

Hilton Worldwide Company



Module: MARKETING FUNDAMENTALS

Code: LCBB4004

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TASK A

Abstract

In this paper I will describe the company that I chose for this assessment, which is Hilton Hotels, Hilton is one of the most well-known brands in the hotel industry and the reference in customer services and hospitality. The aim of this work is the analysis of the company and its structure from a marketing point of view, understanding the process and stages of the marketing environment, marketing research and the marketing mix how they perform the different channels of communication of marketing. This paper will analyse the current marketing strategies of Hilton will describe how Hilton hotel manager to make decision analysing the 7 Ps of marketing. How they engage their stakeholders and how they make an impact on the marketing activity of the company.

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Introduction

Hilton hotel one of the leaders in the hotel industry with a big presence and unique product and services around the world. Hilton Worldwide has 572 hotels and resorts in 85 countries across the world with more than 17 different brands. It is the largest hotel company with properties and the fastest growing hotel company in the world.

since it was founded in 1919, Hilton company has been working to become a leader in the hospitality industry and since then they are one of the best brands. Today, Hilton Worldwide remains a benchmark in innovation, quality and success. This constant leadership is the result of staying true to its vision, mission and values.

Mission, vision & objectives

Hilton worldwide as all organisation must have a mission how they develop in their communities, in term of the products and services its products for its consumers (Mintzberg, 2003)

Hilton hotel is one of the top companies in the hospitality industry. It is innovation, quality, and successful brand.

Its visions are to give the best customer services within the sector, and the mission is to be the leader and reference for the guest, team members, competitors and owners. Following its values such as

HILTON:

- ☺ Hospitality: deliver the best customer services and create unforgettable experiences
- ☺ Integrity: doing things right all the time
- ☺ Leadership: keep being the first option for consumers and leaders in the communities
- ☺ Teamwork: creating good environment between employees and going everyone toward the same objectives
- ☺ Ownership: they are the owners of their actions and decisions
- ☺ Now: operation with a sense of urgency and discipline

Situation analysis

Situation analysis can be conceived by analysing the external environment of the company and its internal resources.

For businesses is important to analyse themselves internal and external factors to understand their capabilities, customers and the market where they operate. In order, to establish a long-term relationship with their customers.

SWOT

Strengths

- Hilton has more than 18 brands around operating around the world and most of them are quite well-known
- They have the best loyalty programme in the industry with a range of benefits and it can count by 50 million customers
- With more than 4000 properties spread in the world is a strong key for the financial point of view. In terms of saving cost, they do not have to rent or lease on owned properties.
- their customisation through technology makes Hilton leader in the industry like a smart hotel
- Long experiences and the reputation of the company

Weakness

- Hilton has an overdependence in its home country the US
- High level of debt
- Lack of flexibility due to its large size

Opportunities

- International expansion in different makers
- Obtaining local hotel groups will eradicate the competitors
- Focusing on research and development

Treats

- Terrorism is different location Hilton is based especially middle east
- New competitors in the same area
- A decrease in providing a high level of customer services by their employees
- Economic Instability

Five forces

It can be used to recognize the category of the company in 5 forces: the threat of substitute products, the threats of new entrants, the power of suppliers, the power of consumers and rivalry among the competitors. These five forces together make an industry's structure, it can set guidelines for action on how to manage situations that the company can find on its analysis.

"Porter's Five Forces is a model which has five different angles and all of these angles are essential for a company" according to with Sadler (Sadler, 2003).

Michael Porter's Five Forces Framework



Rivalry among the competitor (high)

In every industry for the current position of industrialization is saturated with a high amount of competition (Sadles,2013) in the hospitality industry there are many competitors already. Hilton Worldwide has been established for a long time so they must maintain their current status and remain their productivity according, as it is the only way to keep competitive in the industry

Power of customers (high)

In the hospitality industry when it comes to speaking about customers they are the end of the product they test the products so the power is high, business with

unsatisfied customers cannot grow in the market because of every company in the hospitality industry focus on excellence and customer satisfaction (Sadler, 2013)

Hilton has several brands and most of them are well-known worldwide, so they have to

focus on their costumers and offer the best service possible

Power of suppliers (low)

Hilton has its headquarters in the US as they are very recognizable in different markets and there are many suppliers in the industry of hotels so for Hilton is easy to get them

Threats of substitute products

As I mentioned above in the hospitality there is a high level of competitors and services/products increasing day-to-day due to new ideas as AIRBNB. However, Hilton worldwide has more than 4000 properties around the world this point would be a problem for them, although, they must be ready for futures events in technology in terms of accommodations and new experiences

Threats of new entrants

Opening a hotel is quite hard since it requires a huge investment of money and the time to get the money back is always long-term. However, companies can try in this sector as a group.

