

Business Report –

Comparison of Corinthia Hotels and Ibis Hotels

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Executive Summary:

This report provides a comprehensive analysis of Corinthia Hotels and Ibis Hotels, two prominent players in the global hospitality industry, with a focus on their financial management strategies. Through a structured examination of total revenue, market position, growth potential, and Corporate Social Responsibility (CSR) commitments, key insights have been gathered to inform strategic decision-making.

The analysis of total revenue highlights the sources, trends, and influential factors affecting revenue growth or decline for both hotel chains. Additionally, the assessment of market position delves into critical aspects such as market share, customer demographics, and brand perception to gauge their competitive standing.

Furthermore, the report evaluates growth potential by examining expansion strategies, market opportunities, and potential barriers to growth for both organisations. This includes insights into their approaches to capitalising on emerging trends and addressing challenges in the dynamic hospitality landscape.

Lastly, the financial commitment to CSR is analysed, encompassing sustainability practices, community engagement, and adherence to ethical business standards. By exploring these dimensions, the report offers actionable recommendations tailored to enhance the financial performance and sustainability efforts of Corinthia Hotels and Ibis Hotels.

Overall, this executive summary encapsulates the key findings and recommendations derived from the comprehensive analysis, providing stakeholders with valuable insights to drive strategic initiatives and achieve long-term success in the competitive hospitality market.

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1. Introduction:

This business report critically examines Corinthia Hotels and Ibis Hotels, renowned global players in the hospitality industry, concentrating on their financial management strategies. To comprehensively address the scope of this analysis, the report is structured around four key areas, which covers Total Revenue, Market Position, Growth Potential, and Corporate Social Responsibility (CSR) commitments. The report culminates by offering well-reasoned recommendations for Corinthia Hotels and Ibis Hotels based on the exhaustive analysis conducted across these key dimensions.

2.1 Total Revenue:

(See appendix 1)

The table illustrates revenue generation strategies employed by global brands Corinthia Hotels Group and Ibis Hotels Group. The revenue sources distinguish their market segments and guest preferences. Both Ibis and Corinthia, like most hotels, primarily generate revenue from their rooms and suites (Kotler and Armstrong, 2014). However, the strategies employed by Corinthia and Ibis in revenue generation diverge, tailored to distinct market segments and guest preferences.

Corinthia Hotels offers a comprehensive array of services beyond room bookings, including fine dining options, 24-hour spa and wellness facilities, and high-quality meeting and event spaces. Additional amenities such as airport transfers, business facilities, and personalised concierge services contribute to a high-end guest experience. However, this diversified approach may make Corinthia Hotels more susceptible to economic downturns due to its luxury positioning.

Ibis Hotels Group focuses on delivering a practical and convenient stay, with revenue sources including on-site dining options, Wi-Fi services, and participation in loyalty programmes. They adopt a more streamlined approach, prioritising comfortable accommodations with essential amenities. The introduction of an online store selling branded items, like Premier Inn, generates additional revenue for Ibis.

Revenue trends, growth, and decline

International Hotel Investments p.l.c.				
Hotel Operations	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual
	€'000	€'000	€'000	€'000
Revenue				
Malta	48,000	14,692	28,898	53,466
Lisbon	28,635	7,358	7,800	25,189
Budapest	28,054	6,184	5,878	15,686
St Petersburg	16,243	3,020	7,876	10,053
Prague	20,454	4,001	5,056	10,735
London	74,862	23,354	44,582	82,472
Tripoli	3,156	5,148	3,505	4,293
Total revenue	219,404	63,757	103,595	201,894
<i>Year-on-year % change in revenue</i>		<i>-71%</i>	<i>62%</i>	<i>95%</i>

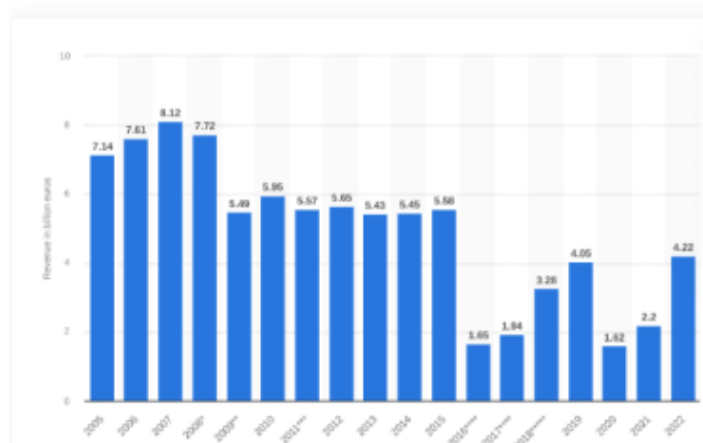
(Source: Corinthia Group Annual Report, 2022)

