

**Management & Organisational Behaviour
BMIH5004**

Hyatt Hotel Group audit case study

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Executive Summary

Based on the current mapping of the Hyatt Hotel Corporation, the author examined the possibilities, development, and goals of the company. Hyatt has a lot of activities in different parts of the world for lovers of luxury vacations, and it is ahead of its competitors in the market.

The document introduces what Hyatt focuses on when working and what is the secret of its success. The company works structurally, thus striving for sustainability and growth, continuous expansion. The purpose of the audit is to identify the capabilities, capabilities, and weaknesses of the Hyatt group. Its current plans and expansion are in addition to the well-thought-out business strategy.

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1. Introduction

Hyatt Hotel Group is a global hospitality chain who owns hundreds of Hotels, Resorts, and vacation residences to provide first class experience for Guests satisfaction. Hyatt Hotels working on the luxury segment market with a wide selection brand, Hyatt operates 28 brands and owns hundreds of hotels. In their portfolio introduces inclusive, boundless, timeless, and independent collection to attract those people who is financially able to afford niche type vacation or business travels. Therefore, Hyatt attract both business and leisure type guest and build on the revenue of accommodation, food and beverage and related leisure services and activities. The Company's offering includes brands in the Timeless Collection, some example: Park Hyatt, Grand Hyatt, Hyatt Regency, Hyatt, Hyatt Residence Club; the Boundless Collection, including Miraval, Alila, Andaz, Thompson Hotels and many others; the Independent Collection, some example The Unbound Collection by Hyatt, Destination by Hyatt; and the Inclusive Collection, for example Hyatt Ziva; Wellness & Spa Resorts, Secrets Resorts & Spas, Breathless Resorts & Spas, Dreams Resorts & Spas, and many more. Subsidiaries of the Company operate the World of Hyatt loyalty program, vacations and destination management services, and Trisept Solutions technology services. (Word of HYATT, 2024)

In many cases, the great strength of the Hyatt group is that they can be reached in many places around the world and provide the usual high-quality service. Food and drinks are offered outside the accommodation and the related services. They are to follow new marker trends and adapt to them both conceptually and technologically. They strictly adhere to the hygiene requirements of the hospitality industry and consider the quality and satisfaction of the market participants to be important. This is also thanks to their unbroken popularity. Due to its size, its weaknesses are due to global penetration, its market share compared to its competitors is

limited, both domestically and visually, which can be a disadvantage. To eliminate this, it operates membership rewards and customer loyalty programs. He tries to train, motivate and retain his employees. During its expansion, the shareholder will continue to grow from the market and achieve the highest possible utilization. The threats as competitors better price strategy of room facilities offered for customer can be real. Also due for Hyatt's location related, as they operate different continents, and countries. Economic, political factor, environmental (war, taxes, legislations...) can be external factors with negative on business.

The Hyatt was growing different brands direction almost every year between 2016-2019. The properties are all differently styled but all like gems of Hyatt. Since massive brand growing Caption by Hyatt joined the Corporation to influence Hyatt lifestyle experience. In demand for lifestyle and boutique hotels, added the renowned Thompson Hotels, JdV by Hyatt, Destination by Hyatt, and Alila brands. To increase wellbeing experience seekers options Hyatt expands its commitment to care with the acquisition of Miraval Group, famous provider of wellness experiences.

Hyatt offers new opportunity for developers seeking flexibility with The Unbound Collection by Hyatt. All participant Hotels profits from the name of Hyatt franchise system

Apple Leisure Group joined the Hyatt Group in 2021 also addition to their portfolio with the Inclusive Collection brands, including Secrets Resorts & Spas, Dreams Resorts & Spas, Breathless Resorts & Spas, Zoëtry Wellness & Spa Resorts, Alua Hotels & Resorts, and Sunscape Resorts & Spas. (HYATT Development History, 2024)

2. Discussion

Strengths and difficulties

Covid Sars was made impact on Hyatt facilities, (Reuters, 2021) however the recovery of industry was seriously affected Hyatt stated positive thought to retain and rebuild the travel business. (CNBC, 2021)

The name Hyatt should represent a quality in the market in terms of brand loyalty and unity. This is ensured by the franchise agreement. For individual hotels, they make it possible for the affiliate to use the hotel system in exchange for a fee, and they provide support and recognition. This is a great opportunity for the HYATT group to quickly and safely increase revenue and increase the number of rooms. Part of the Hyatt strategy is the 'Word of Hyatt' loyalty program, the goal of which is to reward and attract existing guests. Even in the case that the choice of the Hyatt market represents luxury relaxation, and the basis is that they focus on the quality of impeccable service, they would like to consider the additional unique needs of the market with maximum concentration on the customers.