Marketing Strategy

Marketing strategy is based on articulate the best uses of an organization's resources and tactics to achieve its goals.

Market segmentation and targeting

The company must segment the markets in which they operate, identifying the customer's needs through studying their characteristics, decision making process and buying behaviour.

Market segmentation can increase sales by trading customer and meeting their needs. The market segmentation can be divided into four different groups – geographic, demographic, psychographic and benefit-oriented.

Geographic:

It means targeting customers from a specific location. Hilton opens hotels in particularly location mainly in popular areas and main cities

Demographic:

This segmentation is divided the market by age, gender, education, nationality, family, life cycle, income, social class/occupation etc.

Hilton segmentation is about targeting middle-aged professionals with a high level of income. In additions, some of its brands try to get different backgrounds from people looking for a luxury experience to the more trending styles, and accordingly, the company has different prices for customers, differentiation customer from premium to standard prices.

Psychographic Segmentation

Psychographic segmentation "goes beyond demographics as it examines how a person thinks, feels and behaves, using personality, lifestyle and values as segmenting variables"

Hilton targets individuals who want to express their high status of staying in a 5-star room.

Direct or behaviour segmentation

Customer needs and purchasing behaviour has been associative to them, per example if we use the age to segment the market, we assume that the purchasing behaviour depends on the age.

Hilton persuades this segmentation as everyone is moving around and travelling Hilton is aware that the need to put its efforts into the "travellers", also as it is well-known brand countries and companies they choose Hilton hotels for meetings which are a clear idea that Hilton is around the world. To understand the behaviour of the new customer and targeting them it increases its advantage to get more consumers

Positioning

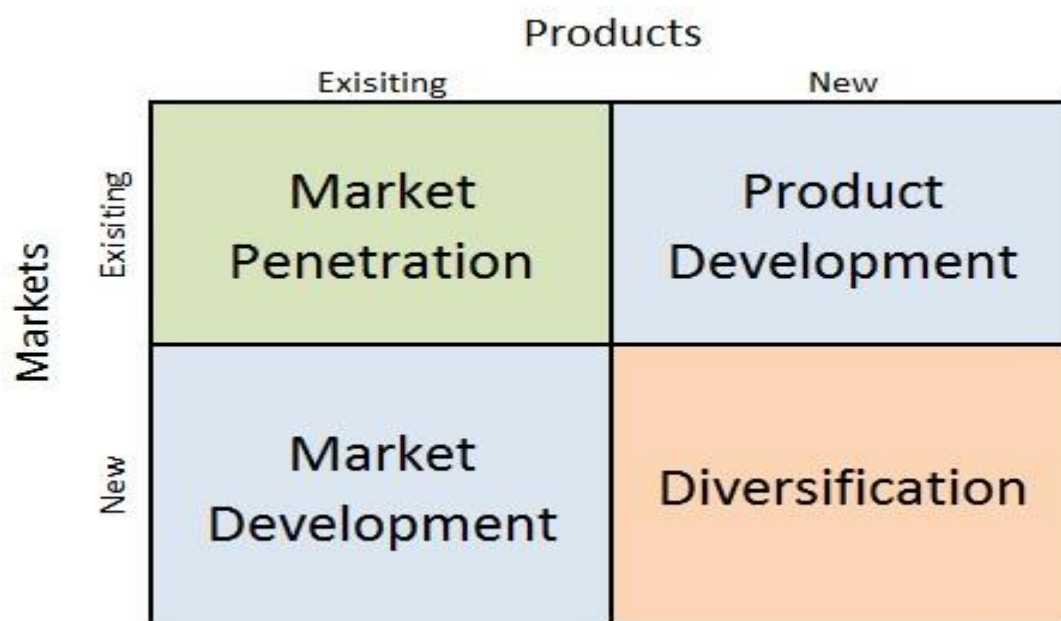
It the choice of the company in which target market segmentation they must operate and choose the different advantages and how they must operate.