INTERNATIONAL HOTEL INVESTMENTS PLC VALUATION OF PRINCIPAL PROPERTIES AS AT 31 DECEMBER				
	FY2015	FY2016	FY2017	FY2018
Investment Properties				
Commercial Centre St Petersburg	67,231	64,555	61,805	55,687
Commercial Centre Tripoli	68,243	68,243	68,243	73,743
Commercial Centre Lisbon	1,300	1,980	2,300	2,800
Site in Tripoli	29,500	29,500	29,500	29,500
Apartment in London*			43,390	41,809
	166,274	164,278	205,238	203,539

(Corinthia Group Annual Report, 2019)

Revenue of Accor Group worldwide from 2005 to 2022

(in billion euros)



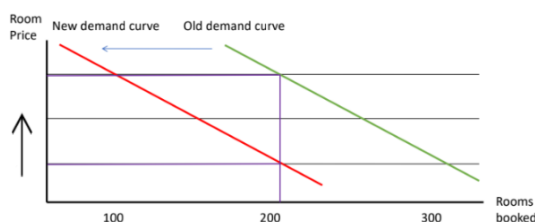
(Source: Statista, 2024)

Examining Corinthia's financial reports from 2015 to 2022 reveals a similar trajectory to that of Ibis, despite their contrasting market positions. As Ibis is part of the Accor group, its overall revenue is integrated into the Accor Group's financial performance. The revenue trend of the Accor Group worldwide exhibited a peak reached in 2007, recording €8.12 euros in revenue, which remained relatively stable until a significant decline in 2009. The 2009 global economic crisis significantly impacted international tourism, causing a decline in international tourism revenues (World Tourism Organization and International Labour Organization 2013).

This decrease in revenue also coincided with the rise of Airbnb. Mahmoud (2023), writes 'Although Airbnb remains privately held, its valuation of over \$10 billion now exceeds that of well-established global hotel chains like Hyatt.'

The next significant drop for both Corinthia and Ibis took place in 2016. The United Kingdom's referendum to leave the European Union, commonly referred to as "Brexit" (Kendra, 2020), would have played a major part in market dynamics within the hospitality sector.

In 2019 revenue rise for both Accor and Corinthia indicates a recovery likely influenced by improved economic conditions and strategic initiatives implemented. However, the subsequent dip to €1.62 billion for Accor and €63.757 for Corinthia in 2020, attributed to lockdown measures and the severe impact of the COVID-19 pandemic on the hospitality industry.



The graph illustrates a leftward shift in demand, signifying a reduction in demand and lower revenue during the lockdown period. This trend is consistent across both hotel brands.



In their Annual Report 2022, Corinthias CEO wrote 'our statements show a year-end breakeven position achieved following the prior years' pandemic losses.' He also addresses the repercussions of the conflict in Russia, regarding their brand hotel in Petersburg. The CEO emphasises the company's dedication to compliance with both EU regulations and Russian legislation. In response to EU sanctions, Corinthia promptly repaid a €40 million loan to a Russian bank, demonstrating proactive risk management amid geopolitical uncertainties.

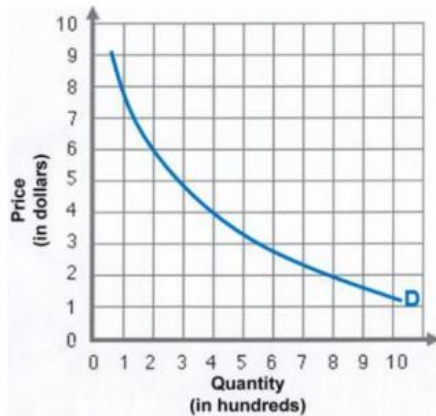
The trends of increasing and decreasing revenue, demonstrates the vulnerability of the hospitality sector and their resilience. It reflects both Corinthia and Accor Groups group's ability to navigate challenges and underscores their ongoing commitment to recovery and growth.

2.2 Market Position:

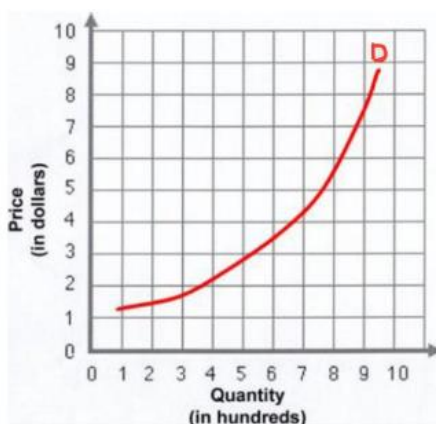
A SWOT analysis was compiled to determine Ibis and Corinthia groups market position (See appendix 2).

While both Ibis and Corinthia share several strengths and opportunities, they need to address threats and overcome weaknesses to navigate the challenges in the highly competitive hospitality industry effectively.

However, SWOT analysis has several criticisms and flaws. Firstly, it lacks prioritisation, meaning that identified factors are not inherently ranked in terms of importance, potentially resulting in the oversight of critical issues. Additionally, its reliance on subjective assessments introduces a level of subjectivity that can vary depending on the perspectives of those conducting the analysis. Furthermore, SWOT analysis may lack depth, failing to delve deeply into complex issues or provide comprehensive insights into market dynamics.