Hyatt Hotels operate in a very competitive market where interested parties can choose from many similarly comfortable accommodations. Based on these, it must ensure its market stability, which it supports with the following steps, builds a strong and credible portfolio, the segments of the market it selects offer a selection based on needs. Thanks to his experience, he satisfies his customers by meeting the highest expectations. He interprets their needs and ensures the standard continuously within the franchise system, regardless of location. Thirdly, due to the organization's global reach, it is very important to retain loyal customers, which you must maintain with reliable and continuous customer service.

The Hyatt's Hotels are mainly franchised or managed facilities, the operations have focused on asset-light approach has allowed the business to reduce its investments, improve growth in

brands, and create higher revenue. Therefore, to the successful aspects to an asset-light business model, they continued market share growth in the luxury segment. (Seeking Alpha, 2023)

The strength of a Hyatt is based on fair loyalty and brand recognition. Their success is well proven by the fact that under the current leadership of Hyatt Hotels Corporation, it has announced that 35 new hotels are expected to open by 2025. In addition to Europe, America and the Caribbean, the growth of the business is also aimed at half of Asia. The programs introduced to attract the Hotels are collection points for the members, which can be redeemed for a free night. The well-being program, the importance of sleep (Australia, New Zealand), providing adventure travel programs (culinary masterclass, on site tattoo studio) as part of "Be Like No One's Watching" campaign are also factors that increase interest. and many more. (Newsroom HYATT, 2023) Another project is the introduction of the Dream Hotel Group's lifestyle hotels to expand the portfolio. (Skift, 22nd January 2023)

Hyatt Hotel Corporation is a franchise formula operating in many continents and countries. Its operational history and creed must be applicable to all locations. During their operation, they must consider various religious, economic, legal and cultural as well as environmental protection rules. (BSR, 2021)

Hyatt is offering all-Inclusive resorts all around the world, they present one of the largest portfolios of luxury all-inclusive resorts products designed to deliver the highest level of luxury leisure all-inclusive service and amenities. The name of this brand is Secrets Impression Resorts & Spas. Their style of boutique concept is for adults-only havens customer focused and personalized experiences, for example butler service and exclusive gastronomy designed to meet expectations and above. Hyatt Place and nearly 130 Hyatt House properties are the

most popular choice for travellers staying long or short as a family, leisure, or business purposes. They are found in top travel destinations across the globe, these properties continue to extend their customer base to attract leisure travellers and families looking for relaxing, seamless hotel experiences. Travelers staying at Hyatt House hotels globally can make themselves at home. Hyatt Place and Hyatt House properties globally growing the following years including in the U.S. and Canada, also in 2023 the brands are expanded to their international market in Guyana and Estonia. (Business Wire, 2023)

The estimated business growth is positive and contagious for 2024 as they are strong and stable on the competitive market as Hyatt stated. (Business Travel News, 2023)

In the report of Hyatt Hotel Corporation 2023 is introducing as a caring business about people, planet, and responsible company. Raising their voice for importance of environmental and social impact inactivity's, including the aim to use more renewable energy and control travel traffic effect on industry. It is the new super trendy and essential step to talk about environmental topics, problems, and solutions. Not just engage customers but train them as employees, hotel owners, investors, the whole community. They announced their environment responsible vision commitments. The main steps by 2030 is to waste management, water usage control, renewable energy against climate change and supporting responsible sourcing. The purpose of the INSPRIT Mentoring program was created to empower and increase the female workers number in the business in the name of equity. It is not just care about employees but respect human rights too. Hyatt put control on their supplier and their partners, they think is important to support and expand Black suppliers or women owned suppliers to "play in the games". Their support is a racial equity step. Within the 2025 Change Start Here campaign Hyatt expands the spectrum toward them. (Lodging Magazine, 2023)

The new programs by Hyatt also supporting human traffic victims. Lots of the Hyatt hotels are operating in Middle America or Asian locations where is still everyday problem the modern slavery and human traffic. Hyatt's still currently working as a sustainable business the reduce carbon usage and support greenhouse gas emission reduction. (Travelpulse, 2022)

