors and preferences during the crisis. By conducting thorough research, Marriott could adapt its offerings and services to cater to the changing needs of its customers. The company also utilized AI and analytics to gain insights into customer data, enabling personalized suggestions and offers.

Maintaining brand visibility and reputation were key objectives for Marriott. Resources were allocated to uphold the company's core values, demonstrate social responsibility, and support communities affected by the pandemic. By actively engaging in social initiatives and showing compassion, Marriott solidified its position as a trusted brand.

Finally, resources were channeled into customer relationship management, including enhancing the loyalty program, personalized communications, and customer support services. These initiatives aimed to foster customer loyalty, strengthen relationships, and encourage future bookings.

In conclusion, Marriott International's resource allocations towards marketing activities during the COVID-19 crisis were comprehensive and strategic. By leveraging digital transformation, crisis communication, market research, brand maintenance, and customer relationship management, Marriott successfully adapted its marketing approach to navigate the challenging landscape. These efforts played a vital role in maintaining brand visibility, engaging with customers, and positioning Marriott for future success.

3. SWOT Analysis

Marriott International's SWOT analysis during the COVID-19 crisis highlights strengths, weaknesses, opportunities, and threats. By leveraging strengths, addressing weaknesses, capitalizing on opportunities, and mitigating threats, Marriott can position itself for a resilient recovery and future success in the hospitality industry.

Strengths:

- Strong brand recognition and market presence across 30 brands in 130 countries.
- Large cash reserves provided a financial cushion during the crisis.
- Diversified brand portfolio, allowing Marriott to cater to different customer segments.
- Extensive operational network, enabling risk spreading and minimizing the impact on individual locations.
- Loyalty program (Marriott Bonvoy) that contributed to a loyal customer base and potential future bookings.
- Emphasis on customer experience and service quality, enhancing customer satisfaction and loyalty.

Weaknesses:

- Unionized staff, posing potential labor relations challenges during cost-cutting measures and furloughs.
- Existing debt, limiting financial flexibility and potential investment in recovery initiatives.
- Reliance on North America, which became a weakness as the region was heavily impacted by the pandemic.
- Vulnerability to highly competitive market conditions, necessitating effective differentiation strategies.

Opportunities:

- Extensive development pipeline, providing opportunities for future growth and expansion.
- Potential joint ventures and partnerships that could drive innovation and market competitiveness.
- Digital transformation and technology adoption, allowing for personalized experiences and streamlined operations.
- Changing consumer behaviors and preferences, creating opportunities to adapt offerings and services to new demands.
- Market consolidation due to smaller hotels' inability to survive, allowing for potential acquisition and market share growth.

Threats:

- A highly competitive market with major players like Accor, Hilton, and Hyatt, leading to price wars and reduced pricing power.
- Potential insolvency due to significant financial losses incurred during the crisis.
- Uncertain recovery timeline, with long-term impacts on the travel and hospitality industry.
- Changes in consumer behavior and preferences, requiring adaptability to new health and safety expectations.
- The economic downturn and reduced travel demand, affecting occupancy rates and revenue generation.

4. Marketing Strategies by Marriott International

Marriott International deployed several marketing strategies to navigate the challenging business environment and mitigate the impact on its stakeholders, both internal and external. These strategies were designed to address the changing needs and expectations of customers while ensuring the well-being of employees and maintaining financial stability.

Product Strategy:

Marriott adapted its product offerings to cater to the evolving demands of customers during the crisis. The company implemented enhanced health and safety protocols across its properties to instill confidence in guests. It communicated these measures through various channels, including its website, social media platforms, and direct guest communication, to provide reassurance and transparency.

Price Strategy:

Given the reduced travel demand and heightened price sensitivity during the crisis, Marriott adjusted its pricing strategy to remain competitive and attract customers. The company offered flexible booking options, such as free cancellations and modifications, to alleviate customer concerns and provide greater peace of mind. Special promotions, discounted rates, and package deals were also introduced to incentivize bookings and drive revenue.

Promotion Strategy:

Marriott focused on targeted promotion to reach both existing and potential customers. Through its marketing campaigns, the company highlighted the unique value propositions of its brands, emphasizing factors such as cleanliness, safety, and personalized experiences. Social media platforms and digital advertising were utilized to effectively communicate these messages, while leveraging the loyalty program, Marriott Bonvoy, to engage and reward customers.

