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1.0 EXECUTIVE SUMMARY

The purpose of this report is to provide a situational analysis for an international hotel group operating multiple brands. Hence, Marriott International has been chosen for the purpose of this report. The frameworks that will be utilized are PESTEL, SWOT, McKinsey's 7S and Porter's 5 Forces. This report will first provide a brief introduction on COVID-19 and Marriott International before analyzing the frameworks. Lastly, this report will provide recommendations for Marriott that might be beneficial for the company. Throughout this report, only credible articles and websites will be used to support the frameworks being analyzed in this report.

2.0 INTRODUCTION

The purpose of this report is to critically analyze Marriott International's current and future external and internal environments in response to the COVID-19 pandemic.

“The coronavirus disease 2019 (COVID-19) is an infectious disease caused by the SARS-CoV-2 coronavirus that primarily affects the respiratory system, resulting in interstitial pneumonia and acute respiratory distress syndrome, among other symptoms” (Rudrapal et al., 2020). Because of the Covid-19 outbreak, the world's economy came to a grinding halt almost immediately (UNWTO, 2020). Amongst other things, the pandemic has presented a historically unprecedented challenge to the hospitality industry.

Attempts to flatten the COVID-19 curve through measures such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in the temporary closure of many hospitality businesses and a significant decrease in demand for businesses that were allowed to continue to operate in the meantime (Bartik et al., 2020). Travel restrictions imposed by the authorities, as well as stay-at-home orders issued by the authorities, resulted in a significant drop in hotel occupancy and income (Gursoy et al., 2020).

While the hotel sector is progressively regaining its footing, the COVID-19 problem continues to have a significant influence on the way companies in the industry conduct their operations. According to Gössling et al. (2020), it is expected that the hospitality industry will make significant changes to its operations in the COVID-19 business environment in order to ensure the health and safety of employees and customers, as well as to increase the willingness of customers to patronize their establishment.

Marriott International is not an exception to this issue. A number of Marriott International hotels have been forced to temporarily suspend operations, with at least one verified permanent closure. Because of the large number of activities done by the firm during these unique times, it has demonstrated its strong commitment to its visitors as well as its employees (Pinedo, 2020).

Founded in 1927 by J. Wiliard Marriot and Alice Sheets Marriott in Bethesda, Maryland, Marriott International is the world's largest hotel corporation. Marriott International, Inc. is a hospitality company that operates and franchises hotels, residential areas, and timeshare properties worldwide. It does business through the following business divisions: Full-service North America, limited-service North America, Asia Pacific, and other international are the options available. The North American Full-Service category is comprised of luxury and premium brands that are based in the United States and Canada, respectively. The North American Limited-Service section is comprised of a small number of properties in the United States and Canada. The Asia Pacific region is the focus of the section, which includes all brand tiers in the area. The Other International section includes the company's holdings throughout the Caribbean and Latin America, Europe, and the Middle East and Africa (Forbes).

Providing the most comprehensive portfolio in the business, the company's 30 brands and 7,000+ properties in 131 countries and territories provide people with greater opportunities to interact, explore, and broaden their horizons across the world (Marriott).

3.0 PESTEL ANALYSIS ON MARRIOTT INTERNATIONAL

Known as PESTLE analysis because it is comprised of the initials of the six categories of macroeconomic variables included in the model, which are Political, Economic, Socio-cultural, Technological Legal, and Environmental (Alanzi, 2018). The economic and technological aspects will be the only topics covered in this report.

Using the model, business owners and managers may identify the macroeconomic elements that should be taken into consideration while planning the future of their company (Alanzi, 2018).

3.1 ECONOMIC FACTORS

In the hospitality industry, the economic situation has an impact on the segmentation and targeting methods. Depending on the economic circumstances of the individuals staying at the hotel, there are several sorts of accommodations available, including luxury hotels, boutique hotels, and budget hotels (Rahman, 2021).