This graphical representation shows the economic principle that higher prices stimulate lower demand. A fundamental strategy for Corinthia Hotel groups.



This graphical representation shows the economic principle that lower prices stimulate higher demand. A fundamental strategy for Ibis Hotel groups.

The graphs convey the Laws of Supply and Demand, to reflects the operations of both hotel groups in operating at opposite ends of the market spectrum.

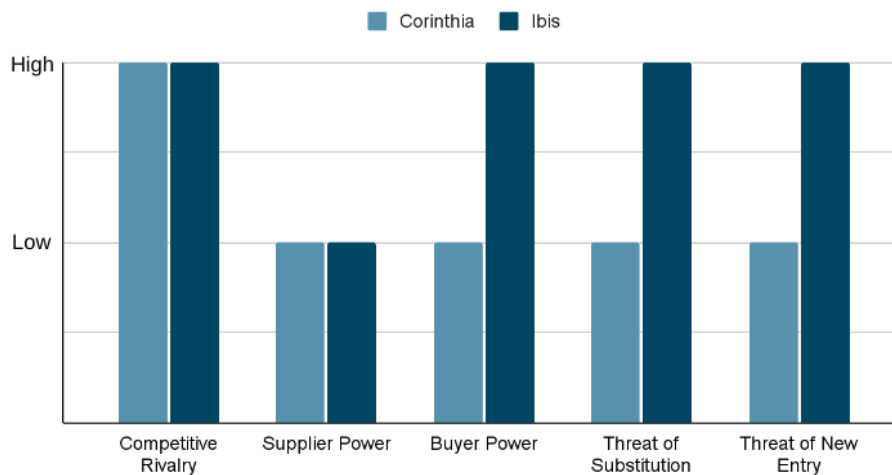
Furthermore, both have effectively implemented Kotler's (2011), Segmentation, Targeting, and Positioning (STP) strategy in shaping their products and services.

Ibis focuses on budget-conscious travellers seeking affordable yet comfortable accommodation. The brand tailors its services to meet the needs of this demographic, offering cost-effective rooms with essential amenities. Corinthia targets the luxury segment, catering to discerning travellers who prioritise premium experiences and amenities.

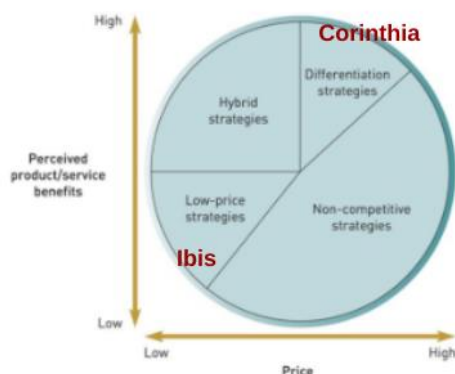
Both hotel groups have homed in on their chosen market segments with precision. Ibis directs its marketing efforts towards individuals seeking budget-friendly options, utilising digital channels. By employing flexible pricing model that can be adjusted based on seasonal

fluctuations and local demands (Bhasin, 2023). Corinthia targets high-income individuals, seeking opulent experiences, employing tailored marketing campaigns. Luxury brands convey their story, values, and exclusive experiences through messaging and imagery on their websites, without relying on traditional advertising channels like TV or posters (DePino, 2024).

Porter's Five Forces Results



The Porter's Five Forces analysis highlights the competitive dynamics shaping Corinthia Hotels and Ibis Hotels within their respective luxury and budget hospitality segments (See appendix 3).

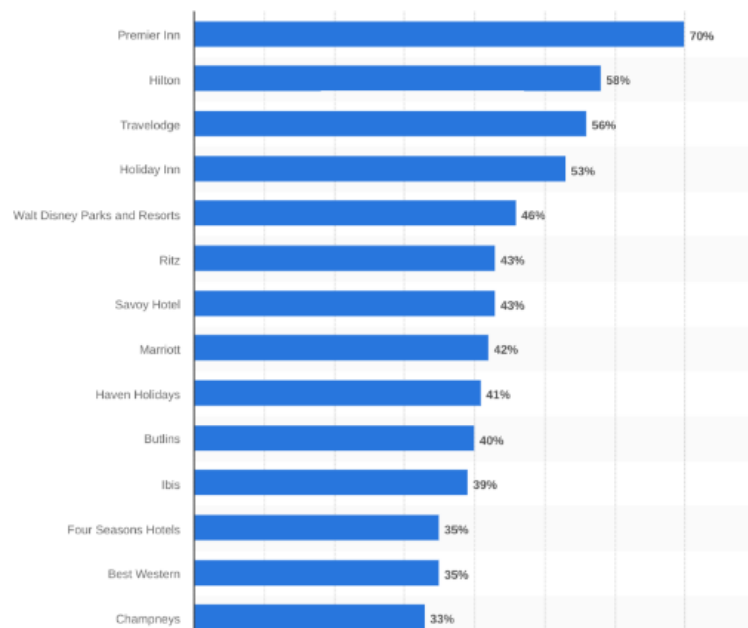


Bowman's Strategy Clock further delineates Corinthia's focus on differentiation strategies and Ibis's positioning in low-price strategies, providing insights into their distinct market approaches.