Place Strategy:

Marriott adjusted its distribution channels and sales strategies to align with the changing market dynamics. The company enhanced its online presence and expanded its digital capabilities to facilitate contactless booking and check-in processes. It also leveraged partnerships with online travel agencies and travel agents to reach a broader customer base and capture bookings from different market segments.

Effect on Stakeholders:

Internal stakeholders, such as employees, were impacted by the strategies implemented by Marriott. While cost-cutting measures, including executive salary cuts and staff furloughs, were necessary to mitigate financial losses, they affected employees' livelihoods. The introduction of compensation packages for furloughed employees and enhanced health and safety measures demonstrated Marriott's commitment to employee welfare.

External stakeholders, including guests and investors, were influenced by Marriott's marketing strategies. The focus on health and safety measures reassured guests and demonstrated Marriott's dedication to their well-being. The adjusted pricing strategies and promotions aimed to attract customers and regain their trust. For investors, the company's strategic initiatives, including cost-saving measures and digital transformation, aimed to maintain financial stability and position Marriott for long-term growth.

By leveraging the marketing mix elements, the company addressed the concerns of internal and external stakeholders, maintained brand reputation, and positioned itself for a successful recovery in the post-pandemic hospitality industry.

5. Competitive Analysis

Marriott International implemented several strategies during the COVID-19 crisis to navigate the challenging business environment and maintain a competitive edge. Here is a competitive analysis of these strategies:

Crisis Response and Adaptation:

Marriott swiftly responded to the crisis by implementing cost-cutting measures, such as executive salary cuts and staff furloughs, to reduce expenses and preserve financial stability. This proactive approach allowed Marriott to adapt quickly to the changing market conditions, demonstrating agility and resilience in the face of adversity.

Competitive Advantage: Marriott's quick response and decisive action positioned the company as a leader in crisis management, ensuring its ability to withstand the challenges of the pandemic while competitors struggled to adjust.

Enhanced Health and Safety Measures:

Marriott implemented comprehensive health and safety protocols across its properties to prioritize guest and employee well-being. These measures included increased cleaning and disinfection practices, contactless services, and social distancing guidelines. By prioritizing the health and safety of its guests, Marriott aimed to differentiate itself as a trusted and reliable hospitality provider.

Competitive Advantage: Marriott's rigorous health and safety standards gave the company a competitive edge, instilling confidence in travelers who sought accommodation options that prioritized their well-being.

Customer Communication and Engagement:

Marriott effectively communicated its response to the crisis and the measures it implemented to address customer concerns. Through its website, social media platforms, and direct guest communication, Marriott provided transparent and timely updates on its operations, policies, and safety protocols. The company also engaged with customers through personalized offers, loyalty program benefits, and virtual experiences to maintain brand loyalty and customer satisfaction.

Competitive Advantage: Marriott's proactive and transparent communication strategies helped build trust and loyalty among its customers, fostering long-term relationships even during the crisis.

Digital Transformation and Technology Adoption:

Marriott accelerated its digital transformation initiatives during the crisis, leveraging technology to enhance the guest experience and streamline operations. This included the implementation of contactless check-in/out, mobile key access, and AI-powered chatbots to facilitate seamless and convenient interactions. By embracing digital solutions, Marriott aimed to provide innovative and personalized experiences to its guests.

Competitive Advantage: Marriott's investment in digital transformation positioned the company as a leader in technological innovation within the hospitality industry, distinguishing itself from competitors and meeting the evolving expectations of tech-savvy travelers.

Market Expansion and Portfolio Diversification:

While facing challenges during the crisis, Marriott continued to pursue market expansion and diversification opportunities. The company maintained its extensive development pipeline, which included new property openings and brand introductions in both existing and emerging markets. This forward-looking approach allowed Marriott to position itself for long-term growth and capture market share once the industry recovered.

Competitive Advantage: Marriott's commitment to expanding its presence and diversifying its portfolio demonstrated a proactive approach to capitalizing on future opportunities, enabling the company to gain a competitive edge and strengthen its market position.

Marriott International's strategies during the COVID-19 crisis showcased its ability to adapt, prioritize customer and employee well-being, and maintain a competitive advantage.

6. Impact of Technology

Technology played a pivotal role in Marriott International's strategies implemented during the COVID-19 crisis, particularly in the areas of digital marketing, communication, and internationalization.

Digital marketing became essential as traditional marketing channels were limited due to travel restrictions and changing consumer behavior. Marriott leveraged digital platforms, social media, and targeted advertising to reach its audience, communicate safety measures, and promote flexible booking options. The use of data analytics and predictive modeling helped identify customer preferences and tailor marketing efforts accordingly.