Hilton worldwide pursues multi-segment type of positioning as they have quite a few brands they target the same customers with different brands.

Depending on the brands they offer luxury, lifestyle, full-service, focused service, all suites and vacations and resorts.

Ansoff matrix

Having evaluated the company its vision and its marketing strategy it is time to use this tool Ansoff matrix which is a well-known tool that will help the company to make market decisions determine competitive strategies such as market penetration, market development, product development and diversification.



Market Penetration

It is a strategy that means to increase sales with the same product in the same market.

- Hilton is not a new company and it has been operating for many years in the sector with so this strategy cannot affect its financial strategy (Chon,2012)

Market Development

A strategy of increasing benefits with the same product but in new markets

- Hilton is presented in different countries and markets as a well-known brand is quite easy to penetrate in new markets even with different brands

Product development

It is a strategy of increasing sales by improving the present product or developing new products.

- Hilton has created different brands offering better services how can be luxury brands of hotels or personalise customer services to all the customers

Diversification

It has proved that the most effective way to minimize risks in a company is diversification.

Hilton must create new products and services, especially they must target events and conferences and meeting rooms as the hotel industry is stationary every hotel work for seasons and a proper markets segmentation is needed to ensure the hotel remains profitable during all seasons (Clarke & Chen, 2012).

Hilton must diversify its services as the hotel during low seasons when room bookings are lowest, they do not get much income.

Marketing Mix

Product

Hilton hotel or resorts, they are not just selling rooms they also sell extra services including restaurants, consumer services, online reservation of

different types of services with a competitive advantage in the industry (Kotler, 2014) Various products related to Hilton.

This consists of room service 24/7, magazines and newspapers, with concierge services. This would also include exterior designs, hotel atmosphere and discounts for members. For expanding services Hilton is collaborating with banks institutions like American Express for easier payments method, also with airlines, car rents, online shopping, cruises.

They have also different memberships that the clients have access to plenty of benefits with the companies that Hilton are collaborating.

Price

The hotel has a serial of prices and memberships that it can difference customer from others within the framework of the pricing of Ansoff

		Quality	
		Low	High
Price	Low	Economy	Penetration
	High	Skimming	Premium

Price strategy: Hilton apply to skim pricing strategy during peak periods operating at high prices. This allows the company to maximize its profits during the peak seasons and when it is low season apply penetration strategies (Chon, 2012).

Place

Price strategy: Hilton apply to skim pricing strategy during peak periods operating at high prices. This allows the company to maximize its profits during the peak seasons and when it is low season apply penetration strategies.

Promotion

Hilton hotels are located around the world in more than 100 countries and have thousands of properties under the same brand. To be a presence in important cities and places.

People

Every employee is countable in the company as in the hotel industry customer services from the employees will create an impact on the customers and in the business, so if the company looks after its employees, employees will look after the customers.

to maintain well trained to the employees it is important that Hilton focus in giving training in different departments such support desk, in fields like customer services and events they have been doing well that is why Hilton is a success