2.3 Growth Potential:

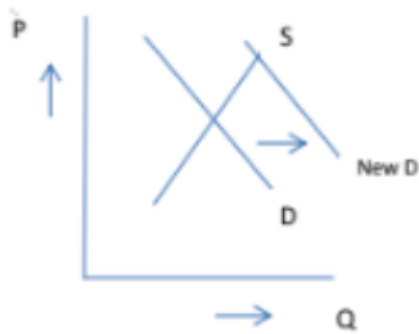
A PESTLE analysis was conducted to evaluate the growth potential of both Ibis and Corinthia hotel brands (See appendix 4).

Most popular hotel brands in the UK as of the 3rd quarter of 2023



(Source: Statista, 2023)

As per YouGov's ratings during the third quarter of 2023, 39% of the UK population expressed a positive opinion about Ibis, positioning it as a notable player in the hospitality industry. However, despite its recognition, its major competitors, Premier Inn, and Travelodge, emerged as the most favoured hotel brands, securing 70% and 56% of the votes, respectively. This data underscores the competitive landscape within the budget-conscious hospitality segment, where Ibis operates. Notably, Corinthia, with its exclusive positioning in the luxury market, is not included in these statistics, highlighting its distinct market presence and target audience.



Graph depicts the future of the hospitality sector..
Demand increases, more quantity sold prices rise.

Analysing the growth potential of both Ibis and Corinthia within their respective market segments involves considering various strategic frameworks, including Porter's Five Forces and PESTLE analysis. For Ibis, the threat of new entrants in the budget hotel segment remains high with established brands like Premier Inn and Travelodge posing significant competition. The bargaining power of buyers is high, as customers prioritise cost-effective and reliable accommodation options. Meanwhile, the threat of substitutes, such as alternative lodging options, presents a high challenge, requiring continuous innovation and differentiation. Despite these challenges, Ibis can leverage its streamlined operations and strong brand recognition to capitalise on emerging travel trends and technological advancements, driving growth within the budget hospitality segment.

In contrast, Corinthia operates in the luxury hospitality segment, where the competitive landscape is characterised by high entry barriers and intense rivalry among established players. The bargaining power of buyers is relatively low, given the exclusive clientele seeking premium experiences and limited alternatives. However, the threat of substitutes remains low, as luxury hotels offer unique and differentiated services. By focusing on personalised experiences and targeting high-income individuals, Corinthia can enhance brand loyalty and drive revenue growth within the luxury hospitality segment.

Using a PESTLE analysis to evaluate the growth potential of Ibis and Corinthia provides valuable insights, but it has limitations. Firstly, it may overemphasise external factors like political, economic, social, technological, legal, and environmental forces, possibly neglecting internal factors such as organisational capabilities and strategies. Secondly, the complexity and interconnection of these external factors make it difficult to isolate their specific impact on the growth potential of the hotel groups, leading to potential oversimplification or misinterpretation of the analysis. Moreover, the analysis relies on subjective judgement and interpretation leading to inconsistencies in evaluating growth potential.

2.4 Financial Commitment to CSR (Corporate Social Responsibility):

Accor boast on their website (2024), 'Thanks to Accor's digital ecosystem and Accor Academy', they recruit top talent and provide exceptional training opportunities. Upon joining the Group, Accor employees gain access to exclusive benefits and enticing offers at its hotels and restaurants (Accor, 2024).

The hotel industry grapples with significant challenges in recruitment and retention, extensively studied in hospitality research (Bonn and Forbringer, 1992; Cheng and Brown, 1998; Davidson and Timo, 2006; Lee, Huang, and Zhao, 2012). Brien, Thomas, and Brown (2017) highlight the hotel sector's negative image, marked by perceived low-skilled roles, inadequate pay, high turnover, limited career growth, and the view of hotel jobs as temporary. Emerging employee expectations, particularly for Generation Y, emphasise work-life balance, meaningful work, and competitive salaries (Kim, Jauhar, and Ghani, 2015). In a globalised and tech-driven era with expanded remote work options, the struggle to attract and retain talent intensifies.

Corinthia's CSR initiatives encompass collaborations with organisations like Nature Trust for clean-up initiatives highlight the commitment to environmental awareness and action. Fundraising efforts for causes such as the Foundation for Social Welfare Services demonstrate a dedication to supporting the local community and making a tangible difference in people's lives. Other initiatives, such as donations to organisations like SOS Children's Village and the Red Cross, underscore a broader commitment to social welfare and humanitarian causes (Corinthia Annual report, 2022).

Furthermore, Corinthia's focus on sustainable practices extends to operational improvements, such as introducing recyclable and plastic-free packaging for bathroom amenities, implementing coffee waste management systems, and promoting the reuse of cardboard packaging through the Take Back Project. These initiatives not only reduce environmental impact but also contribute to tangible outcomes such as CO2 emissions reduction and increased recycling rates (Corinthia Annual report, 2022).