For Marriott International, this hotel chain provides luxury hotels like Ritz Carlton and St. Regis. Hence, the economic environment would need to thrive in order for Marriott International to sustain in their business. This would take into consideration the economic factors such as employment and recessions.

In terms of employment rates, it has declined slightly due to COVID-19. For example, the employment rate in the United Kingdom was projected to be 75.4%, which is 1.1 percentage points lower than it was before to the coronavirus outbreak (Watson, 2021).

In terms of recessions, Rahman (2021) mentioned that recessions and other economic difficulties have an influence on people's decision to stay at a certain hotel. In this case, the COVID-19 pandemic does have an impact towards Marriott International. For example, because of travel and social restrictions to handle the spread of the pandemic, the number of tourists has declined drastically especially during the early stage of COVID-19. Currently, most countries have lifted the travel restrictions and so the number of tourists has increased slightly.

3.2 TECHNOLOGICAL FACTORS

Hotels employ technology in a variety of ways to improve the service they provide to their customers. For example, practically all hotels are now utilizing social media to communicate with their present and prospective clients. In turn, they are able to lower their advertising expenses while also interacting with clients in real time.

For Marriott International, several measures have been taken in order to combat the spread of COVID-19 and to ensure the staffs' and customers' health. For example, customers can utilize the Marriott Bonvoy mobile application to check-in and key as well as request any kinds of service from the hotel. Not only is this convenient for customers, but this reduces contact between staffs and customers as well (Marriott).

Aside from that, Marriott established M Live. It serves as a command centre from which social media professionals keep track of the brand's visibility across numerous platforms. When a visitor tweets about a positive experience while staying at a Marriott hotel, a M Live staff member may be able to do something extra to make a difference in that guest's overall experience. For example, the guest may be treated to a drink at the pool, or the team might throw an impromptu party in the hotel lobby. It is specific to the guest and relevant to his or her interests (SocialTables).

4.0 SWOT ANALYSIS ON MARRIOTT INTERNATIONAL

As a strategic planning technique, SWOT Analysis evaluates the strengths, weaknesses, opportunities and threats (SWOT) of a project or any other circumstance that necessitates a decision (Hay & Castilla, 2006). The sole component that will be discussed in this report is the strengths aspects of the company.

4.1 STRENGTHS OF MARRIOTT INTERNATIONAL

In conjunction with Marriott's agreement with Alibaba, guests will be able to reserve their hotel rooms on the e-commerce site without having to make a deposit of money. Because of partnerships and collaborations with important platforms throughout the world, the hotel brand has achieved a competitive edge in the hotel and restaurant market. Shaw et al. 2021)

Marriott was ranked 157th on the Fortune 500 list for the year 2020, according on the company's financial performance. It has retained its position as the dominant force for the previous two decades. As a result of the COVID-19 pandemic, it has dropped from 151st to 152nd in the world rankings since January 2019. Shaw et al. 2021)

Rooms for Responders, a new programme supported by Marriott International with a total of \$10 million in hotel stays, is made possible by the company's global network and presence in a number of locations. Healthcare personnel who are combating the COVID-19 pandemic in cities such as New York, New Orleans, Chicago, and Los Angeles will be provided with free housing in these cities. If physicians and nurses need a place to stay near a hospital or if they need to be away from family members for their own safety, Marriott can provide them with a solution. These brave individuals do so in order to assist those who have selflessly supported us throughout this crisis: the heroes of frontline healthcare (Pinedo, 2020).

5.0 MCKINSEY'S 7S FRAMEWORK ANALYSIS ON MARRIOTT INTERNATIONAL

Organizational performance can be evaluated using the McKinsey's 7s model, which managers and businesses can utilize (Harvey, 2020). According to the McKinsey 7s model, organizations must concentrate on and align seven important variables in order to accomplish successful change management and consistent performance increases over time (Harvey, 2020). The seven components include strategy, structure, systems, shared values and style, as well as staffs and skills. For the purposes of this report, only the skills component will be discussed.