Company believes and strategy

The Hyatt company strategy is based on a classic mix of luxury services blended with authentic high expectations of catering and accommodation. They believe in well trained and appreciated staff. The services are premium priced targeted groups are business and upper-class individuals or families, from teenager to elderly people. Presence of the Hotels are worldwide available mainly located in city centres or seaside near nature and lots of relaxing greens. Marketing wise Hyatt use promotions as marketing strategy, they present online platforms and collaborate with influencers. Word of mouth and status symbols factors also increasing the interest after them. Mobile app for Hyatt was also developed to catch tech based interested customers attention. (MBA Skool, 2024)

Organization structure and operations

Hyatt Hotels Corporation has a hybrid organizational structure, that is a combination of both a functional and a divisional structure. To manage the Hotels worldwide this structure allows to efficiently manage and maintain clear operation.

At the corporate level, each department is responsible for specific tasks, functions. This practice is a functional organizational structure. Various corporate tasks as finance, marketing, human resources, legal, and operations, are break into departments. Because of wide geographic region Hyatt Hotels and resorts operates as semi-autonomous unit, each brand has

distinct leaderships overseeing day to day operation. Main geographic areas are Americas, Asia Pacific, Europe, Middle East and Africa. The businesses services and operation depend on the local opportunities, wants and needs of the customers. (Origami, 2024)

Current performance and development

Because of constant strong market growth in the Americas Hyatt's announced to separate operations for United States and Canada market (Africa Hotel Report, 2023) and Latin-America and Caribbean. This step allows to provide more specific operations regarding the personalisation due local specialisation. Dedicated focus on luxury all-inclusive subregions brings the hope for more frequent growth of the market. (Journal des Palaces, 2024)

Hangzhou Trade and Tourism Group, Zhejiang Dragon Hotel Management Group Co., Ltd (“The Dragon Group”) and Hyatt Hotels Corporation announced their cooperation agreement. The aims to expand of hotels under Hyatt’s Independent Collection in Asia and foster the development of The Dragon Group and its hotels. This collaboration is a groundbreaking approach – including the blend of local businesses with the luxury brand portfolio, potentially available worldwide loyalty program of an international group for customers. The Dragon Groups experience on Chinese-oriented hospitality market, bring of local experience and market presence to this strategic agreement. This approach sets the stage for Hyatt's to expand its brand throughout China. As expertise Hyatt's can open new market in front customers, growth in portfolio, learn about and teach to Chinese-oriented hospitality. The collaboration with local expert The Dragon Group can bring new to both businesses table.

(Newsroom HYATT, 2024)

Hyatt is a leading indicator of corporate travel; the company sees a revival as business travel recovered after pandemic season. Their practice is to offer all-inclusive corporate meetings also

on market, and long-term strategy is continued as asset-light model. The numbers of net income in revenue, net room growth and portfolio expanded. Significantly Hyatt shows sustaining performance in the past years to nowadays. (Skift, 3rd August 2023)

Hyatt as sustainable business, goals and aims

Hyatt take responsibility for water conservation, waste management, energy consumption, take care about the planet, care about to protect thriving destinations. Fighting for equality, diversity, human rights, against human trafficking and stands next to community and colleagues' education, and also wellbeing. Following steps for responsible sourcing, support cooperation with businesses owned by women, or racial owner, also LGBTQ owned or managed partners without discrimination. Performing charity and volunteerism. (HYATT World of Care, 2024)

Hyatt's focusing on Americas market expand through 2025, the last five years Hyatt's doubled the number of luxury rooms, and triples the number of resort rooms and quadrupled the number of lifestyle rooms. With this insane growth they are maintaining the market position and reaching stabilisation. (Yahoo! Finance, 2024)

3. Conclusion

The leadership, strategy and goals of the Hyatt Hotel Corporation are well defined and sustainable. The company's goals meet today's requirements, such as environmental awareness and equality, for example, they are on the agenda in the current industry. The good thing about the expansion and secure footing is its deals, which Hyatt recognized brilliantly. With

continuous expansion and the opening of new hotels, they are conquering new markets and more territory, thereby providing guests with Hyatt vacation services in almost any part of the world.

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Appendix



(Picture 1 – Hyatt 2024 logo)



(Picture 2 – Hyatt Regency logo, pride edition)