Accor's CSR offers insights into the company's commitment to sustainability. These include the implementation of renewable energy sources in 10% of its hotels and rainwater collection and reuse practices in 17% of its establishments. Accor actively participates in the WATCH program, demonstrating its dedication to combating the sexual exploitation of minors, with 99% of its hotels involved in this initiative. While there are benefits, such as cost savings and increased visibility in commercial RFPs, it's important to evaluate the extent to which these benefits translate into tangible outcomes and long-term sustainability. Furthermore, while Accor's Design & Technical Services teams offer comprehensive support in construction and renovation projects, it's crucial to examine the scalability and replicability of these practices across the company's diverse portfolio of properties (Accor, 2024).

The difference in the breadth and depth of CSR initiatives between Corinthia and Ibis endeavours. Corinthia operates in the luxury hospitality segment, where there may be greater expectations from customers and stakeholders for comprehensive CSR efforts. Luxury brands often place a strong emphasis on social responsibility and sustainability to align with their premium image and meet the expectations of affluent clientele. In contrast, Ibis may focus more on delivering value-for-money accommodations whose budget-conscious travellers, may prioritise affordability over CSR initiatives.

3. Conclusion:

In conclusion, through an in-depth examination of various factors including financial management strategies, this business report has provided a comprehensive analysis of Corinthia Hotels and Ibis Hotels, two prominent players in the hospitality industry.

Corinthia Hotels, with its focus on luxury experiences and commitment to sustainable practices, stands out as a leader in the luxury hospitality sector. By prioritising innovation, talent development, and strategic expansion into emerging markets, Corinthia can further solidify its position as a leading luxury brand and drive sustainable growth in the competitive global market.

Conversely, Ibis Hotels, known for its affordability and accessibility, faces challenges in differentiating itself in the budget hotel segment. However, by leveraging technological advancements, enhancing guest services, and investing in talent development, Ibis can enhance its competitive edge and capture a larger share of the budget-conscious traveller market.

Overall, both Corinthia and Ibis have unique strengths and opportunities to capitalise on, along with weaknesses and threats to address. By staying agile in response to changing market dynamics, both organisations can navigate challenges effectively and drive success in the dynamic and highly competitive hospitality industry.

4. Recommendations:

Ibis - Talent Development

By prioritising talent development and providing opportunities for career advancement, Ibis can not only improve employee morale and service quality but also drive customer satisfaction and loyalty. Investing in the professional growth and development of its workforce is essential for Ibis to maintain a competitive edge in the hospitality industry and continue delivering exceptional guest experiences.

Corinthia - Green Building Design and Construction

Corinthia has made huge strides in CSR, yet to maintain competitiveness in the exclusive sector, it must keep pace with key rivals. For new developments or renovations, they can incorporate green building principles and sustainable design features to minimise environmental impact and maximise energy efficiency. This could include using sustainable building materials, incorporating green spaces and natural light, and seeking green building certifications (UN Environment Programme, 2024).

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Appendices:

Appendix 1: Sources of Revenue

Corinthia Hotels Group	Ibis Hotels Group
• Luxurious Accommodations: Corinthia Hotels offer luxury rooms and suites designed for experience and elegance. • Fine Dining: Gourmet restaurants and bars serving a variety of cuisines with a focus on quality and creativity. Including afternoon tea and Breakfast buffet. • 24hrs Spa and Wellness Facilities: Corinthia Hotels feature luxurious spas with a range of treatments, fitness centres, and wellness amenities. • 24hrs Gym: With sauna and pools including complimentary Brompton bikes upon request. • Meeting and Event Spaces: High-quality facilities for hosting conferences, meetings, and special events. • Concierge Services: Personalised concierge services to assist guests with various needs, including booking reservations, arranging transportation, and providing local information. • Free Wi-Fi: Complimentary high-speed internet access for guests. • Loyalty Program: Some Corinthia Hotels may have a loyalty program offering rewards and benefits for frequent guests. • Wedding Packages: Specialised services for weddings, including event planning and coordination. • Airport Transfers: Convenient transportation options, including airport transfers, for guests. • Business Services: Facilities and services tailored to business travellers, such as business centres and executive lounges. • Pet-Friendly Options: Depending on the location, some Corinthia Hotels may be pet-friendly. • Onsite Salons, florists, and Currency Exchange. Laundry and room service	• Accommodation: Ibis offers comfortable and modern rooms with essential amenities for both business and leisure travellers. • Dining: Ibis hotels have on-site restaurants or cafes where guests can enjoy a selection of meals and beverages. • Wi-Fi: Complimentary or paid high-speed internet access is typically available for guests. • 24-Hour Reception: Ibis hotels have a 24-hour front desk to assist guests with check-in, check-out, and any inquiries. • Accor Loyalty Program: Ibis is part of the AccorHotels group, and guests may have access to the Accor loyalty program, offering benefits and rewards for frequent stays. • Accessible Rooms: Ibis hotels offer accessible rooms for guests with special needs. • Parking: Some Ibis properties provide parking facilities for guests. • Pet-Friendly Options: Depending on the location, some Ibis hotels may be pet-friendly. • Online Store: Sell their trademark 'Sweet Bed™', pillows, linens, bedding, bath toiletries.