Communication relied heavily on technology to maintain connections with stakeholders. Marriott utilized digital channels, including its website, email marketing, and social media, to provide regular updates on safety protocols, operational changes, and special offers. Virtual events and online experiences allowed the company to engage with customers and keep them connected to the brand.

Technology also facilitated internationalization efforts by enabling virtual meetings, conferences, and collaborations across borders. Marriott leveraged video conferencing platforms and digital tools to conduct international business operations, maintain relationships with partners, and expand its global presence.

By embracing digital solutions, Marriott successfully navigated the challenges posed by the pandemic, while also setting a foundation for future growth in a digital-first world.

7. Successful Strategies

The strategies implemented by Marriott International during the COVID-19 crisis can be evaluated based on their success in achieving their intended objectives. The measurement metrics used for evaluation may include financial indicators, customer satisfaction metrics, employee engagement, and market share.

Financial Performance:

One key metric is the financial performance of Marriott during the crisis. This includes metrics such as revenue generation, profitability, and cash flow. The success of the strategies can be assessed by analyzing the company's ability to mitigate losses, maintain financial stability, and make progress towards recovery.

Customer Satisfaction and Loyalty:

Customer satisfaction metrics, such as Net Promoter Score (NPS), guest reviews, and customer feedback, can provide insights into the effectiveness of the strategies. Positive customer sentiment, repeat bookings, and brand loyalty indicate successful strategies in addressing customer needs and expectations during the crisis.

Employee Engagement and Retention:

Strategies that prioritize employee well-being and engagement can be evaluated through metrics such as employee satisfaction surveys, retention rates, and feedback from internal stakeholders. High employee morale, low turnover, and effective internal communication indicate successful strategies in maintaining a motivated and dedicated workforce.

Market Share and Competitive Positioning:

Monitoring market share and evaluating Marriott's competitive position against its rivals can provide insights into the effectiveness of the strategies. Positive changes in market share, market penetration, and brand recognition suggest successful strategies in capturing demand and maintaining a competitive edge.

For the ineffective marketing strategies, Marriott could have taken the following steps to regain control over the marketing functions:

Analyze and Adjust: Conduct a thorough analysis of the strategies, their implementation, and the reasons for their ineffectiveness. Identify the areas that need improvement and make necessary adjustments based on customer feedback, market trends, and competitor analysis.

Refocus and Reposition: Evaluate the target market, customer preferences, and changing needs in the post-COVID era. Reposition the brand and offerings to align with the new market dynamics, emphasizing value propositions that resonate with customers.

Enhance Communication and Marketing Channels: Improve communication strategies to ensure effective messaging and engagement with customers. Utilize diverse marketing channels, both digital and traditional, to reach a broader audience and maximize visibility.

Embrace Innovation: Embrace technological advancements and innovation to provide unique and differentiated experiences to customers. Explore opportunities for personalization, contactless services, and technology-driven solutions that enhance convenience and safety.

Continuous Monitoring and Adaptation: Implement a systematic approach to monitor the performance of marketing initiatives, collect data, and analyze the results. Continuously adapt the marketing strategies based on the insights gained to remain agile and responsive to changing market conditions.

By implementing these measures, Marriott International could regain control over its marketing functions, enhance its strategies, and effectively navigate the challenges posed by the crisis.

8. PART 2

Managerial Implications of the Marketing Strategies Implemented by Marriott International during the Covid Crisis:

Focus on Health and Safety:

The emphasis on health and safety protocols during the crisis has become a critical aspect of the hospitality industry. Managers should prioritize the implementation and communication of comprehensive health and safety measures to build customer trust and confidence. Research by Pan and Zhang (2022) emphasizes the importance of safety perceptions and suggests that visible and effective safety measures positively influence customer satisfaction and intention to revisit.

Flexible Pricing Strategies:

Given the uncertainty and price sensitivity of customers during the crisis, managers should adopt flexible pricing strategies. Offering discounted rates, flexible booking options, and personalized packages can attract customers and stimulate demand. Research by Bilgihan et al. (2021) highlights the effectiveness of dynamic pricing strategies in driving customer satisfaction and increasing revenue.

Digital Transformation and Personalization:

Managers should prioritize digital transformation initiatives to enhance customer experiences and engagement. Adopting technologies like mobile apps, AI chatbots, and contactless services can provide personalized interactions and streamline operations. Research by Gretzel et al. (2021) emphasizes the significance of personalized experiences in enhancing customer satisfaction and loyalty in the post-Covid era.