Process

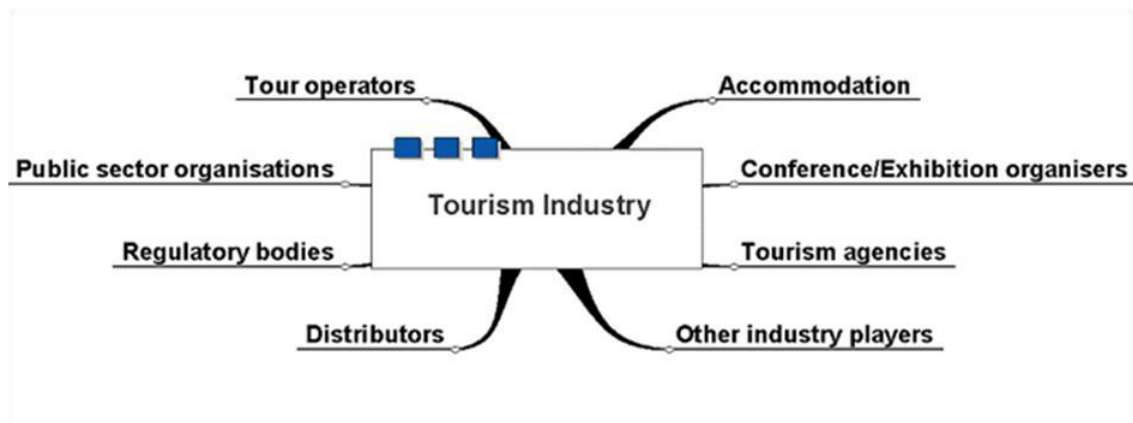
Hilton has good software of customers management and customer support that make them be the leader in the industry. Hilton resolves the issue as soon as it happens allowing the minimization of the operational expenses.

Physical evidence

Hilton company has thousands of properties which mean that they take up a large margin of the business. Having too many hotels around the world it makes easy to be popular with manipulating the overall demand of the client

Stakeholders and their impact on marketing activities

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Who are they?

- These include employees, customers, suppliers, bankers, community and government

- People can affect the strategic direction of any hospitality and tourism organisation, and they may control critical resources with varying interests. In response to "What do they want?"

How do they try to get it?

- Through the organisation strategy and their means to achieve their needs and expectations

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Hilton engage stakeholder

Hilton worldwide engage stakeholders that can help the business with its corporate responsibility strategy. From developing new hotels, concepts and products in partnership with owners and guests to working with governments on policy reforms.

CONCLUSION

In conclusion, we have gone through Hilton marketing strategy and how they work to improve its services and get consumers. It has been said in this paper that Hilton try to be on the top of the industry offering high customer service and offering different services through the range wave of brands they have around the world. We analysed its current strengths, weakness, threats and opportunities the company has in the industry.

The marketing strategy that Hilton has been following for decades has contributed to be a leader in the industry and maintain the competitiveness of its competitors. In an industry that is emerging every year to bring new ideas out and consolidate the unique services that they offer is no easy task.

All the other has challenges to keep loyal their customers so new strategies have to be adopted; Hilton has been doing well in loyalty customers with different strategies of differentiation

Therefore, the paper suggested several approaches to diversifying the hotels marketing strategy to enhance its competitiveness

TASK B

REFLECTION

As I person who has been working in hotels for a long time when I decided which company, I would choose I did not doubt about it as Hilton is a reference for me. Through this module Marketing, I found it very interesting as nowadays the new strategies in marketing are very useful and every company who wants to be positioned must follow the marketing strategy to grow as a company.

I did not have too much information about Hilton, but I knew it that I would find much as it is well-known, and it is a company reference in the hotel industry.

When I started writing my assessment, I took many points that the lecture gave us through the term, all were value and helpful as it did not have an idea how to start with this assessment, however, I found the way and the channels to find proper information in my assessment.

I wrote down the information I had already for my experiences in how I met Hilton company, but I had to reach as most of the terms of marketing I was unaware so it was very helpful using an eBook's where I managed to get all the information of marketing I needed for this assessment.

From the annual report of Hilton, I found on the internet I could take the main points following to academic works about marketing, Hilton is well-known so there is much information about its strategy and marketing as they want to be on the first position.

What I learnt about this work it was the different tools of marketing that a company can use it to develop its strategy to increase sales and keep competing in the market.

All markets are changing all the time so is fundamental to have a strategy and some guidelines.

That was the first step I took to start writing the work. I went to read from basic marketing eBook's & books to sources that the lecturer provided us in class.

Step by step the paperwork was getting the all the information I wanted to put on, however it took me a long time as it was too much information, I took the most relevant points.

If I had to choose again the company I would choice Hilton hotels and resort as one day I want to open my hotel as everything I learnt from doing this work has given me a big a idea how marketing is so important to start a business, what kind of products, prices, places and promotion I should do in order to guarantee success to my company.

The knowledge that I got doing this paperwork with the perceptive of Hilton hotels has given me a good understanding of how a hotel works in terms of strategies focus on costumers in different segmentations

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