Appendix 2: SWOT Analysis

Strengths:	Weaknesses:
• Prime Locations: Both Ibis and Corinthia benefit from prime locations according to their market segments, providing strategic advantages. • Brand Reputation: Both hotels have a strong brand reputation, contributing to customer trust and loyalty. • Distribution and Online Presence: Both Ibis and Corinthia possess powerful distribution channels and a robust online presence, enhancing their reach and accessibility. • Loyalty Programs and Partnerships: Successful loyalty programs and strategic partnerships contribute to customer retention and enhanced services. • Part of Diversified Portfolios: Both are part of larger and diversified portfolios - Ibis with Accor and Corinthia with IHI, providing stability and support. • Diverse Accommodation Options (Corinthia): Corinthia, as a luxury brand, offers diverse accommodation and amenity options, catering to a high-end clientele. • Enhanced Safety and Security (Corinthia): Corinthia ensures more safety and security with staff presence and CCTV systems. • High Entry Barriers (Corinthia): The luxury positioning of Corinthia creates high entry barriers for competitors. • Ibis have introduced a Unique & powerful music program (partnerships with famous Music Labels & Festivals).	• Seasonality (Both): Both Ibis and Corinthia experience seasonality in room bookings, leading to cash flow issues and poor forecasting. • Higher Staff Turnover (Ibis): Ibis faces higher staff turnover, common in budget hotels where young employees often pursue career advancements. • Data Protection Weakness (Corinthia): Corinthia's weakness includes weak data protection systems and a strict code of conduct related to guest data. • The budget brand effectively aligns with its target market, utilising practical strategies within budget constraints. However, there may be limitations in terms of personalisation and sustainability initiatives due to budget considerations. • The luxury brand excels in providing exclusive experiences, leveraging advanced technologies, and incorporating extensive sustainability practices. However, the challenge lies in maintaining a delicate balance in dynamic pricing to ensure premium value without compromising exclusivity. • Recruiting and retaining skilled employees due to local competition for talent. The challenge of finding and retaining skilled employees is a global issue, evidenced by PwC's 26th Annual Global CEO Survey, where 52% of CEOs expressed concerns about employee retention and skill shortages.
Opportunities:	Threats:
• Emerging Travel Trends: Capitalising on emerging travel trends and increased globalisation can drive business for both hotels. • Sustainable Practices: Adopting sustainable practices and eco-tourism can attract environmentally conscious tourists, expanding the customer base. • Digital Marketing Adoption: Both hotels can enhance their digital marketing efforts to increase virtual presence and customer base. • Wellness Tourism (Ibis): Ibis can tap into the increased demand for wellness tourism by offering conference rooms for events and gatherings.	• Terrorism and Political Instability: Both Ibis and Corinthia face threats from terrorism and political instability in their international establishments. • Macroeconomic Changes: Adverse changes in the macroeconomic climate pose threats to the hospitality industry. • Economic Downturns: Economic downturns negatively impact hotel businesses due to decreased purchasing power. • Highly Competitive Market: The highly competitive market demands constant innovation to stay relevant. • Natural Calamities and Health Crisis: Natural calamities and health crises can damage infrastructure and slow down tourism. • Negative Online Reviews: Negative online reviews can damage the hotel's image and lead to revenue loss. • Increased Competition (Ibis): Ibis faces tough competition with the rise of Airbnb's and a growing number of hotels, challenging market share.

Appendix 3: PESTLE Analysis

Political Factors:

- The World Economic Forum's Chief Risk Officers (CROs) (2024) highlighted concerns including geopolitical and geoeconomic volatility, which can lead to currency fluctuations, travel restrictions, and investment insecurity. Disruptions in the pricing and supply of crucial inputs pose another risk, affecting regions with infrastructural challenges.
- The Russia-Ukraine conflict, commencing in 2022, showcases the intricacies of modern warfare, encompassing unforeseen resistance, strategic and logistical difficulties, and notable civilian consequences (World Population Review, 2024). Corinthia Petersburg in Russia suffered a significant blow.
- The Israel-Hamas war end of 2023 (Center for Preventive Action 2024). Instilled fear in people with the riots and protests spilling out globally and unable to travel.
- Global war statistics illustrate a range of conflicts, from Myanmar's enduring civil war to the continuous drug war in Mexico, each characterised by distinct causes and outcomes (World Population Review, 2024)
- Political instability has a significant impact on businesses, and the ideal scenario for any business is political stability as it fosters prosperity. Hotels globally. In UK, strikes across various industries, including trains, buses, flights, NHS, and teachers, have further disrupted travel plans for many.
- Pandemic affected both brands as people were not able to travel. However, as lockdown began easing Ibis at the upper-hand because there were more Ibis hotels in various countries and cities. Whereas Corinthia usually has one in each country.

Economic Factors:

- One of the economic factors that impact the hotel industry is Inflation. Inflation has an adverse impact on businesses as people will avoid travelling if an economy has a high inflation rate. As a result, the tourism industry will suffer. When the tourism industry suffers, Corinthia and Ibis will suffer.
- Moreover, the interest rates have a significant impact on Corinthia and Ibis. When there are high interest rates, people save more and spend less. In that case, the revenue of the hospitality industry also falls.
- On the contrary, when the interest rates are low, people are willing to consume more. In such an economic environment, Corinthia and Ibis would generate high revenues. Hence, low interest rates in an economy favour Corinthia and Ibis.
- Besides that, if a country is experiencing economic growth, it means that the economy is spreading, and businesses are prospering. Hence, high economic growth would attract business tourism, so Corinthia and Ibis will generate high revenue.
- Since 2022, the UK has experienced waves of industrial action, driven by a combination of high inflation and lower wage growth. In December 2022 alone, around 826,000 working days were lost due to labour disputes, with workers from diverse sectors, including nurses, train drivers, and driving instructors, participating in strikes. The public sector faced significant challenges, experiencing weaker wage growth compared to the private sector throughout the year.
- In 2022, a global inflation crisis emerged, impacting the UK and various nations. The crisis, triggered by factors such as disrupted supply chains and exacerbated by energy and food inflation following Russia's invasion of Ukraine, led to widespread price acceleration. Central banks worldwide responded by raising interest rates (Clark, 2023).

Social Factors:

- **Multinational Cultural Sensitivity:** Both Corinthia and Ibis, being a multinational hotel chain, must navigate diverse cultural landscapes. They need to be attuned to the preferences and sensitivities of various cultures in which they operate to ensure a positive guest experience. Whilst Ibis, with its selective services, is less affected, Corinthia must exercise caution. This includes considerations for gender-specific facilities in regions where mixed-gender setups may not be culturally accepted. For instance, in countries where a mixed-gender pool is not culturally accepted, Corinthia must ensure separate facilities for men and women. Additionally, Corinthia must be attuned to the demographic characteristics of the societies in which it operates to deliver a more personalised service.
- **Demographic Tailoring:** Understanding the demographics of its clientele is crucial. Ibis caters to a broad audience, particularly budget-conscious travellers, including millennials. Social trends and preferences of these target demographics impact Ibis' services and amenities. Corinthia, being a luxury brand, tailors its services to a more affluent and mature demographic. The hotel needs to align its amenities and activities with the preferences of an older clientele, ensuring a personalised and enjoyable experience.
- **Competitive Landscape with Airbnb:** The rise of Airbnb represents a social shift in accommodation preferences, especially among younger travellers. Ibis needs to be responsive to these changing preferences and continually adapt its offerings to remain competitive.
- **Data Privacy and Personalisation:** Corinthia holds a significant amount of personal data for personalised services. Adhering to evolving social expectations regarding data privacy is essential to maintain trust among guests.
- **Luxury and Exclusivity:** Corinthia's focus on luxury implies a social positioning that appeals to individuals seeking exclusivity. Understanding the social dynamics of luxury travel and delivering experiences aligned with these expectations is crucial.

Technological Factors:

- **Digitalisation and Remote Work:** Ibis and Corinthia, like many in the hospitality industry, have encountered the impact of digitalisation and remote work trends. The adoption of new technologies during lockdown influenced discussions about changes in working patterns, potentially affecting travel and accommodation preferences (Spencer, 2022).
- **Technological Adaptation for Engagement:** Addressing challenges highlighted by Gupta (2018), hotels must align its strategies with the evolving customer profile and technological advancements. Emphasising mobile-friendly and internet-driven approaches for visitor engagement and retention becomes imperative, especially considering the dominance of Millennials and Generation Z cohorts in the target demographic (Space
- **Technological Framework (RACE):** Both Ibis and Corinthia demonstrate a proactive approach to technology adoption through the implementation of the RACE framework, akin to Bhargava's (2010) "Rules of Social Media Optimisation." This is evident in their active presence on digital platforms such as Facebook, Instagram, X(Twitter), and YouTube. The hotel chain leverages technology to enhance its visibility and engage with a broader audience.
- **Strategic Digital Platforms:** Hotel's engagement with various digital platforms signifies an awareness of the importance of technology in the modern hospitality landscape. This strategic use of digital channels aligns with the changing expectations of guests, particularly those who are technologically savvy.
- **Incorporation of Service Robots:** The introduction of service robots represents a technological advancement with the potential to improve operational efficiency. However, this innovation might align more seamlessly with Corinthia's operations rather than Ibis, given Ibis's focus on cost minimisation. As outlined by Xu, Stienmetz, and Ashton (2020), deploying such technology presents challenges such as cost considerations, skill gaps, and the necessity for organisational adjustments. Achieving a harmonious balance between the functions of robots and human interactions is essential for ensuring a positive guest experience.