Strengthening Brand Loyalty:

Maintaining strong brand loyalty is crucial during crises. Managers should leverage loyalty programs and engage with customers through personalized communication and exclusive benefits. Research by Wang et al. (2021) highlights the positive relationship between customer engagement, loyalty programs, and customer loyalty in the hospitality industry.

Proactive Marketing and Communication:

Managers should implement proactive marketing and communication strategies to maintain brand visibility and engage with customers during challenging times. Utilizing various channels like social media, email marketing, and virtual events can keep customers informed and connected. Research by Kozak and Perić (2021) emphasizes the importance of effective marketing communication in building brand reputation and customer trust.

Collaboration and Partnerships:

Managers should consider strategic collaborations and partnerships with complementary businesses to enhance offerings and reach a wider customer base. For example, Marriott's partnership with companies like Amazon and CVS during the crisis provided alternative job opportunities for furloughed employees. Research by Benur and Bramwell (2022) emphasizes the role of collaboration in crisis recovery and suggests that partnerships can create value and improve destination competitiveness.

In conclusion, managers in the hospitality industry, like Marriott International, can benefit from focusing on health and safety, adopting flexible pricing strategies, embracing digital transformation, strengthening brand loyalty, implementing proactive marketing and communication, and exploring collaboration opportunities. These implications, supported by relevant research, provide a framework for navigating crises and positioning the company for long-term success.

9. Task 3

Recommendations for Marriott International to Improve Marketing Strategies in the Post-Pandemic Era:

Enhance Health and Safety Measures:

Continue to prioritize and enhance health and safety measures to ensure guest and employee well-being. Invest in advanced cleaning technologies, implement touchless solutions, and maintain clear communication about safety protocols. Consider certifications or partnerships with health and safety

organizations to build trust and differentiate Marriott as a trusted hospitality provider (Pan & Zhang, 2022).

Leverage Data-driven Personalization:

Leverage data analytics and technology to enhance personalization in marketing efforts. Utilize customer data to create targeted campaigns, tailor offers based on preferences and past behaviors, and provide personalized experiences throughout the guest journey. Implement dynamic pricing strategies and personalized packages to drive customer satisfaction and maximize revenue (Bilgihan et al., 2021).

Strengthen Loyalty Programs:

Further strengthen Marriott's loyalty program, Marriott Bonvoy, by offering exclusive benefits, personalized rewards, and unique experiences to loyal members. Leverage customer data to provide personalized recommendations and incentives that encourage repeat bookings and brand loyalty. Develop partnerships with complementary businesses to offer additional rewards and value-added benefits to program members (Wang et al., 2020).

Embrace Digital Transformation:

Continue the digital transformation journey by investing in innovative technologies. Implement AI-powered chatbots, voice-enabled services, and mobile apps that provide seamless and personalized guest experiences. Enhance online booking platforms and leverage virtual reality to showcase properties and destinations. Leverage data analytics to gain insights into customer preferences and behaviors, enabling targeted marketing campaigns and improved guest experiences (Gretzel et al., 2021).

Foster Collaboration and Partnerships:

Explore strategic collaborations and partnerships with industry stakeholders to expand offerings and reach new customer segments. Consider partnerships with travel agencies, airlines, and complementary businesses to create bundled packages or loyalty program collaborations. Collaborate with local tourism boards to promote destination experiences and jointly market packages or special events. This will help to enhance brand visibility and attract a broader customer base (Benur & Bramwell, 2021).

Engage in Sustainable and Responsible Practices:

Focus on sustainability and responsible practices to appeal to environmentally conscious travelers. Implement green initiatives, such as energy-saving measures, waste reduction, and community engagement programs. Communicate these efforts to guests to enhance brand reputation and attract socially responsible travelers.

Continuously Monitor and Adapt:

Establish a robust monitoring system to track the effectiveness of marketing strategies and gather customer feedback. Utilize real-time data and customer insights to adapt marketing efforts and make

informed decisions. Stay updated with industry trends and competitor activities to identify new opportunities and maintain a competitive edge.

It is crucial for Marriott International to carefully evaluate the feasibility and resource requirements of each recommendation. Assess the financial implications, technological infrastructure, and operational capabilities to ensure realistic implementation. Prioritize recommendations that align with Marriott's core values, long-term goals, and available resources.

By implementing these recommendations, Marriott International can strengthen its marketing strategies in the post-pandemic era, enhance customer satisfaction, build brand loyalty, and position itself as a leader in the evolving hospitality industry.

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