5.1 SKILLS

Marriott International's personnel are highly skilled and capable, which is a testament to the company's success. All employees are hired on the basis of their qualifications and qualities. All of Marriott International's job criteria have been met, and employees have the requisite abilities to carry out their tasks in line with the company's values and culture, business objectives, and overall strategy, according to Marriott International (Pinedo, 2020). Additional training and seminars are offered to its employees on a regular basis, both domestically and globally (Pinedo, 2020).

An investment in the personal and professional development of Marriott International's 2500-strong workforce has just been started as part of the company's commitment to investing in its employees (Hogan, 2022). Because of the pandemic's impact on labour and skill shortages, many in the hospitality industry have had difficulties attracting and maintaining top talent. This programme, named FlexiFutures, and its effort attempts to reverse that (Hogan, 2022).

6.0 PORTER'S 5 FORCES ANALYSIS ON MARRIOTT INTERNATIONAL

When doing a Porter Five Forces Analysis, it is important to consider both the company's competitive environment as well as the characteristics that affect its industry. The analysis evaluates the company's position in the market based on criteria such as new entrants, substitutes, bargaining power of buyers, bargaining power of suppliers, and competitive rivalry (MBASchool). This report, on the other hand, will only be concerned with the threats posed by new entrants.

6.1 THREATS OF NEW ENTRANTS

As a well-known brand in the hospitality industry, Marriott International operates one of the world's most extensive hotel chains, with a total of more than 4,000 locations. New competitors would pose less of a threat to Marriott's existing business model. With Marriott International, customers have the option to choose from a varied range of luxury hotels, resorts, and business accommodations. When establishing a business of this sort, a company will require a significant amount of capital to finance infrastructure and marketing efforts (MBASchool).

A shift in corporate practises has also emerged as a result of the COVID-19 pandemic, which was brought about by the pandemic. This might be a huge blow for the industry because its primary customers were organizations that frequently sent employees to these hotels while on business trips. Apart from that, international companies intending to set up hotel operations in other nations may be confronted with an array of restrictions and laws. In short, a newly built five-star hotel would have substantial problems in building an enthusiastic following of customers (MBASchool).

7.0 RECOMMENDATIONS

First and foremost, it is recommended that Marriott International expand its hotel portfolio to provide accommodations for middle-class customers. It is anticipated that this course of action will broaden the organization's target market, hence boosting sales and revenue for the company. Since the majority of countries have lifted travel restrictions, Marriott International would have a fantastic chance to put this plan into effect as the number of tourists begins to rise. In addition, this is a great course of action because since Marriott International is a famous hotel chain company, middle-class customers would now be able to experience staying with one of Marriott's hotels at an affordable price.

Furthermore, it recommended improve its social media marketing. This is because due to the COVID-19 pandemic, most organizations including Marriott International utilize social media for marketing purpose. This is a wise course of action as in today's time and age, social media is the most active place especially during COVID-19 because everyone stays at home and constantly on their mobile phones. Currently, the most active social media platforms are Facebook and YouTube (Lua, 2022).

8.0 CONCLUSION

In conclusion, the situational analysis being covered in this report are PESTEL, SWOT, McKinsey's 7S Framework and Porter's 5 Forces. By conducting this analysis, Marriott International is able to become aware with the situation and adapt to it. In this report, it can be seen that the economic factors affecting Marriott the most the current recession which is COVID-19. It can also apparent that the took advantage of technology by creating the Marriott Bonvoy application and M Live.

Moreover, with the SWOT analysis, it is evident that Marriott International had a collaboration with Alibaba besides implementing the Room for Responders' Programme. Also, Marriott International organized the FlexFutures Programme during the pandemic in order to address the labour and skill shortages problem. Lastly, with Porter's 5 Forces analysis, it can be seen that Marriott International will most likely not to face threats from new entrants.

Additionally, Marriott International should provide accommodations which middle-class customers can afford and improve its social media marketing.

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