Legal Factors:

- Legal Factors: Both Ibis and Corinthia, as global hotel chains, must navigate and comply with diverse legal landscapes in the regions where they operate.
- Labour Laws: Strict adherence to labour laws is crucial, especially in regions with stringent regulations. Managing staff relations is vital to avoid legal complications, and Ibis needs to address its higher staff turnover, which aligns with the nature of budget hotels where young employees often pursue career advancement opportunities.
- Non-Discrimination Practices: Both hotel groups must ensure non-discriminatory practices within their premises to mitigate potential legal issues. Discrimination lawsuits can have severe repercussions for both Ibis and Corinthia.
- Data Protection: Given the stringent data protection regulations globally, Corinthia and Ibis, as part of the hospitality industry, need to ensure robust data protection systems.
- Health and Safety Regulations: Compliance with health and safety regulations is imperative for both hotel chains. Failure to adhere to these regulations may result in closures, and as reputable establishments, Corinthia and Ibis must prioritise the health and safety of their guests.
- Truth-in-Menu Laws: The hospitality industry, including Corinthia and Ibis, must comply with truth-in-menu laws. Honest disclosure of nutritional content, including calories, is essential for food and beverage establishments within the hotels to avoid legal repercussions.
- Environmental Regulations: Both hotel groups should also consider environmental regulations, particularly in regions where they operate, to prevent legal challenges related to environmental sustainability and conservation.

Environmental Factors:

- Environmental Factors: Recognising and addressing potential environmental risks, such as flooding or storm damage, is imperative for ensuring operational continuity, as highlighted by Beeton (2021), especially considering recent flooding and weather warnings faced in the UK. These environmental factors have significantly impacted the movement of people within the country.
- Considering the escalating environmental consciousness, hotels, including Ibis and Corinthia, must adopt sustainable practices and implement effective waste management measures to align with the expectations of environmentally aware patrons and address concerns raised by local pressure groups. The general public's increased environmental awareness post-pandemic has intensified the focus on sustainable practices.
- Furthermore, the susceptibility of buildings to natural calamities poses potential threats to both Ibis and Corinthia. Damage to infrastructure can inconvenience hotel guests and raise safety concerns for those residing within the establishments.
- Additionally, the awareness of the environmental impact of hotel plastic waste has prompted scrutiny from pressure groups monitoring waste management systems. If activists perceive shortcomings in how Corinthia and Ibis handle their waste, it could lead to calls for improved waste processing practices.

Appendix 4: Porters Five Forces

Analysing the competitive forces using Porter's Five Forces Model (2008) for the Corinthia Hotel chain, a globally recognised brand operating in the luxury hospitality segment:

1. Threat of New Entrants:

Establishing a globally recognised luxury brand and meeting the expectations of high-profile clients require significant investment, expertise, and time. Corinthia's reputation and exclusivity act as barriers to new entrants.

2. Bargaining Power of Buyers (Customers):

The clientele of luxury hotels typically consists of high-net-worth individuals and celebrities who seek premium services. With limited alternatives providing similar exclusivity and services, the bargaining power of buyers is low. Customers often prioritise personalised experiences and are willing to pay a premium for them.

3. Bargaining Power of Suppliers:

Suppliers of luxury goods and services may have some bargaining power but established luxury hotel chains like Corinthia have strong relationships with suppliers. While there may be unique or bespoke requirements, the overall impact on pricing may be moderate.

4. Threat of Substitute Products or Services:

Luxury hotels offer a unique and premium experience that is not easily replicated. For high-end clients seeking exclusive and personalised services, alternatives like standard hotels or vacation rentals are not direct substitutes.

5. Intensity of Competitive Rivalry:

In the luxury hotel market, competition is intense, especially in prime locations like London. Corinthia competes with renowned brands such as the Dorchester and Hyatt. Differentiation through service quality, exclusivity, and unique offerings becomes crucial in maintaining a competitive edge.

Analysing the competitive forces using Porter's Five Forces Model (2008) for the Ibis Hotel chain, a globally recognised brand operating in the budget hospitality segment:

1. Threat of New Entrants:

While the initial investment for establishing budget hotels may be lower compared to luxury hotels, establishing a globally recognised brand, and maintaining consistent service quality poses a challenge. Existing brands like Ibis benefit from economies of scale and established market presence, acting as barriers to new entrants.

2. Bargaining Power of Buyers (Customers):

While there are alternatives available, the differentiation among budget hotels may not be as pronounced as in the luxury segment. Customers seek cost-effective and reliable accommodation, but loyalty to a specific brand may be influenced by factors such as location, price, and service quality.

3. Bargaining Power of Suppliers:

While the standardisation of services in this segment allows for negotiation with suppliers, established hotel chains like Ibis with a global presence can leverage their scale to negotiate favourable terms. However, specific local requirements may lead to moderate bargaining power in certain regions.

4. Threat of Substitute Products or Services:

Budget hotels face competition from alternative accommodation options such as hostels, guesthouses, and short-term rentals. While these alternatives may appeal to budget-conscious travellers, Ibis's brand recognition and standardised services contribute to differentiating itself from substitutes.

5. Intensity of Competitive Rivalry:

Numerous hotel chains operate in this space, and differentiation is often challenging based on price